

tion notices. I have no grouse against that.

On your advice, Sir, we thought that in respect of such important matter like a strike which involves 40,000 employees of the LIC, let us have a short-notice question. My submission is only this, Sir. We have got a chit from the Secretariat saying that the Minister of Finance is unable to accept the short notice question on the subject of Strike in LIC. The question is, not that it is being replied to by Shri K. C. Pant, instead of Shri Morarjibhai. The question is that he is replying to a calling-attention notice in the other House while he rejects it here.

MR. SPEAKER : You are repeating. I understand all that.

S. M. BANERJEE : There is discrimination by the Minister, Sir.....

MR. SPEAKER : Let us see what can be done.

श्री रामावतार शास्त्री : अध्यक्ष महोदय, चन्द्रशेखर सिंह को भूख हड़ताल के बारे में मंत्री जी क्या सदन को कोई जानकारी देंगे .....(व्यवधान).....

MR. SPEAKER : Order, order. Shri Patodia.....

SHRI K. C. PANT : Sir, it was unfair of Shri Banerjee to say that I am not making a statement. I asked you in the beginning whether I should make the statement and wanted the statement to be laid on the Table of the House.....

MR. SPEAKER : That makes no difference. You read the statement here. By laying on the Table you have read the statement. That makes no difference.

SHRI S. M. BANERJEE : I have no grouse against Mr. Pant. He is as good a friend of mine as anybody else. We are answerable to our voters. How it is that in Rajya Sabha he could answer that.....  
*(Interruption)*

श्री रामावतार शास्त्री : अध्यक्ष महोदय, वह कई दिनों से भूख हड़ताल कर रहे हैं, मंत्री

महोदय को उनके बारे में सदन को बताना चाहिए.....(व्यवधान).....

MR. SPEAKER : Order please. Mr. Patodia.

12.57 hrs.

#### MATTER UNDER RULE 377

#### Enhancement of Duty on Petrol and Diesel Oil

SHRI D. N. PATODIA (Jalore) : Sir, under Rule 377 of the Rules of Procedure I rise to bring to the notice of the House that manner in which the privilege of the House has been ignored, bypassed and flouted by the hon. Minister Dr. V.K.R.V. Rao while speaking in Visakhapatnam on December 1, 1968. I wish to quote from a news-item published in the *Statesman* of December 2, 1968, in regard to this matter, as reported by the UNI. It says :

"The duty on petrol and diesel oil is proposed to be enhanced, Dr. V.K.R.V. Rao, Union Minister for Transport and Shipping said here today, according to UNI.

Inaugurating the 15th conference of the Andhra Pradesh Motor Transport Operators Association, he said the proceeds from the enhanced duties, which were estimated at Rs. 20 crores, would be utilized by the national highways."

Similar news-items have appeared in other papers also. Now, Sir, this raises three fundamental issues.

Firstly, it raises the issue of the privilege of the House.

Secondly, it is a matter in which the observance of secrecy relating to the budgetary proposals are involved.

Thirdly, Sir, it raises a fundamental point relating to the functioning of the Cabinet.

Now, Sir, with regard to the privilege of the House, I wish to quote from the book, *Practice and Procedure of Parliament* by Shri Shakhder. It says :

"It has also been held that policy statements should first be made on the floor of the House when the House is in session, before releasing them to the press or the public."

[Shri D. N. Patodia]

It is very clear, Sir.

MR. SPEAKER : That, I know. There is convention also.

SHRI D. N. PATODIA : There have been various rulings and conventions in regard to this matter, but what we find is that Ministers from time to time are making irresponsible statements outside the House, without taking any cognisance of the propriety or of the dignity of the House. By making this statement, proposing to impose additional duty on petrol and diesel oil, to fetch an estimated revenue of Rs. 20 crores, the hon. Minister has ignored, bypassed and treated the House with contempt. And therefore this has to be taken care of and this practice must come to an end.

Secondly, it involves the question of secrecy. Budget secrecy is top secrecy maintained by the Government. It involves financial, economic and trading implications and complications. This particular proposal which relates to raising a duty which is capable of raising an additional Rs. 20 crores of revenue is a budgetary proposal which can be dealt with only by the Finance Minister.

