

11.15 hrs.

FINANCE (AMENDMENT) BILL,
1975

MR. SPEAKER: We will resume discussion on the Finance (Amendment) Bill. Mr. Ramavtar Shastri.

श्री रामवतार शास्त्री (पटना) : अध्यक्ष जी, यह विधेयक जो इस समय सदन में उपस्थित है, उस का स्वागत करते हुए मैं कुछ बातें निवेदन करना चाहता हूँ। इस विधेयक के जरिये सरकार ने 6 हजार धामदनी वालों की सीमा को बढ़ाकर 8000 कर दिया है, जिस से 8000 रुपये की धामदनी वाले लोग आय-कर से मुक्त हो जायेंगे। इस विधेयक का सर्वत्र स्वागत हुआ है, सरकार के इस फैसले को सभी तरह के लोगों ने समर्थन दिया है और मैं भी अपना समर्थन देते हुए सरकार से यह निवेदन करना चाहता हूँ—मैंने इस सम्बन्ध में संशोधन भी प्रस्तुत किया है—कि बढ़ा ही अच्छा होता यदि सरकार इस सीमा को 8000 के बजाय 10000 रुपये तक बढ़ा देती। कहा जाता है कि इस समय 8000 रुपये तक बढ़ाने से 7 लाख निम्न-वर्ग और निम्न मध्यम वर्ग के लोगों का, छोटे छोटे व्यवसायियों को लाभ होगा। लेकिन यदि इस सीमा को 10 हजार तक बढ़ा दिया जाता तो इस से और ज्यादा लोग सामान्वित हो सकते थे। यह बात सर्व विदित है कि आज जो नौकरी-पेशा लोग हैं, चाहे वे सरकारी कर्मचारी हों या गैर-सरकारी कर्मचारी हों, छोटे छोटे व्यवसायी हों, शहरों में छोटे छोटे रोजगार करने वाले लोग हों, उनकी आर्थिक स्थिति इस कमरतोड़ महंगाई की वजह से अच्छी नहीं है। आज उन की अपने परिवारों का पालन-पोषण करने में बहुत मुश्किल होती है। यह ठीक है कि सरकार ने दो हजार की सीमा बढ़ा कर उन की मदद की है, इस में किसी को कोई ऐतराज नहीं है, लेकिन यदि इस की सीमा को और बढ़ा दिया जाता तो और ज्यादा लोगों को लाभ हो सकता था। हमारे देश में जो मध्यम वर्गीय और निम्न-मध्यम वर्गीय लोग हैं उन के असन्तोष का

इस्तेमाल कर ये देश की प्रतिवासी और फासिस्ट शक्तियाँ; देश में गड़बड़ पैदा करने की कोशिश कर रही थीं। पिछले दिनों उन लोगों ने उनके असन्तोष का इस्तेमाल कर के अपना उल्लू सीधा करने की कोशिश की और उनके काले कारनामों की वजह से ही सरकार को विवश हो कर आपात्कालीन स्थिति की घोषणा करनी पड़ी जिस से आज सम्पूर्ण देश को गुबारना पड़ रहा है। इस लिये उन तमाम निम्न वर्गीय और मध्यम वर्गीय लोगों का राहत पहुंचाने के लिये जरूरी था कि उन को आयकर से छूट दी जाये और सरकार ने दो हजार रुपये की छूट जरूर दी है, लेकिन यह अभी भी कम है। इस लिये मैं सरकार से बड़ी गम्भीरता के साथ निवेदन करना चाहता हूँ कि यदि सरकार इस में दो हजार रुपये की छूट और बढ़ा दे तो उन को ज्यादा फायदा हो सकता है।

यह ठीक है कि इस छूट से निम्नवर्गीय और मध्यम वर्गीय लोगों को, छोटे छोटे व्यवसायियों को, शहर में रहने वाले लोगों को फायदा होगा। लेकिन उन्हें और भी कठिनाइयाँ हैं। इस विधेयक के जरिये आपने उन को राहत पहुंचाने की जरूर कोशिश की है, लेकिन यह काफी नहीं है। इससे मध्यम वर्ग के लोग संतुष्ट नहीं होंगे। खासतौर से लाखों जो केन्द्रीय कर्मचारी हैं और लाखों राज्य सरकारी के कर्मचारी हैं उन के महंगाई भत्ते की राशि अभी तक नहीं दी जा रही है। अभी तक आप उन के नेताओं से सम्झौता वार्ता ही चला रहे हैं। कभी सम्झौता वार्ता चलती है, तो कभी टूटती है। फिर जोड़ने की कोशिश की जाती है। तो इस तरीके से आप को चाहिये कि कर्म-चाहियों के नेताओं के साथ शीघ्र से शीघ्र वार्ता कर के उन का जो बकाया महंगाई भत्ता है, जो राशि जमा है कई किस्तों की वह उन्हें देन की कोशिश कीजिये।

