

[Shri B. S. Murthy]

February, 1965, making certain amendments to the Kerala Panchayats (Slaughter House and Meat Stall) Rules, 1964.

(ii) S.F.O. 153/65 published in Kerala Gazette dated the 6th April, 1965 making a certain amendment to the Kerala Panchayats (Disposal of unclaimed deal bodies) Rules, 1964. [Placed in Library. See No. LT-4676/65].

**FOOD CORPORATIONS (AMENDMENT)  
RULES, 1965.**

**The Deputy Minister in the Ministry of Food and Agriculture (Shri D. R. Chavan):** I beg to lay on the Table a copy of the Food Corporations (Amendment) Rules, 1965, published in Notification No. G.S.R. 1144 dated the 3rd August 1965, under sub-section (3) of section 44 of the Food Corporations Act, 1964. [Placed in Library. See No. LT-4677/65].

**ANNUAL ACCOUNTS OF THE KHADI  
AND VILLAGE INDUSTRIES COMMISSION  
FOR THE YEAR 1963-64 TOGETHER WITH  
THE AUDIT REPORT THEREON.**

**The Deputy Minister in the Ministry of Law (Shri Jaganatha Rao):** I beg to lay on the Table a copy of Annual Accounts of the Khadi and Village Industries Commission for the year 1963-64 along with the Audit Report thereon, under sub-section (4) of section 23 of the Khadi and Village Industries Commission Act, 1956. [Placed in Library. See No. LT-4678/65].

12.53 hrs.

**DEMANDS FOR SUPPLEMENTARY  
GRANTS (RAILWAYS),  
1965-66.**

**The Minister of Railways (Shri S. K. Patil):** I beg to present a State-

ment showing Supplementary Demands for Grants in respect of the Budget (Railways) for 1965-66.

**GOVERNMENT (LIABILITY IN  
TORT) BILL\***

**The Deputy Minister in the Ministry of Law (Shri Jaganatha Rao):** I chayan (DDisposal of unclaimed a Bill to define and amend the law with respect to the liability of the Government in tort and to provide for certain matters connected therewith.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill to define and amend the law with respect to the liability of the Government in tort and to provide for certain matters connected therewith."

*The motion was adopted.*

**Shri Jaganatha Rao:** I introduce the Bill.

**FINANCE (No. 2) BILL, 1965—  
contd.**

**Mr. Speaker:** The House will now take up further consideration of the following motion moved by Shri T. T. Krishnamachari on the 30th August, 1965, namely:—

"That the Bill further to amend certain laws relating to direct taxes, to provide for voluntary disclosure of income, to increase or modify duties of customs on certain goods imported into India and to increase or modify and to impose duties of excise on certain goods produced or manufactured in India, be taken into consideration."

\*Published in Gazette of India Extraordinary, Part II, section 2, dater 31-8-65.

Shrimati Renuka Ray may continue her speech.

**Shrimati Renuka Ray (Malda):** Yesterday I was saying that, although these import duties were meant to avoid deficit financing, there was likelihood of some amount of price rise. I do feel that it is necessary for us at this stage to give a very careful consideration and scrutiny to the cost of production and the price structure of some of the commodities, so that we can come to a better appraisal of how to prevent rise in prices. There are two things that I must say in this connection. One is, as I mentioned on an earlier occasion, to encourage import substitutions by indigenous products. To that extent it is a very good measure, although there should earlier have been some attempt to find out what kind of import substitutions were possible. I know that a Committee has been appointed under Dr. V. K. R. V. Rao for this purpose recently. The other point is the development rebate as an instrument through which an attempt has at least been made as a beginning to give priority to certain industries; that also is a good outcome. There are many other measures which could be taken. One of these is tightening up of credit by the Reserve Bank. I think a great deal more can be done in this connection. For instance, in 1960-61, clean advances—advances without securities—from the Reserve Bank were Rs. 181.3 crores. The preliminary estimates now show that they have gone up to Rs. 300 crores. I know that we are going to take measures, but it is a pity that they have gone up in this manner to squeeze credit. Clean advances from banks may not be the only way by which money goes into the hands of those who are hoarding foodgrains, but it is one of the ways along with unaccounted money. It is something on which we have to take very special measures and I am very glad that the Finance Minister is putting his mind to it.

I now turn to a very important matter which, I consider, is the es-

sence of our entire price structure, i.e., our not having a precise food policy in the country. Everybody knows that the price of foodgrains has a great deal to do with the prices of all commodities. Whereas in a developing economy price-rise cannot be prevented, yet I think on such an important matter as foodgrains, we should have, by now, evolved a better policy than what we have done so far. First of all, Sir, in regard to food policy I find that we seem to believe in a different system of compilation of prices. There is one price for coal throughout the country; there is one price for steel throughout the country; but in regard to food, somehow we do not seem to reach any such satisfactory conclusion. I do feel that there is need to do away with this single State Zone system which is today playing havoc in the country. I can understand that areas of high purchasing power might act as a dragnet and take away the foodgrains from the rural areas. That can satisfactorily be met, as has been suggested in many conferences that have been held, by the introduction of statutory rationing not only in the city of Calcutta, where it has been an outstanding success, but also in other cities and towns and in industrial areas. If all these areas are cordoned off, I am quite sure that a free flow of foodgrains would help the primary producer even in the surplus States and be a check on hoarding activities. I am quite sure that this is a matter which needs not only the consideration of the Food Minister but also of the Finance Minister, as he is making a valiant attempt to keep the prices within some kind of check. That will not be possible unless we have a firm and positive policy on food.

13 hrs.

Just a little while ago, we saw a great uproar in the House arising out of an observation made by the Food Minister that certain political considerations also had been introduced in the matter. Apart from that, the

[Shrimati Renuka Ray]

real considerations are also there, namely the tremendous profits that are being made by unscrupulous dealers, and by unscrupulous middlemen and hoarders at a time of deficit which is most contradictorily a time of very good harvest also. So, it does mean that we must look into it.

Very recently, I toured the interior of Malda, and I have seen how this district and some others in West Bengal also are facing very acute conditions of shortage. But there is one thing that I want to mention which arises out of the discussion that has just taken place. While Government are being assailed very much for the tremendous pressure that is being created because of the food shortage, we forget how different the position is today in the country than what it was in 1943 when thousands of people died like rats without a murmur in Bengal. Today if there is great demand, and a great clamour and there is pressure on account of that, it has been brought about by the actions of this Government and the party behind it. It is with an exhilarating feeling that one goes down to the remote areas in the districts and finds that the people are conscious and that the pattern of consumption has changed to such a great extent that it has put a great pressure on us. That is a pressure which we shall have to meet, and we shall have to find a solution to this position. But it is pressure brought about because of the consciousness created by this Government and the party behind it.

Having spoken about food, the next point that I would like to stress is in regard to the administrative structure as I think performance and implementation is a very relevant subject in our present economic predicament. I was very glad to find at last an announcement by the Prime Minister at the conclusion of the debate on the no-confidence motion that he felt that the administrative structure needed change and had to be overhauled and for that purpose a

commission would be appointed. Years back when I came back to this House, I did so with a definite and positive purpose of placing before Government one particular idea, and I did place it before the House on many occasions, namely that unless we had a complete overhauling of the administrative structure in a drastic way, it could not possibly meet the needs of a developing economy, and that all our energies and all the efforts that we were putting forth would come to nought because of the lack of a proper administrative structure. I am glad that something is at least going to be done to deal with this matter.

The Finance Minister mentioned something about cuts in expenditure, while he was intervening in the debate on the no-confidence motion, and he said that he was sorry that no one had mentioned anything about cuts in expenditure, which was one of the ways of preventing deficit financing. I would personally prefer the phrase 'Economy with Efficiency' which is the watchword of the Committee on Plan Project under the Planning Commission, rather than mere cuts in expenditure. Sometimes, the idea of cuts in expenditure gives one the impression that cuts might take place even in some very important arenas, important so far as the services, the building of the human material, are concerned but not always so important to those who have a narrow outlook. I do not say that today the narrow outlook still persists in the Government, or in the administration to the same extent, but I think prejudices do die hard, and, therefore, I would like to suggest that it is efficiency with economy which could be brought about in administration. There are scores of reports on this matter already. I myself was the leader of a team which had made certain recommendations to Government, but Government have a habit of selecting only a certain number of recommendations for implementation they

find convenient, while they do not implement the rest, with the result that the efficiency with economy which we had suggested has not actually taken place.

I am sure that if the Finance Minister would go through some of these reports which have been produced after a great deal of thought and labour by those who have gone round the country, he will find that there are many arenas where—I would not use the phrase 'cuts in expenditure'—a great deal could be done for the purposes of economy with efficiency and better performance.

There is one other point that I want to make in regard to unaccounted money, in regard to which some further relaxation is suggested. I do feel that in spite of the further relaxations, the results are going to be very negligible as in the past. I have not the time to go into details. But I would like to ask whether the Finance Minister really feels that this relaxation by six months and the concession of payment by instalments is going to bring about better results. Will it not be the position that those who now look at these relaxations may think that further concessions might be given to them if they wait? I do not say it, far from the point of ethical view of considerations, about which I hold a very positive view, but I think that this is not going to give us much results, even on practical considerations.

Then, there are very disturbing accounts and reports about under-invoicing and over-invoicing in the country, of which I am sure the hon. Minister and his Ministry are well aware. But what is worse is the fact that there are some rumours throughout the country regarding the import entitlements and the manner in which it is being exploited not only by the business community amongst whom, of course, there are some to exploit it, but even by some of the inspectors appointed by Government on whom the customs authorities rely. I

would ask the Finance Minister to have a probe into this matter and take drastic steps to stop these things even if it be that some officers of a sister Ministry might be involved in it.

In conclusion, I would like to submit that we are up against an insistent demand in the country. I think it was my hon. friend Shrimati Tarkeshwari Sinha who said something about the State Governments in this connection. I should like to join issue with her on this point. The State Governments are nearer the people and they face the demands of the people even more than here, and naturally if they find it difficult to effect cuts in expenditure, it may not be because they want to be perverse but because the conditions in the country being what they are, and the demand of the people being what it is, it is not easy to bring about cuts, except cuts which bring about better performance and better administration. Is it possible for us today to sit by the wayside and call for Plan holidays or to take steps to delay the pressure of the insistent demand? That cannot be possible and that cannot be done. We have embarked on a great adventure, the adventure of building up a socialist State on democratic lines. We are running up against the greatest of difficulties today, no doubt, and we are facing very challenging times, and the Finance Minister has had to take calculated risks. But I am quite sure that if we face up to the situation squarely, although this seems to be a very dark hour, it will prove to be the darkest hour before the dawn.

With these words, I support the Finance Bill.

श्री किशन पटनायक (सम्बलपुर) :  
अध्यक्ष महोदय, बीपी योजना के सम्बन्ध में पिछले दिनों एक बड़ी बहस खड़ी हो गई थी और वह बहस थी कि बीपी योजना का सच्य पूरा करने के लिए 18,000 करोड़

[श्री किशन पटनायक]

का व्यय होगा या 21,500 करोड़ रुपये का व्यय होगा ? यह बहस बहुत ही बेमतलब थी और जनता के साथ मजाक था। यह सरकार के दिमागी दिवालियेपन का एक शानदार सबूत था कि चौथी योजना में खर्चा कितना होगा, 18,000 करोड़ या या 21,500 करोड़? अगर इस बात पर बहस होती कि 21,500 करोड़ खर्च करने पर जो लक्ष्य प्राप्त होता, उस लक्ष्य को प्राप्त करने के लिए 18,000 करोड़ भी पर्याप्त हो सकते हैं, तो देश के वित्तीय विचार में, आर्थिक चिन्तन में जरूर एक क्रांति आती। अगर वित्त मंत्री को सदन के सामने कोई चौंकाने वाला प्रस्ताव सदन के सामने लाना था, तो वह इस तरह का प्रस्ताव लाते, जिस से हिन्दुस्तान की जनता में कोई नया विचार गुरु हो जाता कि अपने लक्ष्य प्राप्त करने के लिए हम कम पैसे से भी काम चला सकते हैं—हम कम पैसे से भी ज्यादा लक्ष्य प्राप्त कर सकते हैं।

लेकिन श्री कृष्णमाचारी जैसे मंत्री से इस तरह की क्रांति की उम्मीद करना मेरे लिए हिमाकत ही होगी, क्योंकि श्री कृष्णमाचारी खुद एक व्यापारी हैं। वह कभी कभी इन्कार करते हैं कि मैं व्यापारी हूँ या व्यापारियों से मेरा कोई सम्बन्ध है। दूसरा कोई सम्बन्ध हो या न हो, लेकिन शायद वह यह मना नहीं करेंगे कि अगर वह खुद व्यापारी नहीं हैं, तो व्यापारियों के बाप जरूर हैं।

इस देश में व्यापारी भ्रष्टाचार को कैसे खत्म किया जा सकता है, जब कि एक सरकारी उद्योग—ड्राबनकोर कैमिकल्स लिमिटेड—के एच-माव सैलिंग एजेंट है टी० टी० कृष्णमाचारी एंड को। उन के नाम से जो कंपनी है, जिस को उन के बेटे चलाते हैं, उस को एक सरकारी उद्योग का सोल सैलिंग एजेंट बनाना कहाँ तक मुनासिब है और इस से देश में वित्तीय

भ्रष्टाचार बढ़ेगा या खत्म होगा, यह कोई बहस की बात नहीं है।

अध्यक्ष महोदय : वे सोल सैलिंग एजेंट कब बने हैं ?

श्री किशन पटनायक : वे हैं अब।

अध्यक्ष महोदय : वे कब बने हैं?—श्री कृष्णमाचारी के मिनिस्टर बनने के पहले या बाद में ?

श्री किशन पटनायक : अभी तो हैं ?

अध्यक्ष महोदय : अगर पहले बने हैं, तो इस का मतलब यह तो नहीं है कि श्री कृष्णमाचारी के मिनिस्टर बनने के बाद वे उस को छोड़ दें।

श्री किशन पटनायक : मैं यह आरोप नहीं लगा रहा हूँ कि श्री कृष्णमाचारी ने उन को बनाया है। मैं यह आरोप लगाना चाहता हूँ कि जब कि श्री कृष्णमाचारी वित्त मंत्री हैं और एक सरकारी उद्योग के सोल सैलिंग एजेंट उन के लड़के हैं, तो यह स्थिति देश के लिए अच्छी नहीं है।

हिन्दुस्तान की वित्त व्यवस्था को दुरुस्त करने का एक अन्य जरूरी कदम यह है कि राज्य सरकारों के पास जो राष्ट्रीय सम्पदा है भूमि, जंगल, खान और बिजली, बगैरह की, क्या उसका ठोक ठोक संरक्षण हो रहा है या नहीं, उस का ठोक ठोक इस्तेमाल हो रहा है या नहीं, उस को उन्नति को जा रहा है या नहीं, इस की जांच होनी चाहिए, क्योंकि राज्य सरकारों के स्तर पर इस वक्त भ्रष्टाचार बहुत ही व्यापक हो गया है और इस भ्रष्टाचार के परिणाम स्वरूप . . . .

श्री हरि बिष्णु क मल : (होशंगाबाद) : यहां भी है—केन्द्रीय सरकार में भी है।

श्री किशन पटनायक : केन्द्र में नो होता ही है, लेकिन इस वक्त मैं राज्यों की तरफ ध्यान खींचना चाहता हूँ कि वहाँ पर राष्ट्रीय सम्पदा का सत्यानाश हो रहा है।

मैं बहुत ज्यादा उदाहरण नहीं देना चाहता हूँ—सिर्फ एक ही राज्य से—राजस्थान से—तीन बार उदाहरण देना चाहता हूँ और इस मकसद से उदाहरण देना चाहता हूँ कि राज्य सरकारों के पास जो वित्त सम्पदा है, जो राष्ट्रीय सम्पत्ति है, उस का संरक्षण नहीं होता है, उस का सत्यानाश होता चला जा रहा है और फिर राज्यों की तरफ से केन्द्र पर बार-बार मांग होती है कि हम को पैसा दो, मदद दो।

13.15 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

राजस्थान के बूंदी जिले में करीब 1200 बीघे जमीन, जो कि सरकारी जमीन थी, राजस्थान के मुख्य मंत्री ने अपने छः रिश्तेदारों के बीच बांट दी। यह 1953-54 की बात है।

**The Minister of Rehabilitation (Shri Tyagi):** On a point of order. He is making personal attacks against some Ministers of a State. Those people are not here. They cannot answer. I therefore suggest that you reconsider whether the hon. Member should be permitted to attack and make allegations of such nature.

श्री किशन पटनायक : बिल्कुल नहीं। मैंने अपना मकसद साफ़ कर दिया है। मैं जो पायंट उठा रहा हूँ, वह यह है कि देश की वित्तीय व्यवस्था को ठीक करने के लिए यह जरूरी है—मेरी तरफ से यह मांग है—कि एक जांच समिति बैठे, जिन का यह काम होगा कि राज्य सरकारों के पास जो राष्ट्रीय सम्पदा है, . . . . .

**Mr. Deputy-Speaker:** You cannot criticise State Ministers who are not here.

श्री किशन पटनायक : मैं स्टेट मिनिस्टर्स को क्विटिमाइव नहीं कर रहा हूँ। इन समय जो स्थिति है, जो सम्पत्ति का सत्यानाश हो रहा है, मैं उस की तरफ वित्त मंत्री का ध्यान खींच रहा हूँ। मैं चाहता हूँ कि जो राज्य सरकारें बार-बार केन्द्र से मदद चाहती हैं, उन को मदद देने से पहले इन सब बातों के बारे में जांच होनी चाहिए। अगर 1200 बीघे सरकारी जमीन को कोई भी मंत्री—चाहे वह राजस्थान का हो, उड़ीसा का हो या केन्द्र का हो—अपने रिश्तेदारों के बीच बांट देता है और उस जमीन में 1953-54 से ले कर 1959 तक खेती नहीं होती है, तो वह देश के लिए कितना बड़ा नुकसान है।

**Shri Tyagi:** I rise on a point of order. An allegation is being made against the Chief Minister of a State. I am not in a position to contradict it because I have no knowledge of it. Therefore, permission to make one-sided allegation when the other party is not here to defend or offer clarification is, in my opinion, not in order.

श्री किशन पटनायक : पायंट घाफ़ प्राइंटर का समय मेरे समय से न काटें।

**Mr. Deputy-Speaker:** You cannot criticise here. They are not represented here.

श्री हरि बिष्णु कायसत : माननीय सदस्य ने किसी का नाम नहीं लिया है।

**Shri Kamalnayan Bajaj (Wardha):** If he has used the name, it must be expunged.

**Shri Kashi Ram Gupta (Alwar):** On a point of order. The allegation has already been made. It has reached the Prime Minister and an inquiry is being made by him. As such, when we are seized of the matter, the allegation can be discussed.

**Shri Tyagi: No.**

**Mr. Deputy-Speaker:** No. Ministers of States cannot be criticised here. We are concerned with the central budget now.

**श्री किशन पटनायक :** मैं किसी को बिल्कुल क्रिटिसाइज नहीं कर रहा हूँ। मदन में इस प्रकार की चर्चा बार-बार हुई है। श्री बीजू पटनायक के बारे में यहां पर इतनी बड़ी बहम हो चुकी है, लेकिन श्री बीजू पटनायक यहां पर उपस्थित नहीं थे और न ही उन के रिप्रेटेदार यहां पर उपस्थित थे।

मैं किसी गवर्नमेंट को क्रिटिसाइज नहीं कर रहा हूँ। मैं तो वित्तीय भ्रष्टाचार की मिसाल दे रहा हूँ। मैं इस बात का उदाहरण दे रहा हूँ कि देश में वित्त का कैसे सत्यानाश हो रहा है।

पानरवा जंगल में 400 वर्ग मील जमीन का ठेका 18,000 रुपये सालाना पर एक धादमी को दे दिया गया है। वह ठेका एक ही धादमी, गुलाम भन्बास, को दिया जा रहा है। अगर सही ढंग से उस ठेके की नीलामी होती, तो दो लाख रुपया सालाना मिलता और दो लाख रुपये के हिसाब से करीब 24 लाख रुपया बारह साल में मिलता, जिस का नुकसान सरकार को हो रहा है।

**एक माननीय सदस्य :** वह धादमी कौन है ?

**एक माननीय सदस्य :** वह कांग्रेस का चीडर है।

**श्री किशन पटनायक :** वह कांग्रेस का चीडर है और सुखाड़िया साहब का किनांशर है। चूँकि मुझ से पूछा गया है, इस लिए मैंने यह कहा है, वरना मैं न कहता।

घब में तीसरी मिसाल दे रहा हूँ। भीलवाड़ा जिले में भ्रष्टक की खानें हैं और

कई भ्रष्टक खानों के स्वामी हैं। इन्होंने निवेदन किया था कि रायलटी कम कर दो। वित्त मंत्री महोदय ने रिसोसिस बढ़ाने की बात फाइनेंस बिल में रखी है। इस हेतु उन्होंने टैक्स लगाये हैं, नए टैक्स लगाये हैं। रिसोसिस बढ़ाने का इतना बड़ा सवाल जब देश के सामने है तब प्राप देखें कि भ्रष्टक की खानों के स्वामियों के निवेदन के ऊपर रायलटीज को कम कर दिया गया। कब कम किया गया है, इसको भी प्राप देखें। 1962 के चुनावों के ठीक पहले। इसका कारण यह था कि 1962 के चुनावों के लिए इन भ्रष्टक खान स्वामियों से पैसा लिया गया था।

**Shri Tyagi:** He is making an allegation that somebody has taken bribe, and again against a Minister. The Minister is not here to reply.