Therefore, budgetary secrecy to that extent has been violated in respect of which the Finance Minister alone is capable of making a suggestion. The Finance Minister, I hope, will be able to make a suitable reply on this point.

13.00 hrs.

The third point is with regard to the functioning of the Cabinet. We know that although the Cabinet functions as a jointly responsible body, yet, with the exception of the Prime Minister and Deputy Prime Minister who alone are capable of making statements on any subject they like, other Ministers are expected to restrict themselves to the subjects allotted to them.

In this particular case, while proposing increase in duty on petrol and diesel, which was the portfolio of the Minister of Petroleum and Chemicals and which was not the portfolio of Dr. V.K.R.V. Rao, and secondly while proposing duty which was capable of bringing an additional Rs. 20 crores, which was the portfolio of the Finance Minister and not his, he has violated this principle.

In this manner, if every Minister of the Cabinet starts talking about all other subjects, it would be a bundle of confusion. Therefore, I urge upon you to deal with the matter in a suitable manner because three principal issues are involved.

THE MINISTER OF TRANSPORT AND SHIPPING (DR. V. K. R. V. RAO) : I am afraid that the hon. Minister has allowed himself to build up a whole case on the basis of a report which is just not correct. I made no statement to the effect that there was a proposal for enhancing the duty, customs and excise, on diesel oil and petrol. I hope I am sufficiently aware of my responsibilities not to trench into the field of my respected colleague the Deputy Prime Minister and Finance Minister.

I would like to draw the attention of this House to the fact that on the 24th and 25th June, 1968 we had the Seventh meeting of the Transport Development Council in Mysore. The proceedings of that council, the speech that I made as well as the discussions and the decisions taken at the Council meeting were circulated to Members of Parliament, to Members of Rajya Sabha on the 19th August and to Members of Lok Sabha on 23rd August. Perhaps, that document might have escaped the notice of my otherwise very vigilant friend Shri D. N. Patodia. Since all sorts of things have been said about this matter, I would like to read out, if I may ...

MR. SPEAKER : Is it necessary to read it out ?

DR. V. K. R. V. RAO : Since all sorts of things have been said I hope you will allow me to protect myself.

If the hon. Member would refer to the text of my speech this was what I had stated. I had pointed out that a suggestion had been made that a road budget should be separately prepared, and said :

"The idea underlying these proposals seem to be that the revenue from road transport should be ploughed back into roads to the maximum extent possible. I do not dare to give my personal endorsement for a separate Road Budget because I am a little nervous..."

—and undoubtedly I was right in view of what has happened today—

“...of the repercussions which it might generate.”

And now comes the relevant thing :

“A more modest suggestion is that the accruals to the Central Road should be augmented by crediting to it a part of the revenue realised from the customs and excise duty on high speed diesel oil. At present, the Central Road Fund derives its revenue from a surcharge of 3.5 paise per litre on the customs and excise duty on petrol. This provides an annual revenue of about Rs. 5 crores only. It has been suggested that this revenue could be considerably increased if the present levy on petrol amounting to about 6 per cent of the total revenue from the customs and excise duty is increased to 10 per cent and likewise 10 per cent of the revenue from customs and excise duty on diesel oil is also credited to the Central Road Fund. On the basis of the total revenue of about Rs. 206 crores derived from customs and excise duty on petrol and diesel in 1966-67 the proposed rate of 10 per cent will contribute about Rs. 20 crores per year to the Central Road Fund in place of the present Rs. 5 crores. The Chief Minister of Mysore has gone beyond that. He would like to have a share from excise duty on diesel oil, petrol and also other taxes such as motor vehicles excise duty on automobiles, trucks, buses, tyres, tubes etc. But I am not sure he will be able to get all that. In any case I think we have to strive hard for getting this Road Fund increased from its present level of Rs. 5 crores.”

Now, I am reading from the conclusions of the Transport Development Council :

“It was noted that the present accrual to the Central Road Fund, based on a surcharge of 3.5 paise per litre on the excise and customs duty on petrol, worked out to about Rs. 5 crores i.e. about 6 per cent. It was agreed that this might be raised to 10 per cent in the case of petrol and a similar fresh levy of 10 per cent introduced on diesel oil. This would yield

a total accrual of about Rs. 20 crores per annum which would be nearly four times the present revenue.”