श्री राम सहाय बांडे (राजनंदगांव) : जवाब देने दीजिये।

श्री रामाबतार शाल्मी : जमा रहने देने से जो प्रतिगामी और फ़ासिस्ट शक्तियाँ हैं उन का आप सामना नहीं कर सकेंगे। सरकारी कर्मचारियों का भी हमें सहयोग लेना है। इस इमरजेंसी में उन का सहयोग चाहिये और वे तभी दे सकेंगे जब आप उन्हें संतुष्ट करेंगे, उन की कठिनाइयों को दूर कर सकेंगे, उन की आर्थिक स्थिति ठीक कर सकेंगे। इसलिये सरकार को धक्का से काम लेना चाहिये और कर्मचारियों के साथ समझौता करके बकाया राशि को देना चाहिये। साथ ही राज्य सरकारों के कर्मचारियों की मदद भी होनी चाहिये। कई राज्य सरकारों ने केन्द्रीय सरकार की तरह अपने कर्मचारियों का महंगाई भत्ता बढ़ाया है। लेकिन फिर भी बहुत सारी सरकारें जैसे बिहार जो ऐसा नहीं कर पा रही है क्यों कि उन के पास आर्थिक साधन उतने नहीं हैं इसलिये भारत सरकार अगर जरूरत पड़े तो उनकी मदद करे ताकि हम उन को अपने साथ लेकर के भारत में जो गड़बड़ी करने वाली फ़ासिस्ट शक्तियाँ हैं उन का मुकाबला कर सकें। इस तरह सरकार को क्रौरन कदम उठाना चाहिये।

एक बात और कहना चाहता हूँ। आप ने कहा भी है, और 21 सूत्री कार्यक्रम में भी है कि सार्वजनिक वितरण व्यवस्था ठीक करनी है। इस संदर्भ में सरकारी कर्मचारियों, की, मध्यम, और निम्न वर्ग के लोगों की ज्यादा से ज्यादा मदद कर सकें इसके लिये जरूरी है कि उन के कार्यालयों में, कारखानों में आप राशन की दुकाने खोलें। जैसे रेलवे के लोग दावा करते हैं कि उन्होंने ने दुकानें खोली हैं कई अजार की लादाद में, उसी तरह आप को भी सरकारी कर्मचारियों मध्यम, निम्न वर्ग और गरीब तबके के लोगों, के लिये इस तरह की व्यवस्था करनी चाहिये ताकि उन का पूरा समर्थन हमें मिले और वह संतुष्ट हों। यह ठीक है कि इस बीच में कुछ कीमतों में कमी आयी है, लेकिन सब जगह एक समान कीमतों में कमी नहीं आयी

है। इस में और ज्यादा कमी आये और आप उस में सहयोगी हों, उन के लिये व्यवस्था करें इस बात की बहुत जरूरत है।

एक तरफ़ आप कहते हैं कि कीमतों में कमी हो और दूसरी तरफ़ सरकार स्वयं कीमत बढ़ाती है। अभी रेलवे कैंस्टीन में आप ने कीमत बढ़ा दी है। खुद पालियामेंट हाउस में दुगनी से ज्यादा कीमत बढ़ा दी गई। एक तरफ़ आप जीजों की कीमतें कम करने के लिये मुनाफ़ाख़ोरों, गन्लाख़ोरों और तस्करों पर चोट कर रहे हैं, ठोक है करना चाहिये, लेकिन दूसरी तरफ़ सरकार खुद कीमत बढ़ाने की व्यवस्था कर रही है। यह बात समझ में नहीं आती। सरकार स्वयं कीमत बढ़ावे और दूसरों को उपदेश दे कि कीमत कम करो, यह बात ठीक नहीं है। सरकार स्वयं कीमत न बढ़ाये और कीमतों को और कम करने के लिये सख्त कदम उठाये तथा सार्वजनिक वितरण व्यवस्था को ठोक करे, उस में जो गड़बड़ चोरी और भ्रष्टाचार होता है उस को दूर करे, तभी आप आम जनता की कठिनाइयों को दूर कर सकेंगे। और जब उन की कठिनाइयाँ दूर होंगी तो अगर देश में जो गड़बड़ी पैदा करने वाले हैं, जो विदेशी ताकतों की मदद से देश में जनतांत्रिक प्रणाली की समाप्त कर के फ़ासिस्ट प्रणाली लाना चाहते हैं चिली की तरह ऐसे लोगों को हम रोक सकेंगे। और इसी लिये आज जरूरत है कि हम आम जनता का सहयोग प्राप्त करें। और यह तभी संभव है जब हम शहर और देहात के लोगों की समस्याओं का समाधान करें।

आप का जो आर्थिक प्रोग्राम है भारत की जनता ने और हमारे दल ने भी उसका समर्थन किया है। वह बहुत अच्छा प्रोग्राम है, उस को कार्यान्वित करना चाहिये। आप ने इजारेदार पूँजीपतियों पर चोट नहीं की है, देहात में जो जमींदार तबका है, जो बड़ी बड़ी जमीनों के मालिक हैं उन पर चोट होनी चाहिये जिस से छोटे किसान प्रेरित हों। आपको हृदबन्दी कानून को सही तरीके से कार्यान्वित करना चाहिये। आप ने मजदूरों