**श्री हरि विष्णु कामत :** नाम नहीं लिया है।

**उपाध्यक्ष महोदय :** घब प्राप खत्म कीजिये।

**श्री किशन पटनायक :** मेरा समय अभी खत्म नहीं हुआ है।

**उपाध्यक्ष महोदय :** प्रापने दस मिनट का लिये हैं।

**श्री किशन पटनायक :** स्पीकर साहब मे घोषणा की थी कि मुझ को 25-25 मिनट मिलेंगे।

**उपाध्यक्ष महोदय :** प्रापकी पार्टी के छः मिनट हैं।

**श्री किशन पटनायक :** चौथा उदाहरण मैं बिजली के बारे में देना चाहता हूँ। मैंने बताया है कि जंगलों का सत्यानाश हो रहा है, जमीन का सत्यानाश हो रहा है, खानों की रायलटी में कमी हो रही है और घब

श्री उदाहरण में बिजली के बारे में देना चाहता हूँ। बिजली जो है.....

**Mr. Deputy-Speaker:** What has that to do with the Finance Bill?

श्री किशन पटनायक : इसका फाइनेंस बिल से सम्बन्ध है। फाइनेंस बिल में यह कहा गया है कि धर्म चाहिये और उस धर्म को हासिल करने के लिये टैक्स लगाये गये हैं लोगों पर।

बिजली की जो योजना है यह केन्द्रीय सरकार बनाती है और बना करके राज्य सरकारों के हाथ में सौंप देती है। उसके बाद देखा गया है कि उस योजना से फायदे के बदले नुकसान पहुंचने लगता है। बेरियम कैमिकल्स लिमिटेड जो कोटा में है, उसके साथ एक करारनामा हुआ है जिस के अनुसार इस कम्पनी को प्रति यूनिट तीन पैसे की दर पर बिजली मिल जाती है। इस कम्पनी का यह दावा है कि श्री मुखाडिया इनके परिवार के एक धारमी हैं।

धर्म में खाल के मामले पर धाता हूँ।

**Shri Kamalnayan Bajaj:** He has again taken the name of Shri Sukhadia and says that the person is related to him and so on. How can we find out those facts in this House? So, the reference to Shri Sukhadia or the Chief Minister of Rajasthan should be expunged.

**Shri Radhelal Vyas (Ujjain):** May I invite your attention to rule 353 which says:

"No allegation of a defamatory or incriminatory nature shall be made by a member against any person.....

— It includes a Minister—

"...unless the member has given previous intimation to the Speaker and also to the Minister concerned so that the Minister

may be able to make an investigation into the matter for the purpose of a reply."

He ought to have given intimation.

**Mr. Deputy-Speaker:** I have told him twice not to bring in the names of persons who are not in the House, and he is still persisting. I will have to ask him to sit down if he persists in that. Please do not mention names of persons who are not in this House.

**Shri Kamalnayan Bajaj:** Will the names he has already mentioned be expunged or not?

**Shri K. N. Tiwary (Bagaha):** On a point of order.

**Mr. Deputy-Speaker:** He is not in his seat. I cannot hear any point of order.

श्री किशन पटनायक : मैं किसी व्यक्ति का नाम लेना बिल्कुल छोड़ देना हूँ क्योंकि आपकी आज्ञा हो गई है। मैं सरकारों का बाजार के बारे में आपका ध्यान खींचना चाहता हूँ। राजस्थान की सरकार ने बने खरीदे.....

**Mr. Deputy-Speaker:** We are not concerned with the Rajasthan Government, we are concerned only with the Central Government. He may say anything about the Central Government.

श्री रघुनाथ सिंह (वागणमी) : यहाँ हमारा केन्द्रीय सरकार से सम्बन्ध है, राजस्थान सरकार से सम्बन्ध नहीं है।

**Shri K. N. Tiwary:** On a point of order. Shri Sukhadia has already explained the whole thing in the Assembly in detail. He has given all the explanations possible. So, why it is referred to here?

**Mr. Deputy-Speaker:** I have already ruled that it is not proper.

**Shri Warior (Trichur):** It is public property, and any Member has the right to refer to it. There is nothing personal about it.

**Mr. Deputy-Speaker:** He cannot refer to persons who are not in this House. There have been many rulings.

श्री किशन पटनायक . किसी का नाम मैं लेने नहीं जा रहा हूँ। मैं यह कहने जा रहा हूँ कि राजस्थान में जो चना खरीदा जाता है वह 42 से 52 रुपये प्रति क्विंटल की दर से खरीदा जाता है और वही चना जब असम को, मद्रास को या गुजरात को बेचा जाता है तो 80 रुपये से 90 रुपये प्रति क्विंटल की दर पर बेचा जाता है। मैं किसी व्यक्ति की बात नहीं कह रहा हूँ, सरकार द्वारा जो खरीदा और बेचा जाता है, उसकी बात मैं कह रहा हूँ। करीब 45 रुपये क्विंटल की दर पर खरीद कर उसी चने को दुगुने दामों पर असम, गुजरात और मद्रास को बेचा जाता है। निजी व्यापार के क्षेत्र में काला बाजार करने वालों को पकड़ने की बात यहाँ कही जाती है। ऐसा करने से पहले मैं वित्त मंत्री जी से प्रणाली करूँगा कि यह जो सरकारी काला बाजारी चल रही है, इसको वह जल्दी बन्द करें।

**Shri Kamalnayan Bajaj:** The country is facing aggression on its western border and there are other problems regarding prices, lack of production, scarcity in the money market etc. All these things have come all at once. This is not the fate that destiny has provided for us; we have to take some responsibility for some of the measures that we have taken in our country.

At present I think that all the measures that we take should be primarily defence oriented and that our security should be strengthened. This should be done both through short-term and long-term policies.

**Shri S. S. More (Poona):** No capitalist should be touched.

**Shri Kamalnayan Bajaj:** If the capitalist is bad, you may touch him,

if the politician is bad, you may touch him.

**Shri Raghunath Singh:** You are both.

**Shri Kamalnayan Bajaj:** I may be both, but you are only one. I am sorry for having said this. This is only between ourselves.

**Shri M. R. Krishna (Peddapalli):** It cannot be between both of you, it is in Parliament.

**Shri Kamalnayan Bajaj:** That is right, I agree with you.

The present budget contains some minor good features, but we have to view it from the angle whether production will increase in the fields of agriculture and industry, and whether steps have been taken so that productivity or output even in the administration shall be more and the expenses are reduced.

About two years ago, I think, our Finance Minister announced that he was going to take strict measures for reducing administrative expenditure. But this expenditure is mounting out of proportions.

**Shri S. S. More:** Do not take him seriously.

**Shri Kamalnayan Bajaj:** It may be that you do not take our Finance Minister seriously, but I am inclined to take the Finance Minister or any Minister seriously. It may be he is unable to reach the targets that he has set for himself. For that we must try and assist him so that he may succeed in the matter.

**Dr. M. S. Aney (Nagpur):** You think he is on the right path?

**Shri Kamalnayan Bajaj:** I do not think so. His intentions are good. I think he has caught himself in a vicious circle, and is probably not finding a way out of it. He wants to strengthen our country, increase our development and so on, but when you see the results, they are different, and I am concerned at that.

Our agricultural production increased during the First Plan by 1.2 per cent, but in the Second Plan it went down to 3.9. In the Third Plan period in the first three years agricultural production has increased somewhat and last year it went up about 8 per cent, that is, seven million tons more production; you may say it was a great gift nature gave us or it was due to our efforts. Moreover, we imported not less than six million tons. In spite of all this, because of the unnecessary controls, artificial zonal divisions and faulty distribution and acute scarcity has been felt and the rise in prices could not be stopped, although lately because of the new crop and so on there has been some drop in the prices. Until the next crop comes in the market the situation is grave and we need give considerable thought to that matter.

The Finance Minister had given an increased development rebate for the new industries and they will get the development rebate when that industry makes profit. But whatever commitments they have immediately, they have to honour them and thus they have to pay more by way of customs duties and in many other ways. Apart from that there is a credit squeeze in the market and that is applied for unsecured loans on the basis of 25th June. Now, 25th June falls in off-season for business and industry when you do not need much money. The season will be coming now and if this squeeze is continued on that basis, it will create difficult conditions in addition to other difficulties such as competition and rivalry in trade and so on. If it is restricted by the Reserve Bank that the usance bills cannot be given for that consideration, they should not be given for more than a limited period such as 2 or 3 months, it will be good. There should be different periods for different industries. If suitable modifications are made, and the period of credit market is reasonably limited, it will create healthy conditions. There are unnecessary controls and therefore, the

money market is not behaving properly. It becomes tight. There is a famine in the money market, and so on. For that reason, the industry is not finding money. There are several mills which are closed because of shortage of funds.

Again, there has been difficulty in planning. I am not stating this example as a complaint; it is a fact and I am giving that as an example. One of my industries, Bajaj Autos, is a scooter industry. We have been informing the Ministry in advance about our scooter factory that unless the licence for foreign exchange was given for importing some components, it would have to be closed. We have been informing them over a period of months in advance. If the country did not have foreign exchange now, the Finance Ministry should have visualised that. If they had warned us in advance, say, six months or so in advance and said "You will not be getting foreign exchange after this period and so will you divert your production to some other thing", if they had done so, we can have no complaint against it. But they always said: "we are considering and we will do this and that" and all of a sudden we are told, "no more licence will be given for the old quantity, but it will be only 10 or 7 or 5 per cent." of your requirement. We do not know what we are getting. If we need 15 per cent to be imported out of 100 per cent components, out of that 15 per cent, only 10 or 5 per cent—I do not know how much—is going to be given. In that way the industry would be able to run only for one or one and a half months or two months in the year. The factory is already closed; there is not a single Vespa that we are producing. I am glad the industry Minister is also here. When I go to him and say "kindly give us foreign exchange," he says "go to the Finance Minister." When I go to him, he says "I have no foreign exchange, I cannot give you and we will see what we can do about it." I can appreciate his difficulty. But at the same time ap-

[Shri Kamalnayan Bajaj]

plications are invited for starting new scooter factories in the country. I have no grudge if more scooters are produced and if you had the foreign exchange. If you could give foreign exchange to import components, you can do so. But here is an industry which was running but which is closed because it is not getting foreign exchange and new industries are given a licence for manufacturing the same type of things. Will not they also need to import those components? They could not manufacture it 100 per cent here. There seems to be no co-ordination between the Industry Ministry, Commerce Ministry, International Trade Ministry and the Finance Ministry nor is there appropriate co-operation or understanding? I do not know where the thing goes wrong. When I think of this, I am reminded of the story of a small boy. His socks were torn and he complained to his mother. His mother having ignored it for some time said: Take this one rupee and buy a pair of socks. He was a small boy and had no experience and he went to the shop and bought his socks which were one or two sizes bigger. When he came home and tried to put on his socks, they were big; then he went to his mother and said: will you please make this to my size? The mother said that she was busy and could not do it and directed him to go to his sister. His sister said: you were teasing me yesterday and so I will not mend your socks. He went to his auntie and his auntie's reply was a similar retort. The poor fellow out of disgust left it and went to sleep. His mother felt pity for him and she cut it to size in the night when she could find some time because she loved her son. Similarly, the sister also loved him and not knowing that the mother had already cut the socks to size, she also cut it further. So did the auntie. With the result there was hardly any socks worth wearing the next morning when the boy wanted to wear the socks. When we start planning, we must first of all have contact with the people for whom we

want to plan. Secondly, there must be co-operation with the people and then there must be co-ordination in planning. If something is lacking in this, the results will not be achieved. There are brilliant people doing planning work; I must give them the credit for their intelligence; they have planned well but if they are not able to co-ordinate and do not have proper contact with the people and they are not aware of the situation and circumstances that are changing from time to time, the results are not achieved or they plan in an exaggerated way . . .

**An hon. Member:** Have they approached the auntie?

**Shri Kamalnayan Bajaj:** They are all our uncles, brothers, cousins.

**Shri P. R. Patel (Patan):** What about your mother?

**Shri Kamalnayan Bajaj:** She is quite all right and healthy; thank you. We are going to have a Fourth Plan of 21,500 or Rs. 22,500 crores. If we can achieve that target, I would be happy. By levying the excise and other duties in the present Budget, the Finance Ministers has reduced the target very cleverly by Rs. 2,000 crores if not more because the public sector projects or the plan projects will cost at least Rs. 2,000 crores more which will be taken away by the Finance Minister. The plan target had been reduced, if not directly, in an indirect way. Then 2,000 crores had been provided for the private sector. I am happy that this is provided for the private sector. But looking to the present market conditions, I do not see how these Rs. 2,000 crores will be coming out of the private sector. When we approach the Finance Minister or the Government officials, they say, whatever be your project, if you want money, the semi-Government institutions will be providing it. If these institutions are to provide the same money it is not coming out of the private sector; it is coming out of the

Government resources; whether you take it this way or that way, it makes little difference.

I was just saying that I would not like the plan that we have made, to be curtailed for this reason, that it will have many political, economic repercussions which will not be healthy for the country, because, in the States, even in the districts, the people have been told that this project or that project will be coming in the fourth Plan and so on and so forth. If you want to curtail the plan projects or the plan to Rs. 15,000 crores or Rs. 16,000 crores and so on, that curtailment will be very badly affecting the psychology in the interior of the States in different parts of the country. Instead of that, keep your projects intact, but have some built in adaptability constructed in the Plan itself so that if it becomes imperative, we can extend the period from five to six or seven years.

Six months ago, I was calculating that six and a half years or seven years would be enough, but today, with the present budget, I think even eight years will not be sufficient for fulfilling the Plan, because our resources are limited. It is not only the money resources but there are other resources. How much of resources do we have to manage our projects, how much of talent and administrative capacity to manage these projects do we have? Already, the public projects which we have undertaken are yielding low; our return on them is very low and it is very bad. It is not very encouraging. We cannot be very proud of them. Except some individual public projects, taking as a whole, we are not able to manage them properly. In the same circumstances, with the same type of administration and with the same type of resources to manage the public projects, our return on the further capacity will be very low. It will still decrease, and in view of that, we have to plan out and consolidate our achievements, and if we are able to have better returns, I think we will be doing a greater service to the country.

1054 (A1) LSD—7.

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

**Shri Kamalnayan Bajaj:** Sir, there is very much more to say, but I would only make one more point and sit down. Very often the question of monopoly has been discussed in this House. I am not in favour of monopoly myself. But in a planned and controlled economy, where the prices are determined and fixed by the Government, where licences are given by the Government, production is fixed by the Government, we must try to understand what are the bad effects of monopoly. It may be that the planning is defective; it may be that licences are given injudiciously; it may be that the prices are not properly determined. The mistake may lie there. But otherwise, even if monopoly is there, and if they are able to increase production in the country, just in the name of socialism, why should we have the bogey of monopoly being raised and shouted every time? I am not afraid of that, I am only saying this: when we have all the measures and the strength and the power to curtail the bad effect of monopoly, if monopoly has come in, and if some people are able to grow and develop in the country faster than others, why not allow them to develop? If they are taking undue advantage of the circumstances and so on, are you not able to curb them or limit them to their production and prices and so on? If you are unable to do so, you have the powers and you must strengthen the machinery, instead of bringing measures by which production in the country will go down. These are the things that we must look into.

**Dr L. M. Singhvi (Jodhpur):** Mr. Deputy-Speaker, Sir, the first thing that this budget discloses is that Shri Krishnamachari is preparing himself to be initiated as the disciple of Mr. Parkinson. It appears to me that this third budget within the past six months is not only a formidable fare but represents what I consider to be an extremely disappointing and indigestible food packet. It unfolds, if I

[Dr. L. M. Singhvi]

may say with all respect to the hon. Finance Minister, a somewhat venturesome policy of brinkmanship at least in the economic field.

The reasons that have been adduced by the hon. Finance Minister for bringing about the supplementary budget are not altogether convincing, although I see nothing wrong in the Finance Minister's coming forward to this House with a supplementary budget at this time. The supplementary budget, in my humble opinion, represents a certain growing lag in the efficiency of financial management and financial discipline in the country. It represents, if I may say so, a collection of bizarre devices, of generous gestures here and there and somewhat unrelated departures and innovations such as the provision for the economic rehabilitation of Ladakh.

One cannot avoid the impression that the real reason for the supplementary budget is perhaps to finance some of the consumption expenditure of the Government of India rather than for the reasons that have been adduced by the hon. Finance Minister. I should really like to know which of the five or six reasons which he has put forward before us he really pins his faith in, for bringing forward and supporting this supplementary budget in the mid-term.

Shri Krishnamachari has said,—as the International Bank has said before him—that our country economically is in a bad way. This is by no means an overstatement. It appears that our economy has been growing progressively more flabby and more sluggish. It seems to me that the pity of it all is that it should have taken the verdict of the International Bank to convince our hon. Finance Minister and to bring him to the realisation that our economy is in bad way. It seems that it is one of our national failings to accept a verdict, either of praise or of

blame, only when it emanates from foreign experts. Clearly, neither alarm nor despair nor whole sale denunciation of planning as such would furnish us with a ready-made solution, nor indeed does it help to build up artificial battlements and fortresses of shibboleths as sometimes in self-defence the ruling party has tended to do. The growing need of the hour is to take a straight, cold, candid look at the stark realities in which we find ourselves enmeshed and to free our economic thinking from the deadweight of slogans and from the shackles of ideological prejudices. To do that, I should like to say, there is no one more capable of doing it than the present Finance Minister and I would like to express my regret that he has shown no inclination to do it.

There is nothing wrong, as I said, in the Finance Minister coming forward to this House with a supplementary budget but the pertinent point is, how far does the supplementary budget really steer us from the financial crisis in which we find ourselves; to what extent does it improve the climate for investment in this country; to what extent does it increase and improve our enterprises and increase our production, our potential for export, our ability to gain more productivity in the public and the private sectors. How far does it go to break the vicious spiral of inflation in which we find ourselves hopelessly entrapped? What does it do to restore the dignity and the value of our rupee in the international market and on the home front? It seems to me that there is considerable force in the argument that there is really a tight situation in our country; it appears to me that the Government had not been unwilling to injure the reproductive capacity of the hen that lays the golden eggs. Only the other day Mr. Bhagat admitted clearly on the floor of the House that the capital market in India was subdued. The

depression in the capital market is a depressing, dreary, sorry tale. What does the Finance Minister propose to do for reviving the capital market? Does he think the measures he has already taken and has now introduced in the form of the Finance Bill No. 2 are adequate to revive the capital market and the climate for investment in this country? I ask him whether it was consistent with constitutional propriety that all these projections and assumptions should have been made on the basis of the acceptance of the fourth plan of the size of Rs. 21,500 crores? After all, this House is supposed to shape the policies of this country. In the scheme of constitutional functioning that we have, this Parliament has an essential right to contribute and to construct the thinking on matters economic. Are we then to be presented with a *fait accompli*, a decision already taken, schemes already adopted and a plan to which the government has already committed itself? I should like to observe that this shows a somewhat scant respect for this parliament.

In this matter, the government have often spoken with different voices. When the hon. Prime Minister assumed office, he spoke of the essential needs of the common man—food, clothing, drinking water, rural electrification and small quick-yielding projects. This was a hopeful sign. I thought, in the economic thinking of the government. Unfortunately, the central theme of responsible pronouncements now and then, however, have run the gamut of an opposite kind of thinking. The Finance Minister and the Prime Minister have spoken in bafflingly confusing terms, which are mutually contradictory, which are self-contradictory and which confound completely. Only a little over a fortnight ago, the hon. Finance Minister gave a plain warning against borrowings and made a plea for basing the expenditure in the fourth plan on a realistic assessment of the availability of our resources. He said that

we must realise the need to live within the available resources. We find after a fortnight that there is no trace of that kind of thinking in this supplementary budget. It makes one reflect whether the various public pronouncements are made with the measure of responsibility which they are expected or assumed to be made.

The Prime Minister had talked not long ago of the need for consolidation of the plan. Expand if you can, but consolidate you must. This basic need, it seems, has not been realised by this government. I have often spoken of the large areas of idle capacity in various sectors of our industry, of the large-scale lotus-eating in our industrial sectors both public and private. Is the Finance Minister in a position to tell the House that the idle capacity in this country would be made use of in a satisfactory measure? I am afraid no effort is made to do this.