So, I would like to point out that, I was not making a statement on my own behalf and certainly I was not making any statement on behalf of Government that there was a proposal to levy a fresh tax of 10 per cent on diesel oil and 4 per cent more on petrol.

SHRI RANGA (Srikakulam) : Proposal by whom ?

DR. V. K. R. V. RAO : I said I did not make any statement.

SHRI RANGA : He said there was a proposal. By whom ?

DR. V. K. R. V. RAO : Let me repeat what I have said. I said there was no statement made by me as has been suggested in this UNI report which, on the face of it, is rather extraordinary because it even says :

“The duty on petrol and diesel oil...” —this is the basis on which the hon. Member proceeded to raise all those various questions including my having talked about things other than my subjects in the Cabinet....

MR. SPEAKER : The point is that just now he said there was a proposal. They are asking, by whom ?

DR. V. K. R. V. RAO : Which proposal ? I quoted extracts from a document circulated to MPs in August.

SHRI RANGA : That is not the point. Admittedly, he meant there was a suggestion by somebody, not proposal.

DR. V. K. R. V. RAO : There is no proposal. The UNI report says :

“The duty on petrol and diesel oil is proposed to be enhanced.”

I flatly denied that. I did not make any statement saying that the duty on petrol and diesel oil is proposed to be enhanced. I have no business to make any such statement because I am not the Finance Minister.

[Dr. V. K. R. V. Rao.]

Then it also says :

"...the proceeds from the enhanced duties which were estimated at Rs. 20 crores would be utilised..."

MR. SPEAKER : So he has not made any such statement. He denies having made any such statement.

DR. V. K. R. V. RAO : He has raised a number of other issues. I would like to be advised. I am very new, Mr. Speaker, to membership of the Cabinet. But it has been suggested by the hon. member that no member of the Cabinet can speak on any subject other than the particular portfolio with which he is concerned.

SHRI D. N. PATODIA : In policy matters.

DR. V. K. R. V. RAO : I want to be quite clear on this because it becomes extremely difficult for me to speak for the rest of my life only on transport and shipping. I am not sure whether I will be able to put myself under that restraint, that I should speak on nothing except transport and shipping. If that is a part of the procedure of Cabinet formation, I would like to be advised, because it then becomes very difficult to function.

MR. SPEAKER : Neither Shri Patodia nor any other hon. Member can do that.

SHRI D. N. PATODIA : On a point of clarification. When this news appeared, did he issue a denial of the report ?

MR. SPEAKER : He has denied it here.

SHRI RANGA : The question is whether he took the public into confidence and denied the newspaper report immediately thereafter.

MR. SPEAKER : Bill to be introduced. Shri Morarji Desai.

#### CUSTOMS (AMENDMENT) BILL\*

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI DESAI) : I beg to move for leave to introduce a Bill further to amend the Customs Act, 1962.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Customs Act, 1962."

*The motion was adopted*

SHRI MORARJI DESAI : I introduce \*the Bill.

#### MATTER UNDER RULE 377—

*Contd*

#### Enhancement of duty on Petrol and Diesel Oil—*Contd.*

SHRI RANGA : I am afraid you have been a bit too quick for us. I thought the Minister wanted to say something in regard to the clarification asked for by my hon. friend.

MR. SPEAKER : He has denied it on the floor of the House in the presence of members. It is no record that he has not said that. I think that is more than enough. He must accept it. What else could he do ?

SHRI RANGA : You may come to that conclusion. But you should be a little patient with us after having been patient with us for so many minutes when the matter was raised.

MR. SPEAKER : What does he want me to do ?

SHRI RANGA : The only question is : why is it that the Minister did not catch time by the forelock and contradict the wrong statement attributed to him published in no less a newspaper than *The Statesman* earlier than today ? Why should he have waited ?

\*Published in Gazette of India Extraordinary, Part II, section 2, dated 3.12.62.

\*Introduced with the recommendation of the President.