की मजूरी बढ़ाने की बात की है, बॉन्ड लेबर को खत्म करने की बात कही है उन को कार्यान्वित करने के लिये जनता का सहयोग आवश्यक है। आप स्वयं कहते हैं, लेकिन सहयोग लेने की तरफ़ आप ठीक से नहीं बढ़ते। तमाम जगह आप को जनता का सहयोग चाहिये तभी यह कार्यक्रम आपका पूरा हो सकेगा और तभी देश के अन्दर जो फ़िरकापरस्त, फ़ासिस्ट और प्रतिक्रियावादी शक्तियाँ हैं उन को हम हरा सकेंगे और सही माने में देश को हम जनतांत्रिक प्रणाली की तरफ़ ले चल सकेंगे और आगे चल कर देश की जनता अपने संगठित आन्दोलन के जरिये सही माने में समाजवाद की स्थापना कर सकेगी।

अन्त में मेरा पुनः निवेदन है कि आप ने 6,00 रु० से बढ़ाकर जो 8,000 रु० आय-कर कर की सीमा की है इस को अगर 10,000 रु० कर देते तो ठीक रहता। सरकारी कर्मचारियों का महंगाई भत्ता दे दीजिये और सार्वजनिक वितरण सिस्टम को ठीक कीजिये और आप ने जो कार्यक्रम रखा है उसको ठीक से कार्यान्वित कीजिए, आम जनता आप का समर्थन करेगी और इसमें उन का फ़ायदा होगा। इन शब्दों के साथ मैं इस विधेयक का स्वागत करता हूँ कि आपने सही दिशा में कदम बढ़ाया है। लेकिन इस से भी ज्यादा आप का कदम बढ़ इस बात की हमारी मांग है। आशा है। आप इस पर विचार करेंगे।

SHRI NIMBALKAR (Kolhapur):
 Mr. Speaker, I will first begin by answering that part of the speech made by my hon. friend, Shastriji, from the other side wherein he said that we should give relief to people earning income upto Rs. 10,000 and unless we give relief of that nature to the people in this emergency, the people will not be with us. I would like to point out to him that under the present Bill relief is given to a person earning on income of Rs. 7,000 only to the extent of Rs. 132 whereas the relief for an income of Rs. 8,000 is Rs. 264, for Rs. 9,000 the

relief is Rs. 209 and for Rs. 10,000 the relief is Rs. 154. This shows that the higher income of Rs. 10,000 is getting much greater relief than an income of Rs. 7,000. So, the relief which Shastriji wants for people having an income of Rs. 10,000 is given in a much greater measure than he imagines. Another thing which I would like to point out is this. The manner in which the Finance Minister has clubbed together the two slabs—the previous slab and the one made it now from Rs. 8,000 to Rs. 15,000—that has enabled him to save a lot of money for the exchequer which is a right thing at this time. If he had not done that, it would have cost the exchequer about Rs. 40 crores, and in this way, he has been able to manage the whole matter within Rs. 21 crores. This is actually the basic goodness in this Bill. In this way, the State is also not hurt too much and at the same time, those people who should get relief have been given relief.

Actually speaking, there would not be much to say about this Bill. It is one of these 20 points economic programme of the Congress which the Prime Minister had announced and that point has just been implemented, one can say, I want to go one step further and say that the Finance Minister has been even more generous than one expected at the time when the Prime Minister announced this figure of limit of Rs. 8000|.

I would like to make it clear that this was not the Prime Minister alone, all sections in this House, all parties had asked during the Budget that the Finance Minister should raise this limit to Rs. 8,000|—although some members had asked for the raising of the limit to Rs. 10,000 and Rs. 12,000. But, of course, you have to come to some sort of a tangible point. But, at present, I don't think that it is possible or the Government to get over that difficulty or take such an amount of money as would lead to inflation

[Shri Nimbalkar]

because that would mean that the Government would have to resort to deficit financing.

Now, what I like about this is something quite different. When we say that we are going to aim at an egalitarian society and socialism must realise that ultimately when we do achieve that goal, then there has to be no income tax at all. If you look at it from that point of view, you will see that this is one step forwards socialism, and that part of the Bill appeals to me much more than the relief which should be given to some of the people in the lower bracket

What I did not understand was why it was necessary to give Rs. 40/- as rebate, so to speak, for all taxable incomes over Rs. 15,000/- to people who are earning lakhs of rupees. This amount is going to be a drop in the ocean for these people. If that could have been reduced, if that could have been made available to the lower income group, then that would not have been such a bad idea. I do not know technicality which to be overcome in achieving this sort of thing. It is possible that the Finance Minister who went a little further into this matter than the Prime Minister had promised in this way, wanted to do exactly that what Mr. Shastri wants us to do and appealed to all sections of taxable society to least all taxable sections of society, I am sure that this Bill will achieve that.

Sir, an argument has been put forward the Government will lose Rs. 21 crores. But, Sir, this would be more than compensated because there will be a lot of time for administration to catch those people who are evading taxes and so on.

Now, the point is that the real reason why you are supposed to reduce the taxes is through a better performance of the public sector. If the public sector performs better, to that extent, that money should be made available at least in some part

of the public in the form of reduction in income tax. This is how you are supposed—in the long run, if you are going in for public sector undertakings—to work it in a phased manner in which the public sector is the income giving factor where the personal income is made more equal and taxes are reduced till they ultimately become a thing of the past.

Therefore, when the Finance Minister says that this is administratively more than compensated, I would like him to take it the other way. I would like him to see that the administrators of the public sector undertakings which perform better should be given an incentive. The better the public sector undertaking performs the more the Finance Minister will be prepared to come forward with reduction of taxes which ultimately would help the wage earners and the salary earners more than the private entrepreneur. This going to help much more the Government servants themselves. A large part of the wage earners are the Government servants themselves. This will be an incentive to them to make the public sector undertakings work better so that we know that the profits that accrue to the public sector undertakings will, ultimately, be passed on to them.