I should like to make a plea for salvaging the sound common man's approach propounded by the Prime Minister when he assumed office. I should like that this approach is salvaged and implemented in the policies of the government, if our planning is not to lead us to frustration or distress, if our planning has to be a basis for delivering essential goods and service to the common man. I come from a State where in large areas drinking water has not been made available to the people, where people are faced with an annual and ever-recurring threat of famine and starvation. We have done precious little to improve the lot of that common man. I would illustrate by mentioning the example of an idea, which I had the honour to initiate, the idea of the establishment of a desert development authority. The Irrigation Minister was extremely helpful and was impressed by the idea. There was a committee appointed by the government, which reported favourably on the idea of bringing into existence a desert development authority or board. A whole year or more has elapsed with-

[Dr. L. M. Singhvi]

out any concrete action being taken. I have it on the authority of the Prime Minister who wrote to me to say that very soon this would be brought into existence. Yet, I am sorry to say somewhere in the bureaucratic cobwebs of this government, the idea is stuck up.

As I understand it, there is an overall gap of Rs. 7,650 crores in the resources for the fourth plan. This is divided between external resources gap of about Rs. 4,000 crores and internal rupee resources gap of Rs. 3,650 crores. How do we propose to bridge this gap? My feeling is we cannot expect, in spite of the rozier picture entertained by the government, more than Rs. 3,000 crores or thereabout in terms of foreign aid. This would, therefore, leave a considerable gap of Rs. 1,000 crores on a flat basis, but as a matter of fact a much bigger gap, because out of this, we will have to pay something like Rs. 1,400 crores by way of repayment obligations including interest on foreign loans. If these Rs. 1,400 crores are deducted from Rs. 3,000 crores, it seems only about Rs. 1,600 crores would be available in terms of foreign aid for investment. I should like to know how this large gaping gap is to be filled. How do we raise the internal resources of Rs. 3,650 crores? It is expected that the States would raise about Rs. 1,000 crores. I think it is extremely doubtful if the States would be able to do so. The private sector which, on the admission of the government and its responsible spokesmen is depressed and subdued and inactive is supposed to raise Rs. 2,400 crores, not to speak of the considerable increase in the cost of each and every project, on account of the spiral of inflation in which we are caught.

I should also like to emphasise here, besides making this query as to how the Finance Minister proposes to bridge these gaps, whether the present supplementary budget is

only a beginning of a series of tax measures to provide for the plan resources in a way which is bound to bring considerable hardship to the common people of India. I should also like to say that the plan is too hidebound and too much confined to the study chambers of some academic people. This, I think, is becoming increasingly correct. We find that the realities of our economic situation tend to be neglected in the Planning Commission. There is much to be said for associating the common people with the formulation as well as with the implementation of the Plan. It would be a mockery to ask them only to implement a Plan in the formulation of which they are not invited to participate or to contribute.

14 hrs.

It is a shocking fact that out of our total imports of Rs. 1,250 crores in 1963-64 maintenance imports accounted for about 60 per cent and development imports only 19 per cent. If these figures are incorrect, I would like the hon. Finance Minister to correct me. I should like to know also as to what was the position for 1964-65. This is an obvious distortion in the economy and this is an imbalance which must be corrected. I should like to know whether any steps are proposed to be taken for correcting this imbalance and whether the steps taken have proved to be effective. I should also like to know whether we are going only to pay lip service to the so-called import substitution programme or the Government has formulated a comprehensive import substitution programme.

From the point of view of foreign exchange crisis, with which we are beset, there is something to be said for the supplementary budget. However, I should like to know whether the Government is pursuing the idea, and whether the Government thinks that it can be pursued successfully, that a moratorium should be imposed on our repayment obligations.

If that is not done, in my opinion we are going to face considerable difficulty and hardship and we may not be able to meet our repayment obligations.

I should like to know whether the kind of sustained dynamism in building up our exports is sought to be generated by a high cost and low-productivity economy, which seems to be favoured, particularly in the public sector. How do we get this sustained dynamism in our exports? Merely by talking about it? What specific measures have the Government taken all these years to see that the cost of production in our country is lower and our productivity is greater?

I should like to comment only briefly about the decline in the growth rate. This is a matter which is of great concern to us. This is a matter on which the Finance Minister owes a really detailed explanation to this House whether the thesis expounded by Shri Masani is correct. There is no doubt that this decline in growth rate, if it is maintained over a period of time, all our hopes, all our expectations and all the promises that the Government is making day in and day out are going to be belied, are going to be broken.

The question of inflation looms large over our horizon. Only this morning we talked of inflation and of hunger marchers. There is no use of talking of the present political factors in situations like that. The Government is responsible basically in a democracy for providing the basic necessities and services to the people, particularly in a self-proclaimed socialist country. It seems to me that inflation has been really galloping and we had lost all control over any strings that might possibly have held the growth of inflation. We were promised a Price Stabilisation Board as a measure of Government's earnestness to fight inflation. This has not come about. Several mea-

sure<sub>s</sub> have been promised now and then but none of the measures, it seems, has been implemented in a sustained way, in a consistent way and in an effective way. Shortages of food and of other essential commodities are really reaching an unendurable limit and the Government must make an effort really to fight out inflation rather than give us magnificent sermons on what socialist economy or planning is likely to produce.

I should like, before I conclude, to say that the House and the country have greatly welcomed and supported the position taken by the Government in Kashmir. Certainly, it has been a measure which has inspired the confidence of the people, to a certain extent at least, in this extremely difficult matter. For once Government have acted. For once Government have come to the kind of political conclusion which they should have come to much earlier. Not only the Government but also some of the opposition parties should have come to that conclusion much earlier. We were deluding ourselves with false hopes and illusions. Really speaking, if this budget were for the greater defence effort required in this country, we would have supported it without a question. But, it seems that there is room for considerable doubt that this supplementary budget is really not intended in any palatable measure for the better defence of the country.

On the cross roads on which we stand today, I think it is necessary for the Government to take the country into its confidence, particularly in so far as the shortages of essential commodities and the rising spiral of inflation are concerned. I am afraid that the Government have not done adequately by the people of India and by this House in explaining to them how they expect and hope to solve these burning problems of the day.

**श्री राज सहाय पांडेय (गुना) :**  
 उपाध्यक्ष महोदय, प्रायः पच्चीस सौ वर्ष पहले महर्षि कौटिल्य ने कराधान के सम्बन्ध में अपने ये विचार प्रकट किये थे कि जब देश में अर्थ-व्यवस्था का प्रावधान किया जाये और कराधान लगाया जाये, उस समय कराधान लगाने वाले व्यक्ति का सब में पहला कर्त्तव्य यह है कि वह देश के गांवों को देखे, किमानों को देखे और उस धरती को देखे, जहां उत्पादन होता है। यदि इन प्रक्रियाओं का माक्षात्कार किये बिना कराधान की व्यवस्था की गई, तो कोई न कोई त्रुटि उस में अवश्य रहेगी।

हम श्री कृष्णमाचारी के द्वारा रखे गये पुरक बजट का समर्थन करते हैं। हमें इस बात का एहसास है कि आज वह बड़े संकट में होंगे। चारों ओर से उन पर आक्रमण होता है। आंकड़ों में भले ही वह इस सदन को संतुष्ट कर दें, लेकिन आर्थिक परिस्थिति का सिंहावलोकन करने हुए यह जान होता है कि सामान्य संतोष से हम दूर हटते जा रहे हैं।

इस देश में जय-जय राष्ट्र की सुरक्षा के नाम पर, विकास के नाम पर, योजना के नाम पर कराधान की व्यवस्था की गई, तो जनता ने भर-भर मुट्ठी पैसे दिये। अन्ततोगत्या तृतीय पंचवर्षीय योजना के अन्त में जिन परिणामों के दर्शन होते हैं, वे इस प्रकार हैं कि जब से आयोजन का कार्य प्रारम्भ हुआ, 54 प्रतिशत वृद्धि होती में हुई, 50 प्रतिशत जन-संख्या बढ़ी और 68 प्रतिशत हमारी राष्ट्रीय इनकम बढ़ी। उद्योग और खेती के संदर्भ में उत्पादन की जो कल्पना हम ने की थी, तृतीय पंचवर्षीय योजना के अन्त में उस में बड़ी भारी कमी हुई। तमाम साधनों को बटोर कर हम न यह कल्पना की थी कि 100 मिलियन टन कृषि उत्पादन होगा, जब कि वह 87 मिलियन टन रह गया। जहां

तक औद्योगिक क्षेत्र में उत्पादन का सम्बन्ध है, तृतीय पंचवर्षीय योजना के प्रावधान के अनुसार वह 11 प्रतिशत प्रति वर्ष बढ़ना चाहिये था। वह घटा और 1963-64 में 9.4 प्रतिशत और 1964-65 में 6.4 प्रतिशत उत्पादन घटा।

हमने बड़े-बड़े उद्योगों में पैसे लगाये। उन का रिटर्न संतोषजनक न होने के कारण मुद्रास्फीति बढ़ी। जहां तक विदेशी मुद्रा का सम्बन्ध है, पी० एल० 480 के अन्तर्गत हमारी 250 करोड़ रुपये की विदेशी मुद्रा जाती है। यदि चाणक्य के कथनानुसार हम स्वावलम्बन का मार्ग अपनाते, यदि हम गांवों, किसानों और खेती से सम्बन्ध स्थापित कर के खेती के उत्पादन को आर्थिक अवलम्ब बना कर आगे बढ़ते, तो यह जो विदेशी मुद्रा की कमी आ गई, उस का प्रकाल हीं गया, पतन हीं गया, सम्भव है कि वह न होता और घड़ाई भी करोड़ रुपये की बचत हो जाती। बहुत सी आपकी बातों में से मैं सहमत हूँ और बहुत सी बातों से सहमत नहीं भी हूँ। चौथी पंचवर्षीय योजना में आप यह स्वीकार करते हैं, मित्रों रूप में स्वीकार करते हैं कि खेती का जो उत्पादन है वह हमारी अर्थ व्यवस्था का एक केन्द्र बिन्दु है। खेती के लिए आपने 4300 करोड़ रुपये का प्रावधान किया है जो कि कुल योजना पर व्यय का 21 और 22 प्रतिशत बँडता है। मैं श्री टी० टी० कृष्णमाचारी जी से निवेदन करना चाहता हूँ कि वह इसको देखें कि राष्ट्रीय इनकम के स्तर पर जितना किसान से आप लेते हैं, उतना किसान को क्या वापिस भी करने हैं या नहीं करते हैं? हमारी राष्ट्रीय आमदनी 17000 करोड़ रुपये है। इतना आधा किसान देता है अपने श्रम में। इतना उसके श्रम के आदान से, उसके संकल्प से आपको मिलता है। लेकिन आप उसके लिए

केवल 4300 करोड़ रुपये ही रखने जा रहे हैं जो केवल 21 या 22 प्रतिशत होता है। इस को घाप बढ़ायें। बाहर में मंगा कर यह जो फारिन करमें का इम्पैक्ट हमारे यहां बनता जाता है, विदेशी मुद्रा की जो कठिनाई हमारे लिये पैदा होती जाती है, इसको हल करने के लिए भी यह जरूरी है कि उत्पादन को बढ़ाने के लिए अधिक रुपया ऋण के लिए रखा जाए। अब क्या हो रहा है। यू० ए० ए० ने अपनी टर्मस डिक्लेट करनी शुरू कर दी हैं। पी० ए० ए० 480 के तहत जो अनाज आता था वह पचास प्रतिशत तो प्रांट के तौर पर और पचास प्रतिशत नॉन के तौर पर आता था। अब अमरीका कहने लग गया है कि पूरा लोन होगा। साथ ही साथ वह यह भी कहने लग गया है कि जो फौट बाज्र होगा, जो भाड़ा देना होगा वह भी फारिन एक्सचेंज में ही वह लेगा। उसके बाद जो राजनीतिक तौर पर हमारा ह्यूमिलियेशन होता है, अपमान होता है, उस का घन्त भी जरूरी है। जब हम यह सोचते और कहते हैं कि हमें बाहर में मंगा कर खाना पड़ता है तो यह हमारे लिये अपमानजनक नहीं है तो और क्या है। न जाने कितनी बार इस संकल्प को इसी सदन में हमने दोहराया है, मंत्रियों ने दोहराया है कि हम खाद्यान्नों के मामले में स्वावलम्बी होना चाहते हैं और हम चाहते हैं कि अधिक से अधिक उत्पादन यहां हो और हमें बाहर से अनाज मंगाना न पड़े। लेकिन अभी तक इस लक्ष्य की प्राप्ति नहीं हो सकी है। जब हमें दूसरों पर अनाज के मामले में निर्भर रहना पड़ता है तो एक प्रकार के राजनीतिक प्रभाव का शिकार भी हमें होना पड़ता है। इस कारण मैं निवेदन करूंगा कि 4300 करोड़ रुपये के स्थान पर 8000 करोड़ रुपये की राशि निर्धारित करें। जब घाप ऐसा करेंगे तो हमारा उत्पादन भी बढ़ेगा और हमें दूसरों पर अन्न के मामले में निर्भर भी रहना नहीं पड़ेगा।

घापकी एक कल्पना की मैं बड़ी प्रशंसा करता हूं। श्री टी० टी० कृष्णमाचारी ने अपनी स्पीच में कहा है कि तुरन्त किसानों को पैसा मिले, इसकी वह व्यवस्था करना चाहते हैं और इस हेतु छोटे-छोटे गांवों के बीच में बैंक स्थापित करना चाहते हैं। यह बड़ी अच्छी बात है। लेकिन बाकई में किसान को इसमें पैसा मिलेगा या नहीं, ग्राम किसान को लाभ होगा या नहीं, यह देखने वाली बात है। आज किसान को सब से बड़ी शिकायत यह है कि कागज पर ही फटिलाइजर होता है, कागज पर ही क्रेडिट होता है, कागज पर ही नहरे खुद रही होती हैं और कागज पर ही पानी बह रहा होता है। जो भ्रम करता है, जो पैदा करता है, जो उत्पादन करता है, उसको ये सब सुविधायें मिलनी नहीं हैं। अब आपने यह कहा है कि आप एक ऐसी एजेंसी किये करना चाहते हैं जिसके पास पैसा होगा और जो किसानों को दे सकेगी। इसमें चतुराई भी है। जब किसान को आप पैसा देंगे तो किसान से आप पैसा वापिस भी लेंगे। दस प्रतिशत किसान आज ऐसे हैं जिन के पास अधिक धरती होने के कारण उत्पादन भी अधिक होता है और उत्पादन अधिक होने के कारण उनके पास पैसा भी कुछ बच जाता है। बैंकों की सुविधायें प्रदान करके जो पैसा आप देंगे वह पैसा आपको मिलेगा भी। इस प्रकार में कैपिटल इनवेस्टमेंट में किसान भी अपना योगदान देंगे। उन से भी आपको रुपया मिल जाएगा।

अब मैं रिक्स्ट इंकारानों के सम्बन्ध में बांझा सा कहना चाहता हूं। जब तक ये उद्योग ग्रंथे, छोटे-छोटे भी, उत्पादन न करें और माध-माध आपके पब्लिक सेक्टर में भी उत्पादन अधिक न हो, तब तक समाजवाद के नाम पर मतभेद पैदा करने की कोशिश न की जाए, यह मेरा आप से निवेदन है। जो भी लक्ष्य हमने स्थिर किये हैं, उनको एक न एक दिन हमें अवश्य हासिल करके दिखाना है। आप चाहें तो कलम की एक नोक से

## [श्री राम सहाय पाण्डेय]

सब चीजों को नेशनलाइज कर दें, हमें कोई एतराज नहीं है। लेकिन जितने भी प्रोडक्ट-विटी के एनीमेंट्स हैं उनके साथ दुराव का व्यवहार नहीं किया जाना चाहिये। कैपिटल मार्केट खराब है, पूंजी का बाजार खराब है। पूंजी बाजार में विश्राम पैदा किया जाना चाहिये। डिविडेंड रेट टैक्स में सुधार होना चाहिये। अधिक से अधिक पूंजी बाजार में आए, उद्योगों में लगे, अधिक से अधिक उत्पादन बढ़े, इसकी भाषको कोशिश करनी चाहिये।

श्री जगबंध सिंह सिद्धांती (झरजर): हमारे वित्त मंत्री ने अनुपूर्क भाय व्यय पत्रक जो प्रकाशित किया है यदि इसका प्रयोजन राष्ट्र की रक्षा से सम्बन्ध रखता है तो मैं इसका अनुमोदन करता हूँ अन्यथा नहीं। एक दुकानदार अपने माल को मंहगा बेचता है, उसका पड़ोसी दूसरा दुकानदार उससे कुछ सस्ते भाव पर बेचता है, तो जो सस्ते भाव पर बेचता है, उसको लाभ अधिक होता है, इसमें कोई सन्देह की बात नहीं है। वह टैक्स भी अधिक देता है। लेकिन जो मंहगा बेचना चाहता है उसका माल बिकता ही नहीं और जब बिकता ही नहीं तो टैक्स भी नहीं उससे लिया जा सकता है। ये दोनों ही हानियाँ होती हैं। इसलिए मैं कहना चाहता हूँ कि यदि आप उत्पत्ति के ऊपर टैक्स लगायें तो आप पहले इस बात को देख लें कि क्या पहले से ही उत्पत्ति पर बहुत ज्यादा टैक्स लगा हुआ है या नहीं। अगर फिर भी आपने टैक्स लगा दिया तो इसका परिणाम यह होगा कि बाजार का भाव बढ़ेगा और भाव बढ़ेगा तो मजदूरी के साथ-साथ मंहगाई भी बढ़ेगी और इसका परिणाम यह होगा कि मंहगाई भत्तों की मांग चारों ओर से होने लगेगी। टैक्स लगाने में ये सारी जो आपत्तियाँ होती हैं, इनको देख लिया जाना चाहिये और यह भी देख लिया जाना चाहिये कि उससे राष्ट्र को बड़ी

हानि तो नहीं पहुंचती है। अच्छा यही है कि थोड़ा टैक्स हो, थोड़े टैक्स हों और उत्पादन को खूब बढ़ाया जाए। थोड़ी-थोड़ी भाय प्राप्ती तो सारी की सारी बानें ठीक हो जायेंगी।

मैं खेत के विषय में अब कुछ कहना चाहता हूँ। अभी मेरे भाई ने जो कुछ कहा उससे मैं सहमत हूँ। खेती से जो-जो प्राप लेते हैं, मालगुजारी के रूप में, टैक्सों के रूप में और दूसरी चीजों के रूप में, वह इतना अधिक प्राप ले लेते हैं कि किसान की प्राय से टैक्स ज्यादा बढ़ जाते हैं। यह बड़ी स्पष्ट सी बात है। किस तरह से किसान जीवित रह सकता है? यदि व्यापार का थोड़ा प्राप हिसाब लगायें तो प्रापको पता चलेगा कि 70 वर्ष का बूढ़ा और 7 वर्ष का बच्चा सब काम करते हैं अपने खेत में। उनकी मजदूरी का कोई हिसाब ही नहीं है। बँल काम करता है, वह जो खाता है, उसके खाने पीने का कोई हिसाब ही नहीं है। खेती वालों का प्रांदा हिसाब होने के कारण वह नहीं सोच सकता है कि वह कितना टैक्स दे रहा है। इसलिए उनके ऊपर टैक्स लगाना, उनके ऊपर एक बहुत भारी प्रत्याचार करना है। यह राष्ट्र के हित में भी नहीं हो सकता है।

आपने 'धर्म चक्र प्रवर्तनाय' की बात कही है। यदि धर्म के पहले "ध" और लगा दिया जाए तो सारी बात समझ में आ जाएगी। इससे यह होगा कि सारा हमारा कर्त्तव्य उलट हो जाएगा। उलट हो जाने के कारण चारों ओर से मांग होगी, कहीं भी प्राप एक जगह को पकड़ लीजिये, कोई भी चीज प्राप कम कर दीजिये, तब सब चल सकता है। मैं एक किसान घर में पैदा हुआ हूँ। मैं यह कह सकता हूँ कि प्राप भ्रम के दाम कुछ कम कर दें बेशक, परन्तु उनको मिलने वाले जितने पदार्थ हैं, उन सभी का उसी अनुपात से भाव गिरा दें। लेकिन इसको करने

प्राप समर्थ नहीं हैं। जिन से प्राप पैसा लेना चाहते हैं वे तो मूक प्राणी हैं, पशुओं में दिन भर काम करते हैं, पशुओं की भाँति उनको भी चूसा जाता है और उनसे टैक्स लिये जाने हैं। यह घोर अत्याय है, जो उनके साथ हो रहा है।

भारत में टैक्सों की इतनी भरमार है कि संसार के किसी भी अन्य सभ्य देश में नहीं है। अमरीका बहुत बड़ा देश है। अमरीका के अन्दर इतने टैक्स नहीं हैं। वहाँ पर इस अनुपात से टैक्स नहीं है जिस अनुपात में प्राप हमारे इस निर्धन देश के अन्दर लगाते जा रहे हैं। वहाँ के लोग उद्योग धंधों की सहायता करते हैं। वहाँ जितने धंधे स्थापित किये जाते हैं, सरकार उनको सहयोग देती है और सहयोग दे कर उन से टैक्स कम लेती है। इस तरह से वे धंधे वहाँ पर पनपते हैं। उनके अधिक पनपने के कारण थोड़ा-थोड़ा टैक्स भी घाता है तो ज्यादा बढ़ जाता है। हमारे यहाँ यह बात नहीं है। प्राप धंधों को पनपने का अवसर नहीं देते हैं। प्राप उनको दबाव लेना चाहते हैं। भिन्न-भिन्न प्रकार की चीजें हैं। एक हो तो कहा जाए।