With these words, I recommend this Bill to the House.

SHRI G. VISWANATHAN (Wandiwash): Mr. Speaker, Sir, income-tax which is of an elastic character is an important source of revenue of the Government. Last year, 1974-75, income-tax alone fetched Rs. 1507 crores compared to Rs. 1304 crores in 1973-74. Not only that. The number of assesses has also gone up considerably from 34.36 lakhs in 1973-74 to 38.74 lakhs in 1974-75.

In the last six months, there have been a number of income-tax raids on various business houses, palaces and so many other places of income

where it was concealed. For the first time, the Income-tax authorities raided one of the palaces of the ex-rulers of Jaipur also. I want to know from the hon. Minister what are the results of these raids all over the country and what is the effect.

In the intensive raids, I find from the newspapers that so many crores worth of precious metals, various documents and other things have been recovered. I want to know from the hon. Minister how much income is going to come to the State Exchequer from these raids.

Another thing is that during the raids, certain documents have been seized by the Income-tax authorities which will indicate that some persons are having bank accounts in foreign countries, particularly, in Switzerland. I want to know from the hon. Minister how many such cases have been detected and what are the steps which the Government is going to take against these persons who are having foreign bank accounts without the knowledge of the Government of India.

We have been demanding for a long time that exemption limit should be raised from Rs. 6000. Fortunately, the Prime Minister has now included in the 20-point programme that the exemption limit will be increased from Rs. 6,000 to Rs. 8,000. It was the Bhoothalingam Committee which recommended that the exemption limit should be increased to Rs. 12,000. But now the Finance Minister has come to raise the exemption limit to Rs. 8,000. Some of the Members have given an amendment that the exemption limit should be increased to Rs. 10,000. I think, it is a good compromise and the Government should consider it favourably.

Now, because the exemption limit has been raised from Rs. 6000 to Rs. 8000, at least about 7 lakhs of assesseees are going to be benefited. But the Government is sore that they are going to lose about Rs. 25 crores.

I think, the Government stands to gain that way because the administrative cost, the cost of collection, is going to be reduced. Not only that. The administrative burden of the Income-tax Department is going to be reduced considerably. This benefit which is going to about 7 lakhs of assesseees must necessarily increase the demand of industrial products of these sections and from these sales, the Government will compensate some amount from an increase in excise duties.

I would like to remind the hon. Minister about the Report of the Comptroller & Auditor General where he has urged the Income-tax Department to devise effective machinery to ensure that the tax deducted at source has actually been remitted to Government account. I think the Comptroller and Auditor-General is not satisfied with this deduction at source and that is why he has pointed out to the Government that they should take some effective measures to immediately remit these amounts to the Government account.

Sir, the cost of collection is going up every year and naturally so, because the number of assesseees is also going up. But I would like to request the Minister that since this is a Department where they are going to take action against all the tax-evading elements in the country, the officials of the Department itself should be very strict and honest also. Sir, I will ask the Minister to give the Income-tax authorities all the facilities, they want, but once somebody is found to have property or wealth disproportionate to his income, such an officer must be severely dealt with and the Government should take very severe action against such corrupt officials because these are the officials who are going to administer the tax-collection throughout the country.

With these words I welcome this Bill because it is going to benefit at least seven lakhs of assesseees in this country.

SHRI K. SURYANARAYANA (Eluru): While welcoming this Bill I would like to make a few observations in regard to its benefits to other classes also. Sir, we very often argue for the rural population—as to how we can give minimum help to the rural population. Therefore, when we are sympathising with the small tax-payers, the same benefits should be given to the people living in rural areas who are living only on agricultural income. The same benefits should be given to the agriculturist community also, because they are the backbone of the country. In my opinion, there is no organisation for them and that is why the Finance Department and the Industries Department and, if I may say so, the Government as a whole, is not taking enough interest. We do realise that it is difficult for the Government to make a recommendation to the States in this matter as agricultural income or agricultural tax is a State subject. But still, they can advise the State Governments to give these benefits to the small farmers also. They are not tax evaders. Where is the possibility that they will show their income as Rs. 8,000 if they got Rs. 10,000 or Rs. 15,000? This is the monopoly of some other categories. Various measures are being taken to unearth black-money but in spite of all these, there are still some loop-holes in the income-tax collection system; there is always a way to evade tax. But these are only two classes who cannot evade tax and these are the agricultural community and the small employees, both in the public and private sectors. These two classes cannot evade tax. So, I would request the Government—and particularly our Finance Minister—to find out a way whereby even the agriculturists who are getting an income of less than Rs. 8,000/- will be free from tax. What is the difficulty about this? I don't want to go into the question of subsidy etc.; a way should be found for giving income-tax relief to this category also. Whereas a small farmer or a small

industry generally gets an income of four or five thousand a year, even a bank peon gets more than the income which an owner of ten acres gets from his land. There must be economic equality in all the sectors.

Therefore, I would recommend to the Government and I would request all the Parties, including our CPI friends, to consider all these things.