हमारी राष्ट्रीय प्राय जो प्राप दिखाते हैं उससे पता चलता है कि वह बड़ी है परन्तु किस हिसाब में वह बड़ी है, थोड़ा यह तो प्राप बतायें। जैसा मैंने निवेदन किया था, उस पर प्राप विचार करेंगे तो प्रापको पता चलेगा कि राष्ट्र की प्राय हमारी बड़ी नहीं है। प्राप जो राष्ट्र की प्राय बतलाते हैं वह काल्पनिक है। जैसे हमारे भाई ने अभी कहा, कागज के ऊपर प्राप सब चीजों को बढ़ाते हैं और फिर टैक्स वसूल करने के लिए प्राप उनके ऊपर भार डालते हैं या फिर पंचवर्षीय योजना को प्रागे बढ़ाने के लिए सरकार इस सारे पैसे का इस्तेमाल करती है। इस योजना में भी क्या है? एक बड़ी भारी बीज की घोर में प्रापका ध्यान बीजना चाहता हूँ। बड़ी भारी बीजों की

प्राप योजना करते हैं, बड़े-बड़े उद्योग धंधे के लिए प्राप योजना बनाते हैं। लेकिन जो छोटे छोटे उद्योग धंधे होते हैं, छोटे पैमाने पर गाँवों के अन्दर जिन को चलाया जा सकता है, उन पर प्राप पर्याप्त ध्यान नहीं देते हैं। उनकी बात यदि प्राप करेंगे तो उन से थोड़ा-थोड़ा टैक्स भी प्राएगा तो बहुत बढ़ जाएगा और इससे राष्ट्र को लाभ होगा। बड़ा उद्योग करने की उनकी हिम्मत नहीं होती, उन को पैसा नहीं मिलता है और वह धंधा नहीं चला सकते हैं। इसलिए हम के अन्दर यह बड़ा भारी दोष है।

साथ में प्राप विदेशी मुद्रा की मांग करते हैं। विदेशी मुद्रा की जो स्पर्धा है वह भी इस प्रकार से बढ़नी है। और इस के अलावा इलाज भी क्या है? बढ़ाना ही पड़ता है। जब प्राप इस प्रकार का व्यवहार करते हैं तो वहाँ से प्राप की विदेशी मुद्रा नहीं मिलेगी। प्राप को वे देगे ही नहीं। मैं प्राप को चीनी का उदाहरण देता हूँ। जिनकी चीनी की उत्पत्ति होती है वह जिस भाव पर राष्ट्र बावियों को मिलती है उस से कम मूल्य पर विदेशों को बेची जाती है। इसलिए बेची जाती है कम मूल्य पर। वहाँ से हम को मुद्रा प्राप्त हो। इस से प्रापको पता चलेगा कि हम यह मुद्रा न ले। उस मुद्रा को लेकर हम क्या करेंगे जब कि हम को उस प्रापने देश में चीनी की कमी है? प्रापने देश में लोगों को चीनी मिले यह अधिक अत्याय है।

इसी तरह में सम्पत्ति पर जो प्राप का मुक्त है वह दान पर भी पड़ता है। इस को देख कर बड़ा आश्चर्य होता है। मैं इस का एक उदाहरण देता हूँ। एक सज्जन ने एक धार्मिक संस्था को 125 बीघे भूमि दान दी। उस के लिये एक पैसा भी नहीं लिया, केवल दान के रूप में दिया है। लेकिन जो सरकार के रजिस्ट्रार का कार्यालय है उस के अधिकारी उस पर मुकद्दमा चलाते हैं कि हम ने जो

[श्री जगदेव सिंह सिद्धाग्नी]

भूमि थी उस को सम्पत्ति कम लिखवाई है। जबान दिया गया कि इस में सम्पत्ति का नां मवाना नहीं है, हम ने बेचा ही नहीं है, हम ने तो राष्ट्र हित में शिक्षा के प्रचार के लिये दान में दिया है। लेकिन आप उस दान पर भी कर ले रहे हैं। यह एक ऐसा धार्मिक प्रयोजन है जिस से कि राष्ट्र का बहुत बड़ा हित सिद्ध होता है और वह ठीक ढंग में चलाया जाता है लेकिन जहाँ पर दान का प्रयोजन है वहाँ आप ने धार्मिक प्रयोजन अलग निम्न दिया। दोनों प्रयोजनों को अलग हान कर दोनों में भेद कर दिया है जो कि एक आपत्ति की बात सा गई है। मे कहना चाहता हूँ कि जो लोग राष्ट्र के हित के नाने में अपनी सम्पत्ति का दान करते हैं, जिस में राष्ट्र की श्राय बढ़ती है, राष्ट्र का लाभ होता है उन में इन प्रकार में जबरन सम्पत्ति शुल्क लिया जाये यह न्याय की बात नहीं है।

मैंने इस को थोड़ा सा देखा है क्योंकि इस में मेरी बहुत रुचि नहीं है। देखने से इतना पता चला है कि आप का जो दान कर है उस में 19वाँ खंड और 21वें खंड का 'अ' भाग उड़ा ही देना चाहिये। क्योंकि अगर इन को नहीं उड़ाया जाता तो भारी हानि होने की सम्भावना है। मैं निवेदन करना चाहता हूँ कि इसमें जनता में असन्तोष बढ़ता है और असन्तोष बढ़ने से राष्ट्र को लाभ नहीं हो सकता। आप इसी तरह से सन्तोष पैदा कर सकते हैं जनता में जब कि जितना टैक्स आप ने लगाया है वह भारी मात्रा में कम करे। आप कह सकते हैं कि खर्च कैसे चलेगा। तो खर्च इस तरह से चलेगा कि जो आवश्यक हैं हर प्रकार के उन को कम किया जाये। जैसे सिनेमा आदि है उन के लिये आप को करोड़ों रुपयों की सामग्री बाहर में मंगानी पड़ती है। इन सिनेमाघों से क्या लक्ष्य है सिवा इसके कि नौजवान लड़के लड़कियों के चाल चलन पर आप डाका

डालते हैं। क्यों इस तरह की चीजें आप उन को देने हैं ?

मैंने आप से कहा कि राष्ट्र रक्षा के लिये जो कुछ आप मांगते हैं उसे देने का तो मैं अनुमोदन करता हूँ लेकिन बाकी का अनुमोदन मैं नहीं कर सकता। राष्ट्र हित में जो आप का श्राय व्यय पत्रक है वह ठीक नहीं है।

**Shri K. N. Pande (Hata):** As the time is very short, I want to speak only on a few points. One thing is that this type of taxation and budgeting is really causing monotony. I do not find anything new which will enthuse the people to give as much as the Government demands. At a time when our border is in danger, nobody can deny that there should not be any taxes. He is prepared to do any sacrifice and pay whatever is demanded of him. At the same time, he wants some bright future also, so that he may be in a position to pay more and more. In the circumstances in which the Finance Minister is placed, I think nothing more can be done, but I do expect something from him. I want that something dynamic should be found out so that the people may also think that we are heading towards socialism. There is no objection to paying the taxes. I find that he is going to help the cultivators also to some extent in order to boost their agricultural production. I shall say something about that a few minutes later. But one thing that I want to tell you is that the impact of these taxes which are imposed is going to cause a heavy burden on the people. For example, the tax on high class diesel oil will naturally increase the cost of transport and, therefore, it will increase the prices of all the commodities. This is only an example and I have no time to deal with the other factors.

In view of the fact there is a large number of unemployed people, who

have no means of subsistence, and also there is heavy pressure on agricultural land. In many States people are suffering from drought conditions. Of course, there is a little relief now after the rains, but still many States face these conditions. These taxes will, therefore, cause a heavy burden on the people. I want the Finance Minister to consider this matter and provide for more and more employment to the people. If there is unemployment, the burden will naturally be very heavy. This is an important point which the Finance Minister should think over.

I want to put before him one more suggestion. There is concentration of wealth taking place in a few hands in spite of the precautions being taken by the Government. If you give licences of big industries to a few people, naturally wealth will be concentrated into fewer hands. Can you not think of decentralising big industries so that the wealth gets divided? If small people in the co-operative sector cannot function satisfactorily, let us divide them, so that the wealth is also divided into so many hands. You should consider over also to industrialise the villages, the rural areas. I do not say that everybody should get not less than Rs. 100 a month; I shall be satisfied if everybody gets at least Rs. 45 or 50 per month. But are you providing any means so that the person is able to earn that much? Unless you industrialise the rural areas, this is not going to be achieved. What action are you taking in that connection? The same old people apply for licences and the same people are given licences. No impetus is given to those smaller people who can set up small industries in the rural areas. You know that in the villages there is fragmentation of land holdings. There are no big holdings, and now after the Land Reforms Act there is a ceiling also.

You have given some relief in the matter of implements which are being

imported for agricultural purposes. But who are the people who are going to import such implements? It is only a few people. My suggestion in regard to agricultural implements is this: Is it necessary at the moment that they should be imported? Can you not have them manufactured inside the country? If you can manufacture here many industrial items like heavy machines, this and that, can you not manufacture tractors, small tractors and other implements? Even in the Punjab, on a small scale, agricultural implements are being manufactured.

I do not know what else is going to be imported. Anyhow, even if they are going to be imported, it is going to benefit only a few people with big holdings, who are incapable of cultivating all the lands that they possess. Because, though the ceiling is there, on account of litigation these farms are still intact, but they are not being cultivated.

One thing more. You may go on importing agricultural implements. But unless you provide facilities for irrigation to the people, how can you expect that the agricultural production will be increased? Have you ever thought of that? Has our Finance Minister given any thought to this aspect? During our three Plans you have not been able to achieve the targets in respect of irrigation. What are the deficiencies, and how can those deficiencies be made up? Can you give some thought to it? Unless these deficiencies are removed, I think whatever be the amount of effort you are going to make and whatever be the amount of money that you are going to invest, you will not be able to have the increased production that you want in the agricultural sector.

Sir, I will take only two or three minutes more and finish. One thing I could not understand. It was declared a few days back that cement is going to be decontrolled. I cannot understand the economics of this thing. Cement is such an industry, if

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can tell you, where the cost of production on an average was based on the cost of production of a factory which was the most inefficient unit. And on the basis of that cost of production there was not a single unit among the factories which was not making huge profits. If in spite of these profits the factories could not make any efforts to have greater production, then do you think that by decontrolling it they are going to produce more? And for more production a number of things will be required. Where is the machinery? And have you got foreign exchange to import the machinery? And can it be possible to expand it within two, three or four months? What happened? There is a great defect in the distribution of cement. A major portion of the cement that is produced in the factories is allotted to the public projects like irrigation etc., and it is being sold in the black market. You can have any quantity of cement at the cost of Rs. 20 to Rs. 22 per bag from these projects through contractors. Wherefrom does it come? It is coming from the allotment to the government projects. If the allotment is still to continue, then it means that that cement is going to be sold in the black market. And because some quantity will remain with the factory, nobody can say how much they will demand after this decontrol is announced.

I shall request the Finance Minister to consider about this aspect also. Is he satisfied that there is enough production in the country that cement should be decontrolled? If there is enough, then he should have a watching machinery to see that the people get cement at a reasonable rate. If it is not enough, then he will have to create a machinery to see that the cement that is available is distributed properly. And I have my own experience about the working of the machineries which are having a watch over the distribution of many materials. So I want them to consider this.

Then I want to urge upon the Finance Minister one thing. Till I heard the speech of my hon. friend Shrimati Tarkeshwari Sinha yesterday I could not know that some announcement had also been made to levy tax on cash savings certificates. Once the Government announces something, the Government's word has great importance, and some sanctity is attached to the Government's words. If once an announcement is made by Government that twelve-year bonds or something like that will be tax-free, and now you are announcing that they will be subjected to taxation, how will your words carry weight with the people? They will in future always take with doubt whatever announcement is made by Government. I hope you will reconsider the announcement. I request the Finance Minister to kindly make it clear, so that there may be no confusion in the minds of Members. And I want that it should not bring a bad name to you, because I know that you are the man who can give a new light to the whole thing. In such difficult times I can realise your difficulties. But I request you to consider and find out ways by which you can give a new light to the people, so that enthusiasm may be created in the minds of the people that at least Government is sincere and earnest in establishing socialism in the country.

Sir, that is all that I wanted to say.

**The Minister of Finance (Shri T. T. Krishnamachari):** Mr. Deputy-Speaker, Sir, I cannot say that it is easy for me to deal with all the matters that have been raised by hon. Members in the course of this debate. As the Bill has been called a Finance Bill, naturally hon. Members have a right in dealing with subjects not particularly related to the Bill itself but with matters of general administration. I can have no quarrel with it.

I also realise that a measure of this nature, at a time when you don't nor-

nally expect it, does raise a certain amount of resistance. Normally a budget is a routine, and the routine aspect of it is accepted, and then people start looking into the particular provisions of the budget. But this is something which is outside the normal routine; and maybe, that has caused some misgivings in the minds of certain hon. Members who generally support government measures.

As I said, it is difficult for me to deal with the wide variety of subjects that have been raised—about prices, about administration of the States, about various irrigation projects, about the Plan, and a host of other things besides.

Also, there were some references made to me personally. I was told. And looking into the report of the speeches I find that one hon. Member is supposed to have placed on the Table of the House some document. I would like to have the benefit of seeing it, so that if I can possibly afford a reply, I could.

**Mr. Deputy-Speaker:** Has any document been placed on the Table?

**Shri T. T. Krishnamachari:** It referred to me personally, which is really of no consequence. Of course, if I had made mistakes, naturally...

**Mr. Deputy-Speaker:** I find no document has been placed on the Table of the House.

**Shri T. T. Krishnamachari:** This is mentioned by an hon. Member.

**Mr. Deputy-Speaker:** He only referred to that; he has not placed it on the Table.

**Shri T. T. Krishnamachari:** Anyway, it does not matter; if he has not placed it on the Table, it does not matter. There are, of course, personal references made to me, to which I would like to refer at the end, because I do not want to spoil the atmosphere for my replies by referring

to my own personal matters which really are of no consequence so far as the House is concerned. I could, if the House is in a mood to be entertained, tell them my life-history. It may be that one or two hon. Members know about it. But quite a lot of it is not known, I could tell them my life-history if it would be interesting to them.

**Shri Daji (Indore):** Why does my hon. friend not make a move?

**Shri T. T. Krishnamachari:** I was coming to it. I am hoping that when I lose my job, and if I live thereafter, which seems unlikely, in order to make a living I should write my memoirs, and somebody would publish them, not here in this country but elsewhere perhaps. But before going to that aspect of it, I would like to refer to one matter to which my hon. friend Shri K. N. Pande and Shrimati Tarkeshwari Sinha had referred. I am sorry I was not here when my hon. friend Shrimati Tarkeshwari Sinha spoke. She is a person of great talent and considerable knowledge of the intricacies of the financial mechanism that controls this country. She was also the chairman of the National Savings Organisation. She complained about the new scheme of certificates being taxable. It is not as if, as my hon. friend has mentioned, that there has been any going back on any certificate that has been issued as a non-taxable certificate, and the levying of a tax on it. That is not right. The certificates that are non-taxable are not taxable, and they still continue to be so. People can buy those non-taxable certificates. But in view of the fact that current rates of interest are high, we had to raise the rate of interest. If I had raised the rate of interest for the non-taxable certificates, the advantage that is being taken of those certificates by certain sections of the public who pay very high rates of taxation will continue to be taken. So the idea was that those who wanted to take advantage of these non-taxable certificates for investment of large amounts in their

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own names and in other people's names should not get the benefit of the higher rates of interest. So, the rates of interest were raised in such a manner as would be profitable for people who did not pay a high rate of tax. It was carefully worked out. If the rate of interest is  $5\frac{1}{2}$  per cent., as it is in the scale, quite a number of people who probably have an income of somewhere about Rs. 25,000 will find it attractive enough to invest in it and even accept a tax liability. So, it is neither a fraud on the public nor a going back upon any promises that had been given in the past.

Shri Daji referred to some case involving some customs offence, which had been adjudicated upon. Incidentally he had paid me a compliment which I do not deserve because I had done nothing about it. It is wrong for people to think that Government interfere in these matters either for or against a party, because any party whoever it is, must be treated fairly. The officer who did conduct the proceedings is competent enough to take his decision, and he has made a decision; if hon. Members approve of it, it is all right; it may be that somebody does not approve of it; anyhow, the party affected has a right of appeal to the board. But these are matters in which the ultimate decision depends upon the authorities who handle the matter and as I have said, I have no influence either way, either to mitigate the punishment or ensure acquittal or to increase it. If my hon. friend feels that Government is fair, well, so far so good.

My hon. friend also mentioned about concessions to industries. So did my hon. friend from Goa. The position of Government which believes in, at any rate follows, a policy of encouraging a mixed economy is extremely difficult. Inevitably they fall between two stools. As regards mixed economy, again, I do not know what the mixture is, but ultimately per-

haps, a mixture which is half and half would be a good thing. But in following a mixed economy we offend people who are in charge of industries, dynasties which control them and the other investors who get money from them. At the same time, there are people who feel that there is concentration of wealth, there is misuse of money power and Government are not doing what they ought to do. In fact, in human nature, acquisitive tendency is a thing which remains all the time. Short of a society in which the State owns everything, all that one can do in order to make the distribution of wealth and, therefore, power even, is to continuously keep on chopping off the tall poppies which are no good, which do not grow and which do not serve any purpose, so far as the economy of the country is concerned, and that is where come the estate duty, the gifts tax and so on.

One hon. friend complained about my expenditure tax. In fact, it is my regret, a regret which I think could be remedied before long that the expenditure tax is not taken seriously. We have not yet got the mechanism for making the tax sufficiently active. While I may not go as far as Professor Kaldor goes—it may be that if somebody like the single-tax George comes into being, he might say, let us have only the expenditure tax and nothing else—I feel that spending money which ought to go into savings, and, therefore, for building up the economy, is a thing which has to be restricted considerably. I had a brochure from a friend the other day—and he wanted to see me thereafter—on how to evolve a taxless society. I had to tell him that being sixty-five years old, the evolution of something new was not in my sphere, and he had to preach, therefore, to the younger people, if he wanted a taxless society.

But, coming back to the expenditure tax, I would say that theoretically it

would be a very good tax and the only tax that needs to be enforced if we could possibly do it. But I think that before the year passes, the mechanism for the purpose of implementing the expenditure tax would be properly forged.

Of course, I made a mistake on a previous occasion in 1957 by making the expenditure tax very severe; that would have been all right if that was the only tax. I have learnt, and now the tax is at the moment 15 per cent. If it is effectively implemented, that is the way in which we can stop this conspicuous spending. When people celebrate a big marriage, they spend a good deal on it; in fact, any marriage that is celebrated probably costs Rs. 15,000 to Rs. 20,000. I know that middle class people get ruined about it. I know even in the days when things were not very costly, when I had the responsibility of getting six nieces married one after the other, very nearly I had to give all my spare cash. People do spend a lot of money, and any man who performs a marriage and spend a lot will have to pay expenditure tax during that year.

Coming back to the points raised by Shri Daji and Shri Alvares. I would submit that functioning as we do under certain circumstances, and under a philosophy which allows private enterprise to function, all that we can do is what we are doing now, but at the same time to take more vigorous steps to see that monopolies which are dynastic and which have great power both economic and political are kept curbed.

I personally feel that there is a lot to be done. But there is no single solution to the problem. My friend, Shri K. D. Malaviya, who gave a qualified approval to my proposals, also mentioned that I shall never reach destiny, which we all want to reach, the point of destiny if I did not nationalise banks. I do not know if it would be a good thing for me to do it straightway. If I want banking to be very largely under what you might

call public control, the expansion of the State Bank is a possibility. I do not say it should be ruled out; I do not say that the nationalisation of banks or greater control over banks should be ruled out. But we have a weapon at the moment in our hands which is capable of a considerable amount of expansion. I am glad to say that that instrument, which did not show signs of promise, is showing up better now. We are having a number of young men who are running the institution and running it better.

That is where I come to the point raised by my friend, Shri Pandey, about credit to agriculturists in ways other than what is being done at the moment, that is, through the co-operative sector. We are really thinking in terms of a village bank or rather a bank amongst group of villages manned by a single person who will get to know the people of the area and will serve them and would, incidentally, also be a focal point for gathering savings.

I got an invitation this morning for a bank of that nature being opened in the Shimoga district in Mysore. I hear another branch of the State Bank of that category is being opened in Rajasthan. If the experiment succeeds, after six months, I think it will be the way to get nearer the people and to serve them. The State Bank and its subsidiaries might undertake this work.

**Shri Kamalnayan Bajaj:** Will they be subsidised?

**Shri T. T. Krishnamachari:** To an extent, expenses of such character are subsidised. But the bank itself will not be, because it will lend money and get a return.

**Shri Kamalnayan Bajaj:** Will the same facilities be afforded to private banks?

**Shri T. T. Krishnamachari:** There is nothing to prevent private banks from going and opening branches in

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villages. I am sure if they do, they will collect money. I hear that a bank of which the hon. Member is chairman, opened a branch somewhere in UP, near Aligarh, and after six months, they gathered about Rs. 40 lakhs of deposits. I think the hon. Member can use the instrument that is in his power to go down the villages and undertake this task of serving the people.

I would like to tell my hon. friend, Shri Malaviya, that socialism, as we call it, has different connotations. But broadly, it is one thing, that is, a society in which every man feels he has a share and he is a part, where talent is encouraged, where opportunities are available and where nobody who wants to work really is denied it. It is not going to be built in a day. It wants hard work.

The trouble about us is this, that we want a number of things without the necessary discipline. There are two ways to build this economy, if I may be permitted to dilate on it. One is following the example of some of the East European and Asian countries, having a totalitarian controlled economy. The alternative to it is a co-operative economy in which enlightened self-interest means everybody disciplined, and socialism means that. It is going to take a lot more time. This generation perhaps may not see it; the next generation might. In fact, with our tax system, imperfect as it is, I think it will help to a considerable extent in levelling down, while at the same time the economy will help people to level up.

Having said that for Shri Daji, Shri Alvares and Shri Malaviya. I would like to deal with this question of prices. Prices, at any rate, high prices, are the bugbear of any Finance Minister. In fact, if prices were steady, a Finance Minister's task would be easier. He could know where he could get his savings, where he could get the money for development purposes, what he could encourage and what he could

not. But unfortunately, while the Finance Minister at the Centre has undoubtedly a responsibility for the wellbeing of the economy, he has not got the power. The defect is not, if I may be pardoned for saying so, personal; may be another Finance Minister may be here tomorrow, but he will be in the same position. It is structural.

In fact, when we speak about agricultural prices, hon. Members rightly get excited and angry when we find prices are rising and food not being available. But essentially the area which can control prices to some extent, happens to be the States, and we have 16 States. Naturally, the Chief Minister of a State has got to have his ear to the ground; he cannot have his ear connected to a telephone from Delhi. If he does that, he would not be there long; he has to have his ear to the ground. That is where we find the apparent differences that occur and are publicised, one Minister wanting a zone, another Minister not wanting it. If you take away a zone, the producing States will suffer, because the pressure pockets would certainly attract all the foodgrains. If you do not take away the zone, the pressure pockets suffer a little more, unless you import foodgrains or procure them.

In fact, I envy anybody who is a Food and Agriculture Minister. I do not envy those two very good people about whom Shri Masani mentioned in the discussion a few days back, because my late lamented friend, Rafi, was born under an extremely lucky star. Whatever he did, went right. Of course, he used to take a lot of pride in the fact that he did gamble and the gamble always came off. In 1953, he decontrolled—and we had two very good years, 1954 and 1955. He is not alive, unfortunately. I wish he were.

**Shri Kamalnayan Bajaj:** Things would have been better if he were alive.

**Shri T. T. Krishnamachari:** It would have been better if many people now dead were alive, and many people who are alive were not alive. It is not in our hands because, for one thing, even astrologers cannot tell that. Astrology itself says—never predict a man's death. May be a clairvoyant might, but astrologers don't.

**Shri R. S. Pandey:** I am told Haveli Ram predicts well (*Interruptions*).

**Shri T. T. Krishnamachari:** I have never heard anybody predicting my death.

**An hon. Member:** They have predicted higher position for you.

**Shri T. T. Krishnamachari:** Therefore, the position of the Food Minister here at the Centre, without adequate powers, without any control over production, who can only do one thing, import food, is very difficult. When we speak of overall responsibility for the economy, when we speak about prices, let me frankly tell you what is the Finance Minister's responsibility for the prices. When prices have risen, what could the Finance Minister do? If he had money, he could import, import not in small quantities, but import in very large quantities. If we want the price of wheat to come down, we should import 25 million tonnes. Prices of wheat, rice, of everything, will come down. But we cannot do that. It is not available. He can only subsidise to some extent. If he wants a regimented economy where wholesale trade is largely in the hands of the Government, even that is resisted. The only thing that he can do is to control the monetary system in an ineffective way, because the monetary system today does not cover the entire operation of money structure. There is a lot of money outside the banking circle. I am not saying that I have no responsibility, but when we talk about prices, when we talk about prices in Delhi, we are speak-

ing about a thing which is far away from where it operates, without any control over the men and material that contribute towards a price rise.

15 hrs.

I get all the trouble, the headaches, because our prices rise, because a price means that I have to give increased dearness allowance, a price rise means that I have to pay more money for many of these public sector projects and public utility undertakings, a price rise means that our budget figure grows. But I would like to deal only with one narrow aspect of price rise, whether this budget would increase prices.

I do not want to claim that I am a wizard, I am not. I am a common man with I suppose a common man's common sense and nothing more. I have no illusions. I cannot do any day-dreaming at this time of my life. All that I can do is probably doze during the day and nothing else. But the fact is that I have a sense of responsibility as the Finance Minister of this country and a member of this party. I am not going to go and cut my nose to spite my face, and put my party in a difficult predicament. In fact, what I have tried to do in this budget, where there are certain imperatives attached to it, not the one that Shri Daji thought of, is to see as far as possible that it does not touch the people. Of course, my hon. friend Shri K. N. Pande or somebody said that bus rates will rise. Again, you must not forget the fact that all the refineries in this country are not supplied with oil from our own oil wells. It is bought with hard cash and hard currencies, and that is what is now scarce. If people decide that because of the rise in the cost of petrol, if they were using their car, say, for 20 miles, they will reduce it to ten miles, it is a good thing. Even if I do not get the revenue, a curtailment in petrol consumption would mean a saving of foreign exchange for other good pur-

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poses. So with diesel oil. If incidentally it costs a little more, taxi rates go up by two annas a mile and bus rates by one paisa per trip . . .

**Shri Bade (Khargne):** As soon as your Bill was introduced, all the shares in the market have gone down, and the price of things has gone up.

**Shri T. T. Krishnamachari:** Then I think we should have no budget. If every time you have a budget the dealers in the market raise their price, we should have no budget. I think that would be a good thing, but they raise their prices unconsciously for any reason whatever. In fact, I may tell the hon. Member that when we changed over to the decimal system, all the changes were for the benefit of some middle man. When there is a flood, prices go up, but when the flood disappears and normal conditions return, prices do not go down, merely because they think that they can charge what the traffic will bear, not because of my budget. Therefore, I am coming to the very narrow point . . .

**Shri K. N. Tiwary:** Diesel oil is used for agricultural purposes. Are you thinking of reducing its price?

**Shri T. T. Krishnamachari:** True, for agricultural purposes I must provide some diesel oil. I must import something if tractors are going to work. That is why I thought I could give some subsidy in regard to engines using diesel oil. Besides the diesel oil used for agricultural purposes happens to be light diesel oil on which we have reduced the duty substantially.

**Shri K. N. Tiwary:** They cannot use it.

**Shri T. T. Krishnamachari:** There I think that my hon. friend is wrong. They can use light diesel oil.

**Shri K. N. Tiwary:** No. The diesel that is used by buses is the diesel that is used for agricultural purposes.

**Shri T. T. Krishnamachari:** We have light diesel oil and supply is available in the country. Even in Barauni the offtake of light diesel oil is small, and that is why we substantially reduced, by about Rs. 120, the price of light diesel oil.

**Shrimati Tarkeshwari Sinha (Barh):** But it is not usually available. When the diesel pumps are there, nobody knows if they are light diesel oil pumps or not, and the farmer has to pay the price.

**Shri T. T. Krishnamachari:** We will ensure hereafter that diesel oil pumps do indicate it, and give wide publicity that light diesel oil prices are very much cheaper. But I can tell the hon. Member that the man who buys is not such a fool. He knows. The whole trouble about us city-bred people is that we think that the villager is ignorant, but I am afraid he is not. He is quite knowledgeable. He is perhaps even more knowledgeable than some of us who try to ordain things for him. He is extremely knowledgeable.

Then there is the question of percentage of rises. It is said that iron and steel prices will go up. Yes, they will. The area of increase will be, maximum about 3 to 4 per cent for the various types. In the case of copper, it will be 4 to 5 per cent. If the hon. Member permit me, or rather if the House permits me, it is my intention to give some kind of relief to the industries which produce the end-product using copper, so that we can perhaps offset the increase in this. Something like that could be done. The matter is being investigated. But hon. Members also know that the price of steel, which is affected, and the price of copper in the market are much higher than, considerably higher than the landed cost.

Hon. Members made a reference to economy in expenditure. I would like

to tell them that one of the things that we have been discussing with the various State Governments, in order to find resources for the Fourth Plan, is to find out how we can economise in expenditure. It is not quite so easy because these instruments of Government, particularly the spending instruments, are set. I have been trying very hard to get my colleagues in the various departments to reduce expenditure. In fact, I think there is room for a reduction of expenditure of at least 10 per cent, because, while on the one hand your developmental needs increase your staff in certain directions, unless, to counter-balance it, somebody looks into that area where it is no longer necessary to keep a big staff, I am afraid our expenditure will go up. I can tell hon. Members that I am applying my mind to it, but, again, as I said the other day, a Finance Minister draws his power in regard to expenditure from the House, and by the insistence of hon. Members, no matter which section they are from, if they are economy-conscious, the Finance Minister gets his power from them. He does not get it exactly from his colleagues in Government because every colleague would like his department to sort of go up; it is somebody who is outside who can help. In fact, on this question of resources for the Fourth Plan, one of the items that I am thinking of, and I have carried the Deputy Chairman of the Planning Commission with me, is to economise. Even the other day in Bangalore we were urging the State Governments. Of course, their offers are small. 4 to 5 per cent, it could be much more. We can economise considerably in buildings. In fact, we have really brought down the standards of public buildings, brought down the area, and even there there is resistance. After all, in spite of the talk of socialism, we are conscious of these gradations, artificial gradations, in society. How can a person who is a Deputy Secretary live in a house which has 700 sq. feet? Of course if a deputy secretary retires, he goes home and he will have to live only with 700 sq. feet; it is very difficult to buy a house in this country.

That kind of thing happens and an attempt is being made very seriously. There are certain areas where economy is difficult. For instance, health, education, employment, though in certain directions, we may economise for the time being but it may not be accepted. I do not mind telling the House that I was against going on increasing the area of university education. Somebody might think that I am illiberal that I am philistine or uneducated; perhaps I am. If we go on adding more colleges without providing employment for those people who come out and they are not fit for any employment what happens? They are not technically trained. One of the things on which the House could initiate or even ask for a discussion for a couple of days, these experts in management who sit opposite, is the question of manpower utilisation and to plan the other end, what is the man power that we can utilise, how much more we can utilise; cannot we train them that way and go on. In fact when I was in Japan last year, I heard that every boy and girl coming out of school was booked.

**Shri D. C. Sharma (Gurdaspur):**  
... booked for marriage?

**Shri T. T. Krishnamachari:** Those people are not quite so matrimonial-minded as we are; they are booked for a job. I think they marry late now-a-days. Some job is ready for him. I am perhaps a philistine, but the question of education has got to be viewed from the point of view of manpower utilisation.

The hon. Member Mr. Daji said about direct and indirect tax ratio. I personally would like a very high collection from direct taxes. I do not believe that the high collection of that direct tax should come from high rates. In fact we are trying to make the base bigger and rope in every year more and more assessee. In fact I do hope that the present rates of direct taxation will be maintained and perhaps even diminished because if you can get all the taxes that is due to the State, even

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when the peak is about fifty per cent, it would be a very much larger amount of taxation. This idea of direct and indirect taxes is a matter not so much of Government's will but a matter of the state of the economy. If the economy is prosperous and more people are earning money, the direct taxes go up and you can reduce the indirect taxes.

I am very grateful to some hon. Members on my side like Shrimati Mukerjee, Shrimati Renuka Ray and Mr. Heda and a number of other people who gave me what you may call discriminating support. I have had to explain the reason, rationale for this measure twice, once in my speech the other day and again while introducing the Bill.

It is wrong for somebody to say that the World Bank has sent its dictum. No, in fact if you go to the IMF for money, naturally they ask something about the state of your economy. The World Bank has not sent any report to me. Their annual report comes sometimes, but not yet to me. I can also tell you that the self-respect of this country is as dear to the members of my Party, to the Government and to me as to anybody else in this country. I would rather that this country remains poor and not develop than take dictation from anybody. The advice given to us by persons who do not know the circumstances in which we live is also not a quite good advice. I may be unfit and I may have to be removed but rightly or wrongly I am here. I have been chosen by some people for being here and I am the physician here at the moment and I must know my patients. I am not going to ask somebody else from somewhere else how to treat my patient. We do not get radio telephone advice for treating diseases and defects in India. In fact there is no point in saying that something happened in some other country and that should happen here. Maybe, it is a guideline but it would not apply to this country. This country is a big country, a very big country.

People in this country are highly individualistic and in spite of centuries of foreign domination, we have preserved our spirit. They could not be broken. People in this country do respond to persuasion.

The most exciting experience that I have had in recent times, Mr. Deputy-Speaker, was when I went to your state last week. I did not have it in Bangalore in that huge mausoleum; but when I went out for half a day. People speak about community projects and their defects, the wrong way in which they say things are done. I went to Mandya and I spent five hours there talking to farmers and various other people, seeing how the co-operative system works, seeing the differences between an ordinary rice mill, a rice mill made by Mr. Dandekar—not this Dandekar, he does not make rice mills—and the Japanese rice mill. I think that education is worth going all the way. We saw the developments there. May I tell the House an incident, even if I may be taking the time of the House, when I went to a farm. There was a well, a new well dug. It was a four-acre farm. The land was not very good, not very fertile. But the sugarcane crop was reasonably good. We asked him "how much sugarcane" and he replied "1.25 acres." "How much do you think you will get?" "Somewhere about fifty tonnes," was his reply. "Where do you sell it?" He replied: "That is my trouble; I am not within the mill range and therefore, I have to sell it for gur and if I am in the mill range I would wait for thirteen months; but now I cut it in eleven months". I asked: "why is it?" He replied: "we do not get money; we get it in one year; I could spend Rs. 100 more on fertilisers and increase the tonnage by another ten tonnes if I am supplying to a mill because my cane is good and I get a good price. Somebody there said: "we have been asking for a co-operative mill and we have not got it." I told him: "look, for a co-operative mill, you normally pay Rs. 10 lakhs and

the Government pays Rs. 130 lakhs; it is very unfair; if you raise your bit, I will plead with the authorities to get you a co-operative mill." They said: "what about Rs. 20 lakhs?" I said: "it is no use; if you could get Rs. 50 lakhs, it can be done; I will get Rs. 90 lakhs." The line may be high. After ten minutes, they came to me and said: "if you give us a little more than a year, we will give you Rs. 50 lakhs." They were peasants, not very rich people; no capitalist was there. When I told them that I would try my best to get them a mill, they were pleased about it. There was a man; he had a well; he had water; he was producing cane; he knew the type of cane, he knew even the sucrose content and he also knew how to utilise the fertiliser. It is not a villager who has to be taught about the use of fertiliser. The experiment of Mandya was good. I told the food Minister later on: here is a proposition; in the Fourth Plan, let us multiply Mandyas; take those to areas where there is irrigation potential, where there is underground water and let us try to multiply these areas. Therefore, it is no use saying that all our attempts are a failure. Maybe, we find a separate administration in the community projects; you see the block development officer going in a jeep. I have seen it myself when I was away for four years; I am sorry to have come back much to the chagrin of my friends opposite. I have seen tehsildars having jurisdiction over forty square miles walking whereas the block development officer, who was a new man and who had been promoted because of some kind of influence, going about in a jeep. It is no doubt true that abuses are there. But this experiment has shown a great potential for development. When they talk about the Plan, somebody says: "What is this agricultural plan? It is the same percentage; double the plan; the percentage is the same." But it is not a plan that is set for agriculture alone; it is also for power and irrigation and so on. My friend Dr. Rao said somewhere that it may

amount to Rs. 2,500 crores. Supposing we do succeed, we have the money, and we are able to spend it; that will then raise the resources in general. If a man produces sugarcane in 13 months and that becomes sugar, the bagasse is used and the alcohol is sold, he produces more money and he can invest a little more somewhere else. So, once you are on the right lines, you are in the self-generating economy, and therefore, the percentages do not matter.

As I said, the difficulty of sitting at the Centre is one thing. You have to know how the responses are, and how they come. Secondly, you have to act within the frame-work of a federal set-up; it is also not right to say that other things are not wanted. Of course machinery is wanted. My hon. friend objected to my keeping the lower duty of 15 per cent on agricultural implements. I know in the co-operative society in Mandya—it is a huge society—they have seven to eight godowns and two rice mills and an agricultural implements making factory. They are making implements to some other implements, for instance, power tillers. The tractors come from Russia; they are so much in demand and have got to be imported. If we reach the time when we have enough material in the country for making these things, I am quite prepared—if I am here—to raise the duty to 35 per cent.

Finally, I come to the question of raising the duty on machinery. It is really the thing that matters. It is a thing which I have been considering for a number of years. Somebody mentioned about spare capacity in the country. There is undoubtedly a large spare capacity in the country. There is talent. This has to be used; this has to be encouraged. I do not mind telling the House that a couple of months back a producer of electrical goods, with a foreign collaborator, came to me and said: "There is a tender for transmission equipment of a crore of rupees, for which a credit is given by the IDA. The IDA wants global tenders." He said, "I am outpriced by 20 per cent,

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because the other people quote 20 per cent lower." I said—and my idea was on the right lines—that this man would be able to quote and get the tender in India. So, I have given the greatest amount of thought to this matter. Though I am not an industrialist in that sense,—nor am I a very clever man—I have some familiarity with industry, having been the Minister for Commerce and Industry for four and a half years at a time when industry grew, and curiously enough,—I had this enviable position,—some of the industrialists occasionally put in a good word for me; perhaps they might be very unpopular with some of my friends opposite. I was supposed to be a capitalist stooge. But this is a matter in which I and my officers and members of this Government have thought considerably. It is after a great deal of deliberation—the other conditions and other necessities are there—that we felt that we should raise the duties.

One or two words more and I would like to have done with this. Some references have been made to me personally. At this stage in my life, I do not want any favours from anybody. I know that some circulars are constantly circulating outside the House.

**An hon. Member:** Do not bother about them.

**Shri T. T. Krishnamachari:** Well, it is true, but it does. One hon. Member here, opposite, said something about my having told a lie. Let me tell the hon. Member that whatever I say is the truth. In fact, no hon. Member can find,—no matter what document is pilfered from where—that what I say is wrong. I did tell my friend Shri Asoke Sen that I had given up active association with business in 1942. I did not say that I had no indirect interest.

I would like to take two more minutes to tell the House that my

nucleus came from my father, and therefore my sons are Members of a joint family. I cannot take away their rights. When I left my business, naturally my business went to my sons; in 1942 when I decided to leave my business, I had two minor sons; they did not have a mother who should have been their natural guardian, and so their father was the natural guardian. The youngest son became a major on April 24, 1947, and that ended by responsibilities.

My hon. friend opposite caught hold of a letter, a photostat letter, somebody writing to some firm, with which he is not connected—and I do not suppose anybody else is connected—but it shows that somebody here, round about Delhi and probably in other parts of India, was interested in taking out letters, getting photostat copies of them and distributing them to hon. Members of Parliament. In that letter, I am told—he said that—there is a reference—in 1955, of Mr. T. T. Krishnamachari having said, "You put up money for a plant." Certainly in 1955, I was as far away from finance as we are from the North Pole. It is quite possible that somebody who runs a firm with that name is identified with that name. But the hon. Member must exercise some intelligence in this matter: that a man who has been a Minister since 1952 would not do any such thing. In fact, I have no money to buy a plant. I had no money of my own to buy a plant. So, this kind of thing goes on, and it is being trotted out and it makes our position very unenviable. Therefore, I ask for the pardon of this House in becoming autobiographical, when I merely want to tell the hon. House that a man whom this Party has chosen to be the Finance Minister would certainly do nothing to detract from the great traditions of this party. In fact, on the last occasion, when I went away, much to the pleasure of my hon. friends opposite, I went away not because I

had anything to do with what happened but I thought that the great traditions of this party must be maintained, and I can tell you that if I were to go back again three times for that purpose I shall do so.

**Mr. Deputy-Speaker:** There is the amendment of Shri Yashpal Singh. Does he wish to press it?

**Shri Yashpal Singh (Kairana):** Yes, I press it.

**Mr. Deputy-Speaker:** The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 15th October, 1965."

*The motion was negatived.*

**Mr. Deputy-Speaker:** Shri Banerjee's amendment is barred.

**Shri S. M. Banerjee (Kanpur):** Why barred?

**Mr. Deputy-Speaker:** It is a motion for circulation, and the motion by Shri Yashpal Singh has just been thrown out. The question is:

"That the Bill further to amend certain laws relating to direct taxes to provide for voluntary disclosure of income, to increase or modify duties of customs on certain goods imported into India and to increase or modify and to impose duties of excise on certain goods produced or manufactured in India, be taken into consideration."