In this connection I would like to quote from a booklet on Gandhiji, compiled by Shri H. D. Malivaya and published by the All-India Congress Committee Gandhiji said:

“Economic equality of my conception does not mean that every one would literally have the same amount.

“It simply means that everybody should have enough for his or her needs. The elephant needs a thousand times more food than the ant. But that is not an indication of inequality. So, the real meaning of economic equality is: to each according to his need. That was the definition of Marx. If a single man demanded as much as a man with wife and four children, that would be a violation of economic equality.

“Let no one try to justify the glaring difference between the classes and the masses, the prince and the pauper, by saying that the former needs more. That will be idle sophistry and a travesty of my argument. The contrast between the rich and the poor today is a painful sight. The poor villagers are exploited by the foreign Government and also by their countrymen, the city-dwellers. They produce the food and go hungry. They produce milk and their children have to go without it. It is disgraceful. Everyone must have a balanced diet, a decent

house to live, facilities for the education of one's children and adequate medical relief. This constitutes my picture of economic equality. I do not want to taboo everything above and beyond the bare necessities, but they must come after the essential needs of the poor are satisfied. First things must come first."

Due consideration should be given without any delay to the rural population which is greatly dissatisfied. Government has recently announced the levy price for Sugar, which is very uneconomical. Where is equality of this category with the other groups? They would reduce production if they do not get proper price. All departments in the Central Government should consult each other and take steps to eliminate this inequality with the other income-groups. There are three classes now, the Government employees or the salaried group, the industrial group and the agricultural community which is constituted by small farmers agricultural labourers. As I have said several times, the real producer is the agricultural labourer, and for what he has produced, he is not getting the price which he should get. Once it goes to the Food Corporation, they charge Rs. 30 per bag and are selling it to the same agricultural labourer at a higher price, which is not reasonable. I would request the hon. Finance Minister to recommend to the State Governments to do away with this sort of economic inequality and also abolish land revenue and other taxes, if possible.

SHRI S. M. BANERJEE (Kampur): Sir, I rise to support the Bill. I must congratulate the hon. Finance Minister for keeping his promise which he had made when the Finance Bill was discussed. You will recall, Sir, several amendments were moved by this side and also the other side; practically every one of us, whether belonging to the ruling Party or to the Opposition, demanded that the exemption

limit should be raised from Rs. 6,000 to either Rs. 8,000 or Rs. 10,000. You will remember, an amendment was moved by Shri Piloo Mody, who is now unfortunately in jail, to raise it to Rs. 12,000. I do realise the Government's position when they refuse to concede our demand for raising it to Rs. 10,000. But our idea was that the limit of Rs. 10,000 would cover the middle-class salaried group; when I talk of middle-class employees, I have in mind employees upto Section Officers; some of them are Class II officers. The revenue which the Government is likely to lose by raising this from Rs. 6,000 to Rs. 10,000 or from Rs. 8,000 to Rs. 10,000 after the passage of this Bill, will be negligible as compared to the other categories, which I would place before the hon. Minister.

I must congratulate also the Income-tax Department who have, during the last 1½ years, conducted so many raids; whether it is Jaipur Palace or the bungalows of big businessmen, they have done a wonderful job with their limited resources, with limited powers and also with limited manpower. I know the difficulties of this particular Department because those officers who go on raids risk their lives.

I appreciate their courage and conviction; they did a wonderful job recently in two or three cases, especially in Jaipur. I know, attempts were made to bribe those people; they were tempted with jewellery and so on. Though ill-paid and ill-clad, the Central Government employees, the Income-tax employees were not tempted by the palace and they went on doing their job and were successful I do not know, why no raid has been conducted in the other houses like Scindia and others where similar jewellery must be there. It is not that the entire jewellery of this country which was brought from Kabul was only stationed in Jaipur palaces, whether Doongergarh palace, Nahargarh palace or any other palace. The fact is that

[Shri S. M. Banerjee]

other Maharajas had these jewelleries also. Once these raids have taken place, once the smuggling activities are checked and once the tax-dodgers and tax evaders are brought to book and the income-tax realised properly and effectively, the loss that the Government is likely to sustain as a result of raising the limit from six thousand to eight thousand will be properly compensated.

After having rough calculations on the basis of information available to us, the amount which we are going to lose every year as a result of tax evasion and the income-tax arrears amount to the tune of Rs. 600 crores. It is being realised, but litigations are going on. Now the time has come, when there should be a law passed—during this emergency, we can take advantage of it—and we can do away with certain fundamental rights whereby such people are barred from approaching the court. We have passed the Constitution Amendment Bill the other day knowing that this may affect the fundamental rights of several persons, but when we are after something, we want to achieve certain end, and we want to move towards progressive direction, there are certain difficulties which are likely to be faced by some people. Sir, we should take advantage of this emergency and I would request the hon. Minister to bring a legislation by which the tax-dodgers and tax-evaders, who every time they are caught, approach the High Court or the Supreme Court and get a stay order, are barred. I know of certain cases in Kanpur and other places, where the arrears were to the tune of one crore. When the Income-tax authorities wanted to auction their properties, immediately they knew it, they went to the High Court and got a stay order. There should be a law now. It is high time, that a legislation is brought in this House, whereby they should not be allowed to approach the court, whether High Court or Sup-

reme Court. You can realise the entire amount; let it remain effective for three months, but I am sure, every pie of six hundred crores—at least four hundred crores—we would be able to realise. We should be very hard on them; we should have no soft corner for them. In Kanpur, I know of cases; I have got their names,—but I am not mentioning them, where non-payment of Government revenue is their capital. They do not pay sales-tax, they do not pay income tax. I have information that some people are in league with the income tax authorities and they are trying to corrupt the income-tax authorities also.

I would like the hon. Minister to kindly consider this—I do not want any reply from him—whether the time has not come when these tax-dodgers and tax-evaders should be percluded and barred from approaching the court of law. Many people will say that we are moving towards fascism and dictatorship. You cannot stop them saying it; you cannot shut them out. Even if you do not move, they will immediately say that this is being done to benefit a particular individual or Shrimati Indira Gandhi. But let us go the whole hog and not be content with some half hearted measures. If we could pass a legislation that smugglers cannot go to courts of law, if we could pass a legislation amending the Constitution, let us amend it once again and, if necessary, I will say, let us amend it thirty times, so that these tax-dodgers are brought to book. I hope if this is done, then all these people who think that they can possibly hold this government to ransom, they can hold the people to ransom by going to the court and getting a stay, cannot play this mischief. I am not imputing any motive to the courts of law but generally stay is granted knowing full-well that they are anti-social elements. They have to pay enormous amounts to government. They get a stay from

the High Court or the Supreme Court and they go on liquidating and disposing of their property and in the end when the government take over the factory, they get only a junk while the cream has been taken away by the previous owners.

Then, another thing I want to bring to the notice of the hon. Minister—whether, as a temporary measure this income-tax limit which was reduced from 97 to 75 per cent should not be restored to the original 97 per cent. It looks odd that when the exemption limit has been raised from Rs. 6000 to Rs. 8000, I am asking again to go back to the old 97 per cent. I am only doing this because the Government is in need of money. I would only plead that if it can be raised as a temporary measure, government may get some more money.

With these words I support this Bill. I would request the hon. Minister to kindly consider the handicap of the income-tax authorities and sanction more posts for the various income-tax charges. I come from Kanpur. Kanpur charge I know. I have brought their difficulties to the notice of the Minister of State and the Chairman. There is stagnation going on in the Income-tax Department and the stagnation takes away some of the incentives for these people.

With these words I support the Bill and congratulate the Minister once again for raising the exemption limit from Rs. 6000 to Rs. 8000.

SHRI S. R. DAMANI (Sholapur):
At the very outset I congratulate the hon. Finance Minister for giving relief to a large number of salaried people by increasing the exemption limit from Rs. 6000 to Rs. 8000. There was a persistent demand from all sections of the House in the last budget and also the year before to increase the exemption limit and also there is the recommendation of the Wanchoo

Committee. By increasing the exemption limit the Government have satisfied the demands of many members of this House and also the recommendation of the Wanchoo Committee. This relief is going to cost the government only Rs. 21 crores, only a token amount which is 1½% of the total revenues from direct taxes. Also people having an income of Rs. 10000 will get some relief. This relief will affect about 7 lakhs assesseees and now by reducing this number of assesseees, our officers will have more time to look after the returns of big income group assesseees. They can devote more time. They can speed up the work and they can realise more money. In this way the relief is not going to have any effect on the revenue earnings of the government. Here I would like to say that last year we had a recession in many industries, but on account of forceful drive for collection, the amount exceeded the budget targets. There was a scheme of giving bonus to the staff, to the income-tax officers, etc. They were able to correct more than the targets. It is for the first time that such a scheme is being introduced to give bonus for the efficient work of the officers. This has worked very nicely. On account of that collection, has increased. In spite of recession in many industries this sort of achievement is there. My suggestion is that this kind of incentive should be continued so that officers can take more interest in their work. This incentive should be there for collection of more revenue and also to complete more assessments.

12 hrs.

Then I wish to say about the need for providing residential accommodation to income-tax officers and other staff who are working in big cities or who have been transferred to big cities. They are not getting the facilities of residential accommodation and they are facing great difficulties. The Government is not constructing buildings for them and as such it is

[Shri S. R. Damani]

very difficult in big cities for Income-tax officers and others to get residential accommodation. Therefore, it is very essential that the Department should themselves construct these buildings in big cities for these officers. They can save money paid by way of house-rent allowance to these officers by constructing houses themselves. This is my request to the hon. Finance Minister and I request that this may be considered. I hope that the Finance Minister will seriously consider providing sufficient funds for construction of buildings in big cities.

Sir about tax arrears, questions are asked about the arrears, and figures are being given. But these figures are not complete. They should be more specific. It should be mentioned as to how much amount is outstanding for more than one year, how much amount is outstanding on account of litigation cases in High Courts and other courts and how much amount is outstanding in respect of assessments completed but where payments have not yet become due. 30 days limit is there for making payments. In certain cases assessments are completed, but payments may not have become due. Therefore, the break-up of figures also should be given in reply while mentioning total amount outstanding so that Members may have some idea of the improvements that have been effected in respect of collection of taxes. Merely giving information saying that there are arrears of Rs. 700 or Rs. 800 crores will not help. I hope that this suggestion could be acted upon.