*The motion was adopted.*

**Mr. Deputy-Speaker:** Now we shall take up clause-by-clause consideration of the Bill. For clause 2, there is no amendment. The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Clause 3—(Amendment of section 10).**

**Shri N. Dandekar (Gonda):** I have amendment No. 5. I move:

Page 2, for lines 6 to 20, substitute—

"(ii) under any scheme of any other employer:

Provided that the commuted value of such pension is determined having regard to the age of the recipient, the state of his health, the rate of interest and officially recognised tables of mortality;" (5)

Before I speak on the amendment, there is a slight printing error there. My amendment refers not to lines 6 to 20, but to lines 7 to 20, at page 2. The amendment is to the effect that the present lines 7 to 20 should be deleted and be substituted by the words which are there in the amendment.

The whole of this sub-clause (a) of clause 3 is concerned with removing a doubt about the exemption from tax of the commuted value of pension. It is quite right that these doubts should be removed. The explanatory memorandum says that "the commuted value of pension received by an employee has so far been treated as not liable to tax as it was considered to be of the nature of a capital receipt." However, a view had been taken which threw some doubt on it. This doubt has to be removed. My objection which necessitates this amendment is not to the principle that there should be exemption from tax in respect of the commuted value of pension, but to the strange proposal that although, previously the entire commuted value of pension received by an employee from any commutation scheme of any other employer, an employer other than the government, was in fact wholly free of tax, this amendment

\*Moved with the recommendation of the President.

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(which is designed expressly to remove doubts) now limits the extent of exemption of this commuted value of pension from tax. This is a contradiction in terms. The main object of this particular sub-clause was to remove a doubt about exemption from tax of the commuted value of pension which exemption was always there, in favour of the employees. I see no reason why in attempting to remove the doubt, the extent of the tax exemption should be whittled down by item (ii) in clause 3 (a). My amendment would merely have the effect of restoring the position as it was before any doubt arose as to the exemption from tax of the commuted value of pension.

**Shri T. T. Krishnamachari:** The original clause in the Bill seeks to give a concession in regard to the commuted value of pension. My hon. friend wants to extend it, so that it can apply to pensions from the private sector, where it is quite possible by arrangement to have a much larger pension, then commute it and then get away from the tax. I am not prepared to extend the scope of the concession beyond what is contemplated in the clause.

**Mr. Deputy-Speaker:** I shall now put the amendment to the vote of the House.

*Amendment No. 5 was put and negatived.*

**Mr. Deputy-Speaker:** The question is:

"That clause 3 stand part of the Bill."

*The motion was adopted.*

*Clause 3 was added to the Bill.*

*Clauses 4 and 5 were added to the Bill.*

**Mr. Deputy-Speaker:** Dr. Singhvi's amendment No. 6 seeking to introduce a new clause 5A is beyond the scope of the Bill.

**Dr. L. M. Singhvi:** No, Sir; this amendment is not beyond the scope of the rules of this House. It has been customary to be permitted to insert new clauses in a Bill which is under consideration. I would request you to consider this particularly in the context of rule 83. I believe that objection is sought to be raised to this amendment on the ground that rule 80 would not permit it, since this is not supposedly relevant to the subject-matter of the clause to which it relates. Rule 83 which regulates insertion of new clauses says that the Speaker shall have power to select the new clauses or amendments to be proposed. This new clause has been so proposed.

However, since this matter is coming up in a Private Member's Bill which I introduced in this House on the 17th of this month, I would crave leave to withdraw this amendment at this stage, while emphasising the great importance I attach to this amendment for the preservation and maintenance of the mining industry in the various States of India. I submit that on this you may not be pleased to rule that it is not admissible, because that would really lead to a great abridgement of the rights of the House.

**Mr. Deputy-Speaker:** I am sorry I cannot agree with you. Rule 80 (i) says:

"An amendment shall be withdrawn in the scope of the Bill and relevant to the subject matter of the clause to which it relates."

Further, there is a ruling that "an amendment seeking to introduce unrelated matters is outside the scope of the Bill. In the case of an amending Bill, the amendments to sections of principal Acts which are not covered by the Bill are inadmissible".

**Dr. L. M. Singhvi:** I submit that a similar amendment was admitted when the first Finance Bill was introduced this year. Secondly, this

ruling which has been cited would not cover this, because this is very relevant to the provisions of the Bill.

**Mr. Deputy-Speaker:** You seek to amend section 23 of the Income-tax Act, which is not being amended by this Act.

**Dr. L. M. Singhvi:** Provision after provision of the Finance (No. 2) Bill is seeking to amend the Income-tax Act....

**Mr. Deputy-Speaker:** The question is:

"That clauses 6 to 8 stand part of the Bill."

*The motion was adopted.*

*Clauses 6 to 8 were added to the Bill.*

**Clause 9— (Amendment of section 88).**

**Shri N. Dandekar:** Sir, I oppose the whole of this clause. It embodies such an astonishing proposition. Section 88 of the Income-tax Act is concerned with certain exemptions in regard to contributions of a charitable nature and so forth. What is now sought to be done by clause 8(a) is to insert a sub-section to this effect:

"In this section "charitable purpose" does not include any purpose the whole or substantially the whole of which is of a religious nature."

The rest of this clause is consequential. This is really a most astonishing proposition that we are being asked to accept, namely that because this country is a secular State therefore, religious purpose is not a charitable purpose.

Throughout all these years, "charitable purpose" has always included religious purposes, provided they were public purposes. That is to say, private charitable purpose as well as private religious purpose were necessarily excluded. But it was never in doubt that so long as the purpose was a public religious purpose, that

was included within the general wider concept of a public charitable purpose. We are now being asked to accept a most extraordinary proposition. Ours is a country which deeply believes in religions and which prides itself that it has more spiritual values than materialistic values. While our State, quite properly, does not distinguish between one religion and another and treats them all alike, we are not, nevertheless, claiming ever to be an irreligious State or considering religion as some practice to be frowned upon. But this particular clause violates the spirit of our Constitution, the nature and character of our people, the nature and character of our history, by suggesting blatantly that a purpose which is wholly or substantially of a religious nature shall not be regarded as a purpose of a charitable nature. I think this is monstrous. There must be a limit to the extent to which we can go on, year after year, passing amendments to the Income-tax Act, whereby it seems to be implied almost as if it is against public morals for anybody to be doing anything at all that has the slightest flavour of religion. If, for instance, my Parsi friends were to start, as they have already done in the past, excellent hospitals and other charitable institutions, the primary object of which is to assist the Parsis, any donation to such an institution and the income of such an institution is not today exempt from tax. And so it goes on, on and on until we have now this final onslaught on the one thing that we need in this country, a certain regard for religion, a certain regard for morality, a certain upliftment of the public and private moral standards in this country. This seems to be the hallmark of the scant respect we wish to give to religion by declaring that even if it is a public religious purpose it is not to be regarded as a charitable purpose. I move that this clause be struck right down out of this Bill.

**Dr. L. M. Singhvi:** I would strongly support what has been stated by

[Dr. L. M. Singhvi]

Shri Dandekar. I think by this particular clause what is being sought to be done is quietly and inconspicuously to effect very substantial and far-reaching erosion into the rights of our people in the very meaning of 'charitable purpose' which has always included public religious purposes. If this clause is permitted to be passed, as proposed by the Finance Minister, I think it would have a highly destructive effect on the very fabric of our society and on the charitable purposes, which include public religious purposes also. I think that as the clause is before us now, the House must express itself rather strongly and categorically that the acceptance of this provision is inconsistent with the accepted position in law and the traditions which we have always espoused. If it is being done now in the name of secularism then, I am afraid, it is secularism running amuck. I would strongly support the proposal of Shri Dandekar and I would request the hon. Finance Minister to reconsider this clause in particular.

श्री बड़े : माननीय उपाध्यक्ष महोदय, मैं वित्त मंत्री जी से विनती करूंगा कि वह इस क्लॉज के बारे में एक दफा और विचार करें। मैं समझता हूँ कि भारत में हर एक व्यक्ति धर्म को मुख्य स्थान देता है और वह धर्म के नाम पर दान भी देता है। उसी दान से बहुत सी शिक्षण संस्थायें चल रही हैं, दवाखाने चल रहे हैं।

इस में लिखा हुआ है : 'चैरिटेबल परपज' इज नाट इन्क्लूड एनी परपज दि होल प्रार सन्टेंशली होल प्राक् बिब्लिच इज प्राक् ए रिलिजस नेचर।' यह समझ में नहीं आता कि मंत्री महोदय के मन में क्या है। आखिर "रिलिजस नेचर" से उन का मतलब क्या है ? क्या शिक्षण संस्था चलाना रिलिजस नहीं है ? हमारे यहाँ तो शिवा देना, अस्पताल खोलना, जनता की सेवा करना, इन सब को धार्मिक समझा जाता है।

एक माननीय सदस्य : टैक्स लगाना ?

श्री बड़े : हम टैक्स लगा कर जनता को जान लेने को रिलिजस नहीं समझते हैं। हम टैक्स लगा कर जनता को जिन्दा रखने को रिलिजस समझते हैं।

आज तक रिलिजस संस्थायें टैक्स में छोड़ी जाती थीं। लेकिन किसी इनकम टैक्स प्राक्सर के दिमाग में आ गया कि किसी रिलिजस संस्था को टैक्स करना चाहिए, क्योंकि यह चैरिटेबल संस्था नहीं है। जब वह मामला हाई कोर्ट में गया, तो हाई कोर्ट ने फैसला दिया कि रिलिजस संस्था इस में आती है—चैरिटेबल परपज मीन्स रिलिजस परपज। वित्त मंत्री जी ने सोचा कि मैं सेकुलर हूँ—मैं हिन्दू तो हूँ, लेकिन मैं सेकुलर हूँ—इसलिए उन्होंने अपने सेकुलरिज्म का इंडोरा पीटने के लिए यह क्लॉज जोड़ दी।

"मैन" को एक डेफिनीशन यह दी जाती है, "ए मैन इज देट एनिमल व्हिच इज नाट एनिमल।" उसी तरह इस बिल में कहा गया कि "चैरिटेबल" वह है, जो "रिलिजस" नहीं है। मैं समझता हूँ कि "चैरिटेबल" और "रिलिजस" में फर्क करना ठीक नहीं है।

इस क्लॉज के बारे में देश के मराठी, हिन्दी आदि दैनिक समाचारपत्रों में बहुत धारोचना हो रही है। इसलिए वित्त मंत्री इस बारे में फिर से विचार करें।

यह भी स्पष्ट नहीं है कि "दि होल प्रार सन्टेंशली होल" का अर्थ क्या है। इस का स्पष्टीकरण न करने का परिणाम यह होगा कि इस धारे में फिर संका होगी, यह मामला फिर हाई कोर्ट में जायेगा और सरकार को फिर ला में परिवर्तन करना पड़ेगा। इस में यह व्यवस्था करनी चाहिये कि हिन्दुओं, मुसलमानों, सिखों या पारसियों

यादि की ओर से जो भी धार्मिक संस्था बनाई जाती है, उस पर यह क्वाड लागू नहीं होंगी।

**Dr. M. S. Aney:** Mr. Deputy-Speaker, Sir, I strongly object this surreptitious way of encroaching upon our religious life. I do not know how can a distinction be made between a charitable purpose and a religious purpose. I do not know on what basis the hon. Minister has done this. Most of the charity depends on religious sentiments. It is the religious that has given sanctity and sanction to charity and it is not charity that has given sanction to religion. The whole trend of history tells us that charity has originated from religion. Let me quote a Sanskrit *sloka*—दानमूर्ति परमो धर्मः. I do not know why my hon. friend is thinking of making this fine distinction between a charitable purpose and a religious purpose on the ground of secularism without having ever cared to define what a charitable purpose is.

Sir, the distinction between a charitable purpose and a religious purpose is not defined anywhere. India may be a secular State but even its secularism is nowhere defined. So far as the Constitution is concerned, the word 'secular' probably occurs nowhere. It is all an expression that is given to it by those who are advocates of our Constitution without themselves being religious persons. Therefore, a well-known understanding of the people that charity and religion are two different things, is not correct. A thing which is not religious cannot be called a charity. We have interpreted the word 'secular' and even the President has interpreted it—it is that it respects all religions alike. The State is not secular in the sense of being an irreligious State. If it were so, the fundamental right of the liberty of practising any religion would never have been there. So, this may affect that fundamental right, directly or indirectly. My hon. friend was right

in showing the vague wording which is there and which is likely to create difficulties and litigation.

Under these circumstances, I would request the hon. Minister to accept the amendment and not to allow a clause of this kind to remain as a part of this Bill which is not quite proper.

**Shri Heda (Nizamabad):** Mr. Deputy-Speaker, Sir, the time has come when we must make a distinction between the charitable purpose and the religious purpose. This clause does not stop any religious activity. There is no ban; they will have all the freedom. The only difference this clause will make is that the charity given, the donation given and the subscription made under this clause will not go to the religious purposes. They will not get that exemption. That is the point.

The charity is for all, it means that it will have a fair treatment for all. But when we say that it is for religious purpose, we only mean that the benefits and advantages will accrue only to those who believe in that particular religion. So, here is a distinction that has been made here. It is a very good thing. The religion is interpreted in a very very broad way but when the implementation starts, when the execution takes place, we find the actual difficulties.

Recently—I will not name the institution—an institution which was imparting education in higher religious studies came forward to say boldly that so far only students belonging to a particular community in a particular religion were admitted but now they have taken a step forward and the students belonging to other castes or other communities are also admitted. This means that these trusts are being managed by a certain number of persons and those persons act with their own discretion at the time of execution. Therefore, the entire difficulty come. If somebody, in the name of religion, tries to serve the entire humanity, I

[Shri Heda]

do not know why it should not come under 'charitable'. We can straight-away say that it is for 'charitable' purposes. Why should we take the name of any particular religion? Mr. Dandekar did not do any service by bringing in the name of a particular religion. Here we are not considering one religion. Again is it not a fact that, when we go into these trusts, we find that the money that has been obtained under 'religion' finds its way even to politics? Therefore, it is time that we considered this problem not only from one angle, but from all angles. From that point of view, I should say that this has not come early, but on the other hand, has come rather late.

**Shri M. R. Masani (Rajkot):** I want to oppose this Clause. I think it is contrary at least to the spirit of our Constitution. It is for the law courts to decide whether it is also inconsistent with the letter of the Constitution. It has been said more than once in the course of the last few minutes that ours is a secular State, a secular Constitution. I flatly deny that proposition. There is nothing secular, nothing anti-religious about this Constitution. After all, I was also one of the people who framed this Constitution along with many others in this House. If you turn the Constitution, you will find that this is a Constitution that is pro-religion and not anti-religion. Clauses 25 to 28 guarantee the right to freedom of religion. All these clauses try to protect religion from opposition or attack. Clause 30 guarantees the right of minorities to preach and teach their religion in their own institutions and not to be penalised by the denial of government grants. It is a pity that we, as the father of the Constitution, did not foresee the capacity of those who now occupy office and their hatred for religion and we did not put in something to the effect that no tax shall discriminate against religious purposes. If that had been done, this

amendment would not have been moved.

15.52 hrs.

[SHRI KHADILKAR in the Chair]

Why do we say that we are not a secular State? This word 'secular' is so grossly misused that I wish that it could be purged from the vocabulary that we use these days. Ours is a non-denominational Constitution; it does not belong to one religious denomination; if you like it, it is a multi-denominational Constitution. It is open to people of all religions. That was in the spirit of Gandhiji. Gandhiji was not secular; Gandhiji believed in all religions being equally acceptable; at his prayer meetings he recited texts from the scriptures of various faiths.

What is the meaning of the word 'secular'? Let us turn to the dictionary; that is the best way. According to the Collins English Dictionary, it means 'wordly'; it means 'materialist'; it goes further and says who is a 'secularist'; a secularist is "one who would exclude religion from schools," something which is diametrically opposed to our Constitution. We say that nothing shall be done to prevent a religion from being taught in schools.

Having turned to the Concise Oxford Dictionary, which I got just now, I find that 'secular' is defined as "concerned with the affairs of the world, worldly" and later on "sceptical of religious truths or opposed to religious education".

I say it is a libel on our Constitution to describe it as 'secular' and then to move to support a proposition like the one which the Finance Minister has brought before this House. For this reason, we oppose this clause and we shall not allow it to be passed without exposing those who are the enemies of religion in this country.

**Shri Raghunath Singh:** In regard to secularism, I want to say something.

My hon. friend appears to have got a peculiar notion about secularism, and I want to reply to him, if you would permit me.

Mr. Chairman: Yes, he may speak.

श्री रघुनाथ सिंह 1846 में होनी प्राक एक बड़े दार्शनिक हुए हैं। इंग्लैंड में उन्होंने इस सिद्धांत को चलाया था। इसका अर्थ था लौकिक और पार लौकिक, दुनियावादी कार्यों में लौकिकता को स्थान देना। इसी अर्थ में इस सिद्धांत को होनी प्राक ने . . .

Shri M. R. Masani: I abide by the dictionary.

Shri Raghunath Singh: Perhaps, my hon. friend will not understand it. It is here. Let him try to understand the movement of secularism.

श्री नारायण बाबेकर यह इंग्लैंड नहीं है।

श्री भी० र० मसानी : हमारी कास्टीट्यूशन में कैसे आ गया।

श्री रघुनाथ सिंह : हम लाये हैं, ट्रेडरी बैचिज वाले लाये हैं।

घापने पहले भी सैक्युलरिज्म पर आक्षेप किया था। जब प्रलोचन विध्वविद्यालय प्रत्यादेश पर बहस चल रही थी तब घापने आक्षेप किया था और कहा था कि यह स्टेट सैक्युलर नहीं है। आज भी घापने आक्षेप किया है कि हमारी स्टेट सैक्युलर नहीं है। इन धारणों में घापको यह सब बता रहा हूँ।

1846 में सैक्युलर मूवमेंट पहले पहल इंग्लैंड में आरम्भ हुआ और बड़े जोरों के साथ हुआ। उस वक्त इमको यह समझा गया कि सैक्युलर का अर्थ है नानरिजिज्म उस वक्त होनी प्राक की पुस्तकें दी गई और यह डिक्शनरी किया गया कि ये बिल्कुल नान-सैक्युलर हैं। इसी बीच में 1920 में यह हुआ कि चूकि इंग्लैंड सैक्युलर स्टेट है,

इसलिए एजुकेशन भी सैक्युलर होनी चाहिये इंग्लैंड में 1920 में जब यह निष्पत्ति बिया गया कि एजुकेशन सैक्युलर होगी और कहा गया कि चर्च के स्कूल जितने हैं उनकी मदद न की जाए तो वेल्थ के बन्जों ने हाउस आफ लार्ड्स में बैठने से इन्कार कर दिया। उन्होंने कहा कि चूकि घाप एजुकेशन का सैक्युलर बनाते हैं इस वास्ते हम हाउस आफ लार्ड्स में नहीं बैठेंगे। 1920 से ले कर आज तक वेल्थ का कोई भी बन्जों हाउस आफ लार्ड्स में नहीं बैठता है। इस का कारण यह है कि उनका कहना था कि इंग्लैंड का उन्हें सैक्युलर स्टेट कहा है।

यहां पर कांस्टिट्यूट प्रमेम्बरी में जब बात चल रही थी सैक्युलरिज्म की तो श्री लक्ष्मीकांत मैत्रा ने पहले पहल इस बात को कहा कि हमारी स्टेट सैक्युलर है। उनके बाद डा० अम्बेदकर ने कांस्टीट्यूशन की आ 25 से ले कर 28 तक मूव की और उन्होंने कहा कि हमारी कांस्टीट्यूशन सैक्युलर है।

दूसरी बात घाप कहते हैं कि हमें कानून बनाने का अधिकार नहीं है। मैं कहना चाहता हूँ कि घाप 28वीं धारा को देखें। इस में कहा गया है कि जिम बीच में गवर्नमेंट का रुखा लगा होगा उस में सरकार को हस्तक्षेप करने का अधिकार है। घाप अर्थ 28 (1) को। उस में कहा गया है :

No religious instruction shall be provided in any educational institution wholly maintained out of State funds.

मैं घापको फंड का उदाहरण देना चाहता हूँ। वहां पर अब भी नियम है कि जो पब्लिक स्कूल है उनको ही गवर्नमेंट की तरफ से रुपया दिया जाता है महायता दी जाती है। जो स्कूल चर्च के द्वारा चलाये जाते हैं या जहां रिजिज्म इन्स्ट्रक्शन दी जाती है, वहां पर उनको पैसा नहीं दिया जाता है।

[श्री रघुनाथ सिंह]

वहाँ भी उन्होंने कहा है कि हमारी एजुकेशन सैक्युलर होगी। आस्ट्रेलिया को प्राप देखें। वहाँ भी एजुकेशन सैक्युलर है। अमरीका भी डिक्लेयर करता है कि हम सैक्युलर हैं...