Therefore, I would suggest that, in future, the Hon. Finance Minister may take the trouble of giving the figures in such a way that the hon. Members may know the improvements made in the matter of collection of arrears.

Now, I would like to draw the attention of the hon. Finance Minister about the working of the Revenue Audit and the Income-tax Depart-

ment. It seems to me that there is not proper coordination between the Revenue Audit Department and the Income-tax Department i.e. Revenue Board with the result that there are a number of objections from the Revenue audit which go on increasing. As a result the assessee are put to great difficulties. Besides, the officers of the Audit interpret the sections according to their own ideas whereas the I.T.O. interpret them in a different way. When there is a revenue audit objection, in such a case, the entire file consisting of assessments for three, four or five years is reopened and the assessee is harassed thereby. This results in the litigation. So, Sir, I say that there should be a proper coordination between the Revenue Audit and the Income-tax Department and they should see what should be the proper interpretation of different sections of the Act so that the Income-tax Officers can implement them accordingly. This will result in the number of objections being reduced considerably. Also the assessee will not be put to difficulties with which they are now faced. These are my suggestions which, I think, the hon. Finance Minister will consider and do something about.

Also I would draw the attention of the hon. Finance Minister to one more thing. In order to attract more Funds to the Government, the exemption limit of Rs. 3,000 should be increased to Rs. 5,000 for all deposits made by the public. When the limit was fixed at Rs. 3,000 in 1970, at that time, the rate of interest was only 7 per cent. Now the rate of interest by the banks on such deposits is increased to 10 to 12 per cent, I feel that the exemption limit should also be increased from Rs. 3,000 to 5,000. This will also attract more deposits from the public in banks, in post offices and other government investments which will result in the reduction of the money supply in the hands of the public to a great extent which will, in turn, bring down the price level also. Recently,

the hon. Finance Minister has given this concession to investments in Unit Trust. Similar concession is required to be introduced for the bank deposits, deposits in post offices and in government securities so that these may attract more deposits from the public.

I would like to congratulate the Finance Minister for his achievement. Last year the rate of inflation was more than 20 per cent, this year it has come to 'nil'; the price level has also remained static, while in the U.K. and other countries, it is rising. It was because of the hard work put in by the Finance Minister that it was possible for him to reduce the inflation and also bring down the price level. It is no small achievement—it is a very big achievement—and it was possible because of the constant care the hon. Finance Minister and the Ministry took in controlling the loans and advances. This is the great achievement; when, in other countries, the inflation is still high, in a developing country like ours, we have been able to stop this inflation. This is a great achievement. I must congratulate the hon. Finance Minister for this achievement.

With these words, Sir, I support this Bill.

SHRI KARTIK ORAON (Lohardaga): Sir, I welcome the Finance (Amendment) Bill, 1975 which seeks to raise the Income-tax limit for exemption from Rs. 6,000 to Rs. 8,000. I congratulate the Finance Minister for it and I support it.

I am rather surprised that the hon. Minister has not thought it fit to remove the long-drawn discrimination in the exemption of Income-tax in the case of scheduled tribes. I would like to invite his kind attention to a representation dated 25th August, 1972 signed by 42 M.Ps. belonging to scheduled tribes—regardless of whether they were beneficiaries or not—submitted to Shri Y. B. Chavan, the then Finance Minister. I had pressed

for it in the Budget Session at the height of my voice so that the hon. Minister could hear it and do well to bring necessary amendments. The Deputy Speaker, Mr. Swell, who was in the Chair at that time had said: "Mr. Kartik Oraon, you have made your point. Please sit down. The Government ought to have noted it." I am again seeking your indulgence, Mr. Speaker, for the removal of this discrimination which is contained in Section 10 clause 26 of the Income Tax Act, 1961 which reads as under:

"In the case of a scheduled tribe as defined in Clause 25 of Article 366 residing in any area specified in Part A or Part B of the Table appended to paragraph 20 of the Sixth schedule of the Constitution or in the State of Nagaland) or in the Union Territories of Manipur and Tripura any income which accrues or arises to him:

- (a) From any source in the area of union territories aforesaid, or
- (b) By way of dividend or interest on the securities."

Sir, this means that even from the scheduled tribes as defined in Clause 25 of Article 366 of the Constitution only the residents of Assam, Meghalaya, Nagaland, Mizoram, Manipur, Tripura and Arunachal can enjoy complete exemption from Income-tax. It would appear that initially there had been discrimination against the officers belonging to scheduled tribes in that even in the exempted areas tribal officers were not exempted from Income-tax when in fact other tribals residing in that area were so exempted.

In this context, a reference may be made to the judgment of a Division Bench of the Supreme Court in Civil Appeal No. 809 of 1968 reported in AIR 1968 "S. K. Dutta, I.T.O. Vs. Lawrence Singh Ingty" in which Supreme Court upheld the decision

[Shri Kartik Oraon]

of the Assam High Court made in favour of Mr. L. S. Ingty. Supreme Court held that the exclusion of a Government servant from the exemption granted by the said Section 10(26) of the Income-tax was discriminatory and violative of Article 14 of the Constitution.

12.15 hrs.

[SHRI C. M. STEPHEN in the Chair]

It was further contended that in clause 25 of Article 366 of the Constitution, the term 'scheduled tribes' has been defined and is applicable as much to the tribal officers as it did to the tribals in general. It was only as a result of this judgment that the words 'who were not in the service of Government' were committed by Section 3 of Taxation Laws (Amendment) Act of 1970 retrospectively. It is abundantly clear now and there is not an iota of doubt that in the same breadth, it is equally violative of the Constitution that the said Section 10(26) of the Income-tax Act should operate to the exclusion of other members of scheduled tribes in the country.

A very glaring and fragrant violation of the provisions embodied in Articles 14 and 15 of the Constitution would be in the case of officers of All India Services, in which only officers from the exempted area and serving within the exempted area would be exempted from levy of Income-tax. You will appreciate, therefore, that the fact that this Section of the Income-tax Act provides a tax relief to certain scheduled tribes and not to others, to scheduled tribes of certain regions and not to those of others, is *ultra vires* of Articles 14 and 15 of the Constitution. Clause 25 of Article 366 of the Constitution brings within its ambit all scheduled tribes in India and by

granting exemption to certain scheduled tribes only merely on the ground of residence in certain regions, the law indeed operates unequally and the inequality in question cannot be justified on the basis of valid classification.

It is, therefore, requested—it is about time—that necessary amendment may be made in Section 10(26) of the Income-tax Act so that the tax exemption is made uniformly applicable to all the scheduled tribes in India without any prejudice to scheduled tribes living in certain regions. I am sure, it will go a long way towards the implementation of the twenty point economic programme evolved by the Prime Minister, calculated to bring about a revolutionary social change in our country.

I would, therefore, request that the hon. Minister and for that matter, the Government should definitely come forward with the necessary amendment so that tax exemption is available to all the scheduled tribes in the country regardless of where they live.

श्री पन्नालाल बाबूपाल (गंगानगर) :

सभापति महोदय, आप के माध्यम से मैं सभा को यह जानकारी देना चाहता हूँ कि 'स्टेम अधिकारियों' ने 50 हजार रुपये लेकर के 60 लाख का माल हारे जवाहरात बर्गरह छोड़ दिए। अगर इसकी इन्फार्मि करायें तो मैं करोड़ों रुपये गवर्नमेंट को दिला सकता हूँ और मैं यह सभा पटल पर रखता हूँ। आप इसके आवश्यक जांच करायें।

MR. CHAIRMAN: As for laying it on the Table, it will be governed by the usual rules.

*The Speaker not having subsequently accorded the necessary permission the document was not treated as laid on the Table.

SHRI P. K. GHOSH (Ranchi): Mr. Chairman, Sir, I welcome the raising of the exemption limit from Rs. 6,000 to Rs. 8,000. This should have been raised to Rs. 10,000. In this connection, I would like to point out that in 1960, the minimum exemption limit was Rs. 4,200. Today, the money value has gone down, by about 300. Therefore, Sir, in all fairness, the exemption limit should have been raised to more than Rs. 12,000; at least it should have been raised to Rs. 12,000. If that was not possible, at least, this should have been raised to Rs. 10,000

Now, it has been stated that Government is going to lose Rs. 21 crores because of this raising of the tax exemption limit. I would say that Government will not lose, but will collect more as a result of this. This is because, as has been said, several lakhs of assesseees will get relief. That mean, several lakhs of files will not be there and the work load on the Income-tax Department will be much less. The officers will have more time to devote to other aspects like proper tax collection, checking tax evasion, and the volume of tax collection will go up.

I have been advocating that this tax exemption limit should be raised and also that the maximum rate of taxation which was 97 per cent should be brought down. Fortunately, the Government in their wisdom have brought down the maximum limit to 75 per cent year before last. I do not agree with Shri Banerjee who said that it should again be raised to 97 per cent because higher taxation gives an incentive for tax evasion. So the rate of taxation should be brought down to reasonable limits so that there is less incentive for tax evasion.

I would rather suggest that in order to curb monopoly and concentration of wealth in a few hands, instead of trying to collect more Income-

tax where there is ample scope for evasion and it is very difficult for the government officers to go in detail into the accounts of the business houses, it is easier to assess the properties, moveable and immovable, of individuals. Therefore instead of trying to raise the Income-tax, we should try to raise the taxation on individual holdings, that is, wealth tax. Also we can collect more revenue if we have a very much higher rate of taxation on gifts.

Now that there is emergency, Government should utilise its emergency powers to unearth black money and also stop tax evasion. Black money is mostly utilised in acquiring properties like urban holdings, agricultural land, stock in trade and jewellery. Now that Government are asking the wholesalers to disclose their stocks, a proper check should be kept on undisclosed or unaccounted stocks. We find that Government are actually unearthing a lot of unaccounted stocks. These unaccounted stocks are all acquired through black money. Therefore, whenever there is some unaccounted stock unearthed by the Enforcement Branch, the Income-tax Officers should also step in to find out as to from where this stock came and they should levy proper income tax on it as well as enforce the penalty and other provisions of the law.

Now, the urban property ceiling is coming and this will help....

MR. CHAIRMAN: What has that to do with this Bill?

SHRI P. K. GHOSH: It is all concerning Income-tax. This urban property ceiling will curb investment of black money. Now that unaccounted stock-in-trade is going to be curbed, people will try to invest black money in jewellery. I had suggested year before last while speaking on the Finance Bill that there should be a ceiling on the total holdings of