श्री मी० क० मसानो : बिल्कुल नहीं।

श्री रघुनाथ सिंह : अमरीका सैक्युलर है। मैं एजम्पल देता हूँ। सिर हिलाने से काम नहीं चलेगा।

श्री नारायण दांडेकर : प्राटिकल 28, सब संकशन (2) देखिये।

श्री रघुनाथ सिंह : वह प्राइवेट के लिए है।

मैं अमरीका की मिसाल दे रहा था। अमरीका में श्री मेडीसन ने जब अमरीका की कांस्टिट्यूशन का ड्राफ्ट बनाया उस वक्त यह कहा गया कि इस में रिलिजस इंस्ट्रक्शन रखा जाए तो मेडीसन ने कहा कि नहीं। हमारा कांस्टिट्यूशन सैक्युलर है। अगर रिलिजस इंस्ट्रक्शन को स्वीकृत करेंगे तो उस का अर्थ यह होगा कि किसी स्कूल में कोई रिलिजन किसी में और कोई पढ़ाया जायेगा। इस तरह से अमरीका का भी कांस्टिट्यूशन सैक्युलर है। शब्द रहने न रहने से कोई अर्थ नहीं होता है। उसकी आत्मा को, उसकी भावना को देखना होगा। उसकी आत्मा क्या कहती है, यह क्या कहती है। यह देखना होगा। हमारे कांस्टिट्यूशन की आत्मा क्या है। हमारे कांस्टिट्यूशन की आत्मा सैक्युलरिज्म की है। इसी वास्ते हमारा कांस्टिट्यूशन सैक्युलर कांस्टिट्यूशन है। अगर आप उदाहरण चाहें तो मैं आप को उदाहरण दे सकता हूँ। जब कांस्टिट्यूट प्रसेम्बली चल रही थी श्री अन्तःशयनम प्रायंगार ने भी यह कहा था कि हमारा कांस्टिट्यूशन सैक्युलर कांस्टिट्यूशन है। लेकिन सैक्युलर का अर्थ इरिलिजस नहीं है। हम हिन्दू होते हुए भी, मुसलमान होते हुए

भी सैक्युलर हो सकते हैं। जहाँ तक व्यवस्था का सम्बन्ध है शासन का सम्बन्ध है। उस में सैक्युलरिज्म होना चाहिये। उस में जाति के कारण, धर्म के कारण किसी प्रकार का भेद नहीं होना चाहिये। इस का अर्थ है सैक्युलर।

16 hrs.

श्री यशपाल सिंह : श्री रघुनाथ सिंह जो कहते हैं उन की भी थोड़ी चर्चा हो जाये क्योंकि वह भी गुमराह करता है।

श्री रघुनाथ सिंह : मैं माननीय सदस्य को जवाब दूंगा अलीगढ़ यूनिवर्सिटी पर बहस के समय।

श्री यशपाल सिंह : जो लफ्ज माननीय सदस्य बोल रहे हैं उस का अर्थ तो मालूम होना चाहिये। "धर्मनिरपेक्ष" शब्द जो है वह बिल्कुल निरर्थक शब्द है। उस का कोई अर्थ नहीं है। मैं विद्वान नहीं हूँ लेकिन मैंने विद्वानों के चरणों की सेवा की है, मैं भ्रालिम नहीं हूँ लेकिन मैंने भ्रालिमों के जूते मीघ किये हैं। "धर्मनिरपेक्ष" का अर्थ है जहाँ पर धर्म की आवश्यकता न हो, जहाँ धर्म की जरूरत न हो, जहाँ धर्म की परवाह न हो। मैं आप से पूछना चाहता हूँ कि अगर एक व्यापारी एक करोड़ रुपये ब्लैक मार्केट में कमा लेता है तो क्या बुरा करता है जब हमारे देश में धर्म की जरूरत नहीं है। अगर जनरल कोय लड़ाई का मैदान छोड़ कर भाग घाने है तो क्या बुरा करते हैं जब हमारे देश में धर्म की जरूरत नहीं है। अगर दूध बेंचने वाला दूध में पानी मिलाता है या प्रदुल्टरेशन करता है तो कोई बुरा नहीं करता क्योंकि हमारे देश में धर्म की जरूरत नहीं है।

मैं बड़े प्रदब से कहना चाहता हूँ कि धर्म निरपेक्ष लफ्ज जो है वह गलत शब्द है, निरर्थक शब्द है। उस की जगह "धर्मसापेक्ष" करना चाहिये। इस शब्द को "दलनिरपेक्ष" कर दीजिये, "पार्टी निरपेक्ष" कर दीजिये,

'सम्प्रदाय निरपेक्ष' कर दीजिये, लेकिन "धर्म निरपेक्ष" न कीजिये। यह शब्द गलत है, इस का सुधार होना चाहिये।

श्री हेडा: मैं गांधी जी का वाक्य मुनाता चाहता हूँ। उन्होंने नेकुलर के लिये "सर्वधर्म समभाव" शब्द इस्तेमाल किया है। नेकुलर का अर्थ सर्वधर्म समभाव है।

Shri T. T. Krishnamachari: I little expected so much heat and so little light on this particular clause. May I again say that I am a religious person and also that I have some familiarity with the Constitution? I was not one of those hon. Members who "framed" the Constitution, but I was, no doubt, a drudge of the Constitution. I know something about it.

It is not something which wants to prevent a person from giving away to religion.

Shri M. R. Masani: But punishes him.

Shri T. T. Krishnamachari: A man can give what he likes. If a man wants to perform a *yagna*, nobody says he should not. He does it out of his money and gets the merit. We do not want Government to get the merit by letting a portion of his tax being exempted.

Actually, this is because of an interpretation by a court in a different circumstance which, if not covered, will allow any person to build a private temple in his house and say, 'I have built a temple; therefore, this portion of the money is exempt'. How he spent, what he spent and why for a private temple, we do not know.

On the other hand, may I say that in the last Finance Bill, I had given exemption from gift tax on gifts made for renovation of temples, small churches, gurdwaras and the like which Government have notified as being of importance, not a private temple. In fact, it was suggested to

me by a very eminent friend, 'Why not do it for a private temple also?' It is not possible to do it. It has got to be a temple of some importance to the people. This is merely to prevent a person from endowing a private temple. Besides, there are sections 11 and 12 of the Act. The property income of any charity or religion is not being disturbed by it. But if it is a wholly religious purpose, which means a private temple, or a religious function which he does for purposes of acquiring merit or rather popularity, there the Government should not be asked to forego its tax. The idea that something is being done here which takes away the soul from man, which makes him irreligious, which is being painted in a jurid way, is completely unreal. The intentions are clear. If it is a wholly religious purpose and not one in which the public are interested, naturally he will not get the benefit of tax exemption, but if it is something which is for a charitable purpose or semi-religious, or for that matter anything in which the public are interested, then it would be all right.

Therefore, in spite of a great deal of eloquence which I have heard, I am unable to agree with the hon. Member to delete this particular Clause.

Shri Bade: He has not explained what is "substantially". It is a relative term. What he thinks is substantial and what the income-tax officer thinks is substantial may differ. That will create more confusion. That should be avoided.

Dr. L. M. Singhi: We raised the objection that this will create endless confusion, that it is likely to create so much confusion that it would defeat the purpose for which it is made, and is fraught with dangerous consequences. This point is not met by the Finance Minister at all. He has not answered it.

**Shri T. T. Krishnamachari:** There is nothing to meet, because I feel that it is a wholesome provision which makes it really very clear and does not allow people to abuse their rights under the guise of religion.

"That Clause 9 stand part of the Bill."

16.14 hrs.

[MR. SPEAKER in the Chair]

**Mr. Chairman:** The question is:

*The Lok Sabha divided:*

### Division No. 10

### AYES

[16.14 hrs.]

Achuthan, Shri  
Alva, Shri A.S.  
Ankineedu, Shri  
Arunachalam, Shri  
Azad, Shri Bhagwat Jha  
Babunath Singh, Shri  
Bajaj, Shri Kamalnayan  
Barman, Shri P.C.  
Basappa, Shri  
Chandrabhan Singh, Shri  
Chandrasekhar, Shrimati  
Chandrika, Shri  
Chaudhuri, Shrimati Kamala  
Chaudhuri, Shri Sachindra  
Daljit Singh, Shri  
Das, Dr. M.M.  
Das, Shri B.K.  
Desmukh, Shri B.D.  
Desmukh, Shri Shivaji Rao S.  
Dixit, Shri G.N.  
Dubey, Shri R.G.  
Dwivedi, Shri M.L.  
Firodai, Shri  
Gowri, Shri Veeranna  
Hansda, Shri Subodh  
Heda, Shri  
Jadhav, Shri M.L.  
Jadhav, Shri Tulshidas  
Jha, Shri Yogendra  
Jyotishi, Shri J.P.  
Kanakasabai, Shri  
Kedaria, Shri C.M.  
Khan, Shri Shah Nawaz

Khanna, Shri P.K.  
Kindar Lal, Shri  
Kouljagi Shri H.V.  
Kripa Shankar, Shri  
Krishnamachari, Shri T.T.  
Lalit Sen, Shri  
Laskar, Shri N.R.  
Laxmi Bai, Shrimati  
Lonikar, Shri  
Mahtab, Shri  
Mantri, Shri D.D.  
Marandji, Shri  
Maruthiah, Shri  
Mehrotra, Shri Braj Bihari  
Mehta, Shri J.R.  
Minimata, Shrimati  
Mirza, Shri Bakar Ali  
Misra, Shri Ribudhendra  
Mohanty, Shri Gokulananda  
More, Shri K.L.  
Mukne, Shri  
Mukerjee, Shrimati Sharda  
Muthiah, Shri  
Niranjan Lal, Shri  
Pandey, Shri R.S.  
Patel, Shri P.R.  
Patel, Shri Rajeshwar  
Patil, Shri D.S.  
Patil, Shri Vasant Rao  
Prabhakar, Shri Naval  
Pratap Singh, Shri  
Puri, Shri D.D.  
Ragunath Singh, Shri

Rajdeo Singh, Shri  
Shri D.B.  
Ram Swarup, Shri  
Ramanathan Chettiar, Shri R.  
Ranajai Singh, Shri  
Rane, Shri  
Ray, Shrimati Renuka  
Sadhu Ram, Shri  
Saha, Dr. S.K.  
Sahu, Shri Rameshwar  
Saigal, Shri A.S.  
Satyabhama Devi, Shrimati  
Sham Nath, Shri  
Sharma, Shri D.C.  
Shaahi Ranjan, Shri  
Shastri, Shri Ramanand  
Shinde, Shri  
Shyam Kumari Devi, Shrimati  
Siddanajappa, Shri  
Sidheshwar Prasad, Shri  
Sinha, Shrimati Tarkeshwari  
Sinhaasan Singh, Shri  
Sunder Lal, Shri  
Swamy, Shri M.P.  
Tahir, Shri Mohammad  
Tiwari, Shri K.N.  
Tyagi, Shri  
Uikey, Shri  
Vaishya, Shri N.B.  
Virbhadra Singh, Shri  
Vyasa, Shri Radhelal  
Yadav, Shri N.P.  
Yadav, Shri Ram Harkh

### NOES

Aney, Dr. M.S.  
Bade, Shri  
Bhecl, Shri P.H.  
Buta Singh, Shri  
Dandekar, Shri N.  
Kapoor Singh, Shri  
Karni Singhji, Shri  
Krishnapal Singh, Shri

Masani, Shri M.R.  
Mate, Shri  
Mauriya, Shri  
Misra, Dr. U.  
Rango, Shri  
Reddy, Shri Narasimha  
Singhvi, Dr. L. M.

Singh, Shri Y.D.  
Solanki, Shri  
Tan Singh, Shri  
Utiya, Shri  
Vimla Devi, Shrimati  
Yashpal Singh, Shri  
Yudhvir Singh, Shri

**Mr. Speaker:** The result of the division is:

Ayes 99; Noes 22.  
The motion was adopted.  
Clause 9 was added to the Bill.

**Mr. Speaker:** I shall put clauses 10 to 18 together; there are no amendments.

**Shrimati Tarkeshwari Sinha:** Sir, I want to speak on clauses 10, 11 and 12, even though I have tabled no amendments. These are enabling provisions and therefore, I want to speak on all of them together. I spoke about this in my general speech also; I referred to the National Savings Certificates. In this clause a concession has been given. I do not oppose this clause because the concession has been shown that this interest will not be added to the total income of an individual assessee. But I want to submit to the Finance Minister that he should bring forward a separate Bill or in any other form for the type of concession which I shall explain, in respect of the national savings certificates as they were originally provided for. The hon. Minister replying to my point said that genuine investors and savers would not suffer. But the situation is this. If you calculate the national savings, the return on the certificates on a 12 year certificate of Rs. 100 would be Rs. 165 at the end of 12 years. If there is encashment in the first year, nothing comes to him. There is a very small return on the second year. The third year, the return is a little more and at the end of 12 years the interest rate comes to 5.5 or 5.75 per cent. Sometimes it is added to the total income. The return in absolute terms is higher; I accept it. But this is not the time when we can levy income-tax on this. The market rate of interest is very high. The hon. Finance Minister knows that people are withdrawing money from banks. The hon. Finance Minister knows it: that people are withdrawing money from the bank and are investing it in some companies or in some other investing institutions because the returns are very, very high: 12 per cent or 13 per cent. These are the returns which are available from sound companies. In this

situation, what will happen? Suppose, I am a person who has bought these certificates, I would feel that if my earning capacity increases by 12 per cent, I should certainly encash them and invest my money and capital in other more attractive investment channels.

I had a little to do with small savings and so I know, and from my own calculations I find that this one item where the small saving investment has been up to the maximum. If you take the other items, the amount that has been collected in other items is not so much. This is a very, very fruitful channel which has been giving so much money to the small investors. Therefore, I think the present measure will cause great disincentive for the people who invest in small savings; they will withdraw the savings.

The Finance Minister said it would not affect the old issues; but what about the new issues?

**Shri T. T. Krishnamachari:** The interests are not being paid.

**Shrimati Tarkeshwari Sinha:** You say that they will not be taxable. But what is going to happen tomorrow or the day after? Whatever small savings they are raising, the fruitfulness of the small savings is not to be utilised today. In any case, it is going to be tomorrow or the day after tomorrow. Therefore if the money that is coming through the Government today, goes and creates a disincentive, the same proportionate fall will be there.

Secondly, this is a channel of investment in which a lot of effort has to be made and generated, in order to mobilise the savings. Once the feeling comes in that this is no good, then what will happen is, the attractiveness for this kind of savings will not be there and it would be very difficult for anybody to go to the people and say, "please invest your savings in the small savings certificates because it is attractive to you

[Shrimati Tarkeshwari Sinha]

Therefore, I would appeal to the Finance Minister—I do not oppose this clause—to move another amendment to the Income-tax Act to delete section 112 of the Income-tax Act in so far as it relates to the amount of the interest on the national savings certificates.

**Shri T. T. Krishnamachari:** The position, I am afraid, is a little misunderstood by my hon. friend. We have introduced a new series which is taxable; the old series are there. In view of the fact that the interest rates have risen, we have either to raise the interest rates on the non-taxable savings or introduce a series with higher interest rates and make them taxable. The fact is that even though there are certain ceilings, a large number of people have used the non-taxable series for the purpose of saving income-tax. Therefore, we found that further encouragement by raising the rate on the non-taxable series is not good. So, we introduced last time a new series of taxable ones which a man who pays no tax or who is in the middle income-group will find advantageous. Having done that, the advantage that he gets in the way of capital gains has got to be saved. Otherwise he will have to pay capital gains tax. All that this clause does is to see that he does not pay capital gains tax, because it is a taxable certificate; nevertheless, the accrual of the amount that has come should not make him liable to pay tax on capital gains. This is something which we try to save. If the hon. Member thinks that the old series should be discontinued or the old series should have a higher rate of interest it is another matter. But there is nothing wrong in having a taxable series which gives the option to the people to take to one or the other. There is no compulsion at all. I do not think that the hon. Member has understood the position correctly. Anyway, this particular provision is something which helps the person who buys rather than surrenders.

**Shrimati Tarkeshwari Sinha:** I

want to make it clear; I just wanted to say this. If he says that the new series will come and that they will have an enhanced rate of interest and on that rate of interest income-tax will be payable, I accept it, and I agree that it should be done. But I want to ask the hon. Finance Minister this clarification. I want to know whether the old issue which was available till yesterday at that prior rate of interest will continue to be available today or tomorrow.

**Shri T. T. Krishnamachari:** Yes, at the lower rate.

**Mr. Speaker:** She is not opposing the clause?

**Shrimati Tarkeshwari Sinha:** No, Sir.

**Mr. Speaker:** The question is:

“That clauses 10 to 18 stand part of the Bill.”

*The motion was adopted.*

*Clauses 10 to 18 were added to Bill.*

**Clause 19— (Amendment of Act 34 of 1953).**

**Shri Karni Singhji (Bikaner):** I want to move my amendment No. 7.

**Mr. Speaker:** It is out of order.

**Shri Karni Singhji:** It is not quite out of order, Sir.

**Mr. Speaker:** May not be quite, but to some extent it is.

**Shri Karni Singhji:** Right now our brave soldiers and policemen are facing bullets on the borders of the country. The correct thing would have been for the Finance Minister himself to have brought forward an amendment. If he is not doing it, we must have an opportunity to put our point of view.

**Mr. Speaker:** He might speak on the clause.

**Shri N. Dandekar:** The same question arose in the previous session on the first Finance Bill, to which I had tabled an amendment which was objected to on the ground that it was unconnected with the clause. It was about the exemption or admissibility of royalties in the assessment of assesseses. Eventually you were kind enough to rule that it could be moved.

**Mr. Speaker:** But if it is out of context and is not touched by the Bill itself, it cannot be moved, unless it is consequential on some section that we might be adopting here. If it is consequential, then we allow it. He might speak on the clause, and in the meanwhile I will get that examined—the case referred to by Mr. Dandekar.

**Shri Karni Singhji:** Ever since the Kutch incursions from Pakistan took place, it occurred to me that I should revive once more the question of seeking exemption for the police forces from the operation of estate duty, as is the case with the armed forces. I have been following up this matter ever since 1952 and my minutes of dissent are there both in 1952 and 1958.

The fact is that Parliament, in its wisdom, exempted the armed forces from the operation of the Estate Duty Act in 1958. I now seek to equate the police forces and the security forces who are fighting on our borders with the armed forces, because I feel the police and the army are performing exactly the same function. It would, therefore, not be correct to discriminate between the armed forces and the police, more so today. When I moved an amendment in 1958 on the floor of this House, the then Finance Minister, Mr. Morarji Desai, accepted part of it and exempted the armed forces. That was understandable, because at that time, the police were not called upon to perform duties of the army. But today, with our vast borders with China and Pakistan, every

day we have reports of policemen who are killed. The question today is more of a gesture of equating the two. I have a feeling that the Finance Minister would himself come with an amendment and recognise the services of our brave policemen, unless, of course, he feels that the services of policemen are in any way inferior to those of the army or the lives of the policemen any cheaper than those of the armed forces. But I do not think that is the case. I would, therefore, request him with all the emphasis at my command to accept this. I am sure I have the support of the House, although perhaps if the whip is cracked, we may not get the votes required to pass it. I would request you, Sir, to permit me to move my amendment.

**Mr. Speaker:** That has to be done on legal grounds. Otherwise, I have all the sympathy for it.

**Shri N. Dandekar:** I would like to say a word on the merits of the proposal which stands in the name of my hon. friend, Shri Karni Singhji. It is always a matter of good gesture really for this supreme legislature to say that when people of whatever rank—they may be ordinary policemen or they may be police officers or jawans or officers in the army—when ever in the discharge of their duties they lay down their lives, they will not be liable to this tax which they would otherwise have to pay. And the kind of situation we have today is such that many members of the police forces have laid down their lives in Kutch, East Bengal border, Kashmir and various other places. I think it is almost a matter of decency, apart from good gesture, that we should say that these people will not be liable to this tax, to which they would otherwise be subject by the very fact of their doing their duty in the border areas and risking their lives. It is an extraordinary proposition for us to insist that in respect of these people, when they die, we will take our pound of flesh. It may be that only one in a thousand is liable

[Shri N. Dandeker]

to estate duty, or even less. Just as, for good reasons, members of the armed forces, from the jawans to the top brass, killed in action are exempted from estate duty, so too, it seems to me a matter of elementary decency that we ought to show the same consideration to the policemen.

**Shri D. C. Sharma:** I come from a constituency which is a border constituency. There is one area, called Kanya Ke Bhet which is 100 yards away from Pakistan border. I have visited some of the posts where our policemen are stationed. They are very fine men. It is not that they come only from Punjab. I must tell you very truthfully that they come from almost all the States of India. All these sepoy or policemen are doing a very splendid job. They are away from any concentration of population, either in a village or in a town. Their job is very very difficult. They are away from any human habitation and they have to get their supplies from far away places. They grow their own vegetables. They look after themselves. They try to get the things they require from villages and towns far away. I have visited some of these places and I know that these persons are keeping a watch on the border all the time. They try to see whether any infiltrators enter our country or not. I am very glad, and I think you are also very happy, Sir, that our State of Punjab has been so far free from infiltrators. I believe this is due to the splendid job which these policemen have performed.

When Shri Dandeker supports a financial proposition I think it must be sound legally as well as otherwise. And when Shri Masani supports a financial proposition, I must say that it comes from a source which is not in keeping with our social traditions. Shri Dandeker has supported this proposition. I would submit very respectfully that the proposition put forward by Shri Karni Singhji should be accepted and we should send a

word of good cheer to our jawans who are now manning our police posts all over the frontier.

Shri Dandeker said that this will be a gesture of decency. I think it is not merely a gesture of decency. It is a gesture of courtesy, a gesture of appreciation. If this gesture is shown, I am sure they will all feel very happy and they will know that their countrymen who sit in Parliament are very solicitous of their welfare. I whole-heartedly support the proposal of Shri Karni Singhji which was supported by Shri Dandeker.

**Shri Kapur Singh (Ludhiana):** Before rising to oppose this obnoxious clause of this wholly obnoxious Bill, I want to say a word about the very obnoxious and illogical fallacy which my hon. friend, Professor Sharma, has introduced in his argument. He has just now said that a certain thing must be good because it has been advanced or supported by a certain individual. In logic it is called *argumentum ad verecundiam*, an argument which is sought to be supported because it proceeds from a certain person and not because of its merits.

**Mr. Speaker:** On merits also, he has supported it. But he has some regard for one particular Member . . .

**Shri Kapur Singh:** I want to expose the element of fallacy in his argument.

Now, I come to the clause. I oppose this clause for three reasons. This clause is neither well-conceived nor well-intentioned and it suffers from three grave defects. Firstly, it is obfuscatory; secondly, it is anti-social and thirdly, it is unconstitutional also. It is obfuscatory because unless the term 'religion' is legally defined—I maintain the term 'religion' cannot be legally defined—to retain the clause as it is, will lead to all kinds of arbitrary interpretations in the case-law which will henceforth be laid down

and this will create a great deal of confusion in the state of the law of our country.

Secondly, I consider this clause anti-social because it is conceived merely as an exercise in atheism and it attacks the profound springs and wells of human altruism and charity. Once you say that a charitable purpose does not include anything that is wholly or substantially partaking of religious impulse, then you try not only to clog up human springs and wells of charity and altruism, but you also try to introduce poison into the finest sentiments of human nature. Therefore, this clause is anti-social also and it ought to be rejected.

Thirdly, this clause is unconstitutional in so far as it is prejudicial to free practice of religion, while our Constitution guarantees free practice of religion. This clause has indirect effect of putting the free practice of religion at a disadvantage and it is, therefore, a direct attack on the free practice of religion.

For these three reasons, I oppose this clause.

Shri Daji: Sir, I rise to support the proposed amendment of my hon. friend Shri Karni Singhji.

Shri T. T. Krishnamachari: There is no amendment.

Shri Daji: I do not want to repeat the arguments given already by Mr. Dandekar and Prof. Sharma, I want to put it on a higher plane. It is not any question of grace. It is absolutely immoral for the State to put a gun in the hands of a man and to send him to defend the border and, when he dies, to say that he will be charged the estate duty. It is not a question of grace at all and it is absolute immorality. On the one hand, you force him to put on a uniform and ask him to go and defend his country and on the other hand, when he dies while defending the country, you say, "I will charge you the estate duty".

Shri Karni Singhji: The policeman is less equipped than the army man.

Shri Daji: Secondly, it is discriminatory under the Constitution and I cannot understand, for the life of me, on what logical basis the distinction is sought to be made between a member of the armed forces and a member of the police force armed with a gun on the same duty. There is no logic in this. The Government having once accepted the proposition that the army man who dies on duty should not be charged the estate duty has no reason, absolutely none, to say that the policeman who dies while defending the country should be charged the estate duty. It is not that there is going to be much loss or gain to the Treasury either way. What is the pay of a policeman sent to the border? It is hardly Rs. 100 with all the allowances. There is hardly any saving to be covered by the estate duty clause. That is not the point. The point is this. Is the State doing a just, right and moral thing, after having sent a man to defend the country, to cash him by his death in the defence of his country. I think, the proposition is so patently immoral that the Finance Minister should at least give an understanding that he will take the first possible opportunity to amend it.

Dr. L. M. Singhvi: Mr. Speaker, Sir, I do not know if you have already finally ruled that this is not permissible. I should like to crave your indulgence, in the first instance, to emphasise that this is not really out of order as claimed, I believe, by the Treasury Benches. This is a matter which relates to clause 19 of the Bill. The ruling that was cited—I have gone through this ruling now—is not really, on all four sides, with the present situation. Here is clause 19 itself which is a part of this Bill and all that my hon. friend Shri Karni Singhji wishes to do is to incorporate in this particular clause an exemption for the police force.

**Mr. Speaker:** He wants to get clause 313 of the Estate Duty Act amended. Clause 33 is not being touched here in this.

**Dr. L. M. Singhvi:** If that is so, the whole procedure which is provided for obtaining Presidential recommendation for an amendment like this is absolutely pointless. Why should recommendation of the President be obtained under the Constitution for an amendment which is sought to be incorporated.

I would submit further that, so far as the proposal made by Shri Karni Singh, on which other hon. Members have spoken, is concerned, it has wide support—almost unanimous support—in this House. This is a provision which is more in the nature of a gesture than a provision which might affect the revenue of the Finance Minister. I do not think the Finance Minister would be that calculative. I am sure he would consider this in the spirit in which it has been moved. Today we have a situation in which the Police forces are defending our borders and are laying down their lives day in and day out. At least on this consideration, if not on any other, we must accept this exemption being extended to the Police forces also.

**Dr. M. S. Aney:** I appeal to my hon. friends to support the suggestion made by Shri Karni Singh. If the Finance Minister cannot do it now, he should at least take the earliest opportunity of coming forward with some amendment. I need not go into the details since my hon. Friends have already put forth the reasons very clearly. The idea should not go out to the Police that the Government are making a distinction between them and the military, particularly at a time when our Police are being sent to different sectors of vital importance. It is but proper that we give them the necessary encouragement and do not create any cause for despondency and despair.

**Shrimati Renuka Ray:** Mr. Speaker, Sir, I would like to support strongly

the suggestion made by my hon. Friend, Shri Karni Singh. I also represent a border constituency where the Police are involved almost daily with border clashes. If some of the Members of the House were to see the conditions in which they live, they would find that they are unbelievable. But at the same time the courage that they have shown when things have gone wrong in our borders stands testimony to the manner in which they behave. It may not be possible perhaps to bring in a provision now. But I am sure, in response to the feelings of this House, the Finance Minister will find the way out as to how to include this provision—either in this Bill or by a separate amendment.

**Shrimati Tarkeshwari Sinha:** May I also say a few words on this?

**Mr. Speaker:** I can presume that everyone in the House supports it.

**Shri Raghunath Singh:** Everybody in the House supports it. So, we request the Finance Minister to consider this sentiment very seriously. The whole House supports the point.

**Shri T. T. Krishnamachari:** I should like to say this that this cannot be brought in like this. Since the House says that it wants it, I am perfectly prepared to bring it in the next Finance Bill.

**Mr. Speaker:** That is right. Though I had given that ruling that the amendment was not admissible, yet because I also wanted to support it, I had allowed that discussion. I had allowed that discussion because it looked reasonable, and the arguments that have been advanced are really such that I am also of the same opinion. There is no reason why there should be any discrimination. We are thankful to the hon. Minister that he has promised that he would bring that in at the earliest opportunity.

**Shri Tyagi:** That is democracy

**Mr. Speaker:** The question is:

"That clause 19 stand part of the Bill".

*The motion was adopted.*

Clause 19 was added to the Bill.

Clause 20— (Amendment of Act 27 of 1957).

\* \* \* \* \*

**Shri N. Dandekar:** I beg to move\*:

(i) Page 10, line 30, after 'statement' insert 'subsequently' (8)

(ii) Page 10, line 31, after 'document' insert 'subsequently'.

(9)

**Mr. Speaker:** These amendments are now before the House.

**Shri N. Dandekar:** These two amendments are small amendments.

In order to explain this, I should like to say just a few words about the main purport of clause 20. Clause 20 (ii) is concerned with an excellent provision which enables the commissioner in his discretion in the course of the wealth tax assessment, to reduce or waive the amount of minimum penalty for failure without reasonable cause to furnish the return of net wealth which a person was required to furnish under section 14 or to reduce or waive the amount of minimum penalty imposable on a person. Then, it goes on to lay down the various conditions under which the commissioner may act, such as, for instance, that the assessee has cooperated in the inquiry relating to him, has paid or has made satisfactory arrangements for payment and so on. Now the main object of the particular sub-section to which I am moving an amendment is something which I wholly accept, namely that where any proceedings have been taken against any person in respect of erroneous declarations and so on in wealth tax, any statement made by him, or account or other document produced by him, shall not be inadmissible as evidence for the purpose of such proceedings, merely on the ground that such statement was made,

or such account or document produced, in the belief that the commissioner would waive the penalty under the waiver clause to which I have just referred. In principle, that clause is perfectly sound. But in order to make the meaning of the thing quite clear I presume some amendment is required. I presume that what is really intended is this. If any statement is subsequently made, or account or other document subsequently produced, by a person,—that is to say, if there are already any proceedings pending against him for misdeclaration or under-declaration of wealth when he goes to the commissioner (under the previously mentioned powers), requesting the commissioner to treat him leniently,—then I agree such statements etc. ought not to be inadmissible in evidence against him. But, subject to the various conditions that have been stated, I suggest that it would be bad in public policy that that man's statement, when he comes along to make such a request, could then be used against him in relation to proceedings subsequently started against him. What I am, therefore, submitting by way of amendment is this that where any proceedings are pending, then any subsequent statement or document produced by the person for the sake of trying to get relief after he had been caught, should not be inadmissible in evidence that would be quite right and proper. And I hope the Finance Minister will accept it, for my amendments are really designed to make clear the intentions of this particular provision proposed to be inserted, by making it clear that any statement subsequently made, that is, subsequent to the proceedings initiated against a person, or account or other document subsequently produced will not be necessarily inadmissible merely because of his plea to the commissioner to let him off lightly.

**Shri T. T. Krishnamachari:** I am afraid I am not in a position to

\*Moved with the recommendation of the President.

[Shri T. T. Krishnamachari]

accept it because it opens the clause very wide. Actually this amendment follows the pattern of Sec. 279 of the Act as it was amended by the Finance Act, 1965. Sec. 279(3) virtually repeats the same position—where any proceeding has been taken against any person . . . . a statement made—not subsequently. If I accept the amendment, it would certainly make it very difficult to enforce the provisions of the particular enactment.

**Mr. Speaker:** I shall now put amendments Nos. 8 and 9 to the vote of the House.

*Amendments Nos. 8 and 9 were put and negatived.*

**Mr. Speaker:** The question is:

"That clause 20 stand part of the Bill".

*The motion was adopted.*

*Clause 20 was added to the Bill.*

**Clause 21—** (Amendment of Act 18 of 1958).

**Shri N. Dandekar:** I beg to move\*:

Page 11.—omit lines 2 to 9. (10).

This, in fact, is a sub-clause about religious purpose proposed to be inserted to section 5 of the Gift-tax Act to the same effect as in clauses 9 and 19, namely, that a charitable purpose shall not include a purpose the whole or substantially the whole of which is of a religious nature. This yet is another attempt to button up everything against religion, that is to say, you may not be religious under the Income-tax Act, you are not permitted to be religious under the Estate Duty Act; and now you may not be even generous under the Gift-tax Act, if the generosity is in favour of religion.

**Shri T. T. Krishnamachari:** The provision is the same as clauses 9 and 19. But in the case of the Gift-tax Act, we have made a specific provi-

sion to say that in the case of approved institutions notified by Government, if any person makes a gift, that will not attract the tax, if that particular institution is a temple, gurdwara, mosque or church of some antiquity, of some importance. It is merely to prevent donations for sort of private institutions which are purely domestic. I am quite prepared to have the list already there to be enlarged by adding the names of institutions hon. Members can give. I am prepared to do that. But I am not able to accept the hon. Member's suggestion.

**Mr. Speaker:** I shall now put amendment No. 10 to the vote of the House.\*

*Amendment No. 10 was put and negatived.*

**Mr. Speaker:** The question is:

"That clause 21 stand part of the Bill."

*The motion was adopted.*

*Clause 21 was added to the Bill.*

*Clause 22 to 24 were added to the Bill.*

**Clause 25—** (Amendment of Act 32 of 1934).

**Shri M. R. Masani:** I beg to move\*:

Page 18,—

omit lines 26 and 27. (11).

**Shri N. Dandekar:** I beg to move\*:

(i) Page 18,—

after line 27, insert—

"Provided that in respect of all articles imported for the purpose of an undertaking which fulfils the requirements prescribed by section 84 of the Income-tax Act, 1961, the rates of duty shall be the rates in force immediately before

\*Moved with the recommendation of the President.

the amendment to the Indian Tariff Act, 1934, by the Finance (No. 2) Act, 1965." (12)

(ii) Page 18.--

after line 27, insert--

"Provided that the regulatory customs duty of ten per cent effective from 17th February, 1965 shall be cancelled with effect from such date as the alterations in the First Schedule to the Tariff Act increasing the standard rate of duty on imported articles come into operation." (13)

**Shri M. R. Masani:** My amendment seeks to delete sub-clause (b) of cl. 25. Let me make it clear that if this amendment were accepted, all the new import duties would be struck down, those which are contained in the schedule, because sub-clause (b) says 'the First Schedule shall be amended in the manner specified in Parts I and II of the Schedule to this Act'.

If you turn to the Schedule to this Act, it covers a wide range of raw materials, commodities and machinery, excessive duties on which are now sought to be imposed under the customs tariff. As the leader of our party pointed out at an earlier stage of this discussion, no case whatsoever has been made out for this Supplementary Budget and these taxation measures which are proposed in this Clause. It is just a continuation of the perverse thinking that animated the first Finance Bill which is to be found in the second Finance Bill. It is true that the financial position of the markets is disastrous, that capital investment has come to a stop. But is this the remedy for it? On the contrary, this Bill is calculated to make the financial position of the country and the capital market even worse.

I am much interested to see that this very Bill is going to involve ad-

ditional expenditure. Hon. Members have been asking for a cut in expenditure; others put it differently by saying that they want efficiency with economy. But this Bill by its very promulgation is going to cost Rs. 35 lakhs more, additional, wasteful expenditure, to the country. And why? The Statement of Objects and Reasons, the Financial Memorandum attached to the Bill points out, that because the incidence of taxes, import duties and excises, is raised, they want more staff. I have never heard a more outrageous proposition. Because you raise the rate from 10 to 15 per cent or from 15 to 30 per cent, you need more staff.

**Shri N. Dandekar:** Most difficult arithmetic.

**Shri M. R. Masani:** This is how wasteful, criminally wasteful, expenditure is indulged in. Ever-growing bureaucracy, ever-growing Parkinson's Law; at a time when the country wants to cut down expenditure and balance its budget, more and more expenditure; even when you raise more tax, you make people pay more for the processing of the tax.

The Finance Minister said this morning that prices were rising, that prices were the bugbear of every Finance Minister. May I say that they are the responsibility of the Finance Minister? It is within his power, by good or bad budgeting, to budget for stable prices or to budget for inflation and, if prices have risen since last February, the entire responsibility falls on the shoulders of the Finance Minister and his Government which brought in the Budget in February, which we warned was a highly inflationary, deliberately inflationary, Budget. And this is our charge against this Budget—that this Budget also is a deliberately inflationary Budget. Any man who brings in this budget must know that prices will rise.

**An hon. Member:** He has admitted it.

**Shri M. R. Masani:** If he does not know it that is to bad. The fact is that he must know, as a reasonably intelligent person, which he is, he is more than reasonably intelligent. The fact is, therefore, that this budget is a deliberately inflationary budget.

There are two bad things about this Finance Bill, and particularly about these import duties that are sought to be levied. The first is, as I said, they will raise prices. This will be in many ways. It has already happened. A day or two after the Finance Bill was introduced, the price of stainless steel utensils in the country went up by 10 per cent, and the price of brass utensils by Rs. 1.25 per Kg. It is no good the Finance Minister blaming merchants and the shopkeepers for it. He is the culprit. Every shopkeeper, every merchant and every producer will raise his price and pass the burden on to the consumer, and any Finance Minister who does not expect the burden to be passed on to the consumer is not fit to occupy his office.

**Shri Ranga (Chittoor):** Is an ostrich.

**Shri M. R. Masani:** The cost will go up in many industries. Industrial raw material will cost more because of higher import duty. This will be particularly true of oil, furnace oil, diesel, petroleum, iron and steel. All these things go into consumer products, and these consumer products are going to cost more to the poor man and the middle-class man in the villages and towns of India. There will be a sharp rise in the price of consumer goods because of higher duty on imported raw materials. What about transportation costs? Every man who travels, every consignment of goods of foodgrains, that is transported will cost more because of the rise in the cost of petroleum and diesel.

Further, even the cost of foodgrains, will go up higher. We had, unfortunately, an acrimonious discussion this morning, and other mornings, about

responsibility for what has happened in Manipur or elsewhere in our country. Is this the time to do anything which will arise the price of foodgrains brought to the market? I accuse the Finance Minister and this Government of having brought in this clause and in subsequent clauses import duties and excise duties that are going to raise the price of transportation and of road transport, which is the best form of transport in India, and in consequence the price of foodgrains and other things brought to market. It has been estimated that imports into this country are of the order of Rs. 600-700 crores per year. This means that, on the average an increase of 25 per cent—that is the rough estimate that I tried to draw of the impact; the Minister may correct me, I do not know what his average is, but assuming that the average increase is 25 per cent under the import duties. Industry will have to pay one-fourth of Rs. 600-700 crores and this will mean an additional import duty and taxation of Rs. 150-175 crores every year. Does the Finance Minister really expect those concerned who have to pay these additional duties to bear them themselves? Certainly not. Like any economic man, who has to bear these duties will pass it on to the consumer who buys his goods. There is no good the Finance Minister expressing the hope that he will not do and it is not going to happen; he knows that it is going to happen.

This is a deliberately inflationary Bill and it will retard the industrial production in this country; it will eat into our national savings by raising prices, by retarding production; our national income will go down and hence the cake that every one of us takes home will go down; investment will go down and the rate of capital formation will go down. I consider this particular provision, which is the kennel or heart of this Bill, to be anti-national, to be against all progress in our country and I have therefore moved this amendment

**Shri N. Dandekar:** Sir, I am speaking on amendments 12 and 13 and quite frankly, I have tabled these because I have no hope whatever that the more important amendment of Mr. Masani which is to delete the poisonous sting from this Bill will be accepted. This Bill has literally its poisonous sting in the tail, in clauses 25 and 26, and mainly in just the two lines in clause 25 which Mr. Masani seeks to delete. They are in fact the whole crux of the Bill. In so far as import duties are concerned, I am moving amendments No. 12 and 13 in the hope that we may at least have small mercies if not a complete removal of this sword of Democles over the country in terms of new rates of import duties. The first amendment is to the effect:

"Provided that in respect of articles imported for the purpose of an undertaking which fulfils the requirements prescribed by section 84 of the Income-tax Act of 1961, the rates of duty shall be the rates in force immediately before the amendment to the Indian Tariff Act of 1934 by the Finance No. 2 Act of 1965."

17 hrs.

Section 84 of the Income-tax Act is concerned with new undertakings and the supposed tax holiday which they are expected to be enjoying, one of those illusory benefits that exist under the Income-tax Act and is sought to be extended by an earlier section of this Bill for another period of five years, a bogus tax holiday to earn profits, and by the time which nobody enjoys because the fact is that by the time they begin their depreciation and other allowances are availed of their five years are also over. This is the kind of concern which is referred to in section 84, newly established industrial undertakings. I am seeking by amendment No. 12 that in regard to

these the rates of duty shall be the rates in force immediately before the amendment made by the Finance Act No. 2 to the tariff schedule. The second amendment, No. 13, is concerned with a general proposition. If we must have these monstrous new import duties, for heaven's sake, abolish these regulatory duties of ten per cent that was surreptitiously brought in on the 17th February of this year. It enabled the Finance Minister to trot out a surplus budget when he presented his main budget at the end of February. I submit that you cannot have it both ways; if it is suggested that this clause 25 (b) is for streamlining the entire tariff structure, that is, for getting away from too many rates of taxes, basic rates and surcharges, this relief and that relief, and something on top of all that and so on, then I suggest that it is fundamental to the whole argument that the so-called regulatory duties,—temporarily imposed, as you were pleased to say, to save the rupee from going down the drain, (which it is already doing pretty fast) though actually they were imposed not for the purpose of saving the rupee but only to enable the Finance Minister to present a surplus budget,—those regulatory duties should go, ought to go. And, therefore, I am suggesting the insertion of a second proviso that "the regulatory customs duty of 10 per cent made effective from 17th February, 1965, shall be cancelled with effect from such date as the alterations in the First schedule to the Tariff Act increasing the standard rate of duty on imported articles come into operation."

**Shri Bado:** I support Shri Masani.

**An hon. Member:** It is past five, Sir.

**Mr. Speaker:** Could we sit for a few minutes more for the second reading? There is the third reading which may be taken up tomorrow. I think there is only one more clause—26

**Shri M. R. Masani:** This is a very important clause; many Members might like to speak on it.

**Mr. Speaker:** All right, as the House likes. Shri Bade may continue tomorrow.

17.03 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, September 1, 1965/Bhadra 10, 1967 (Saka).*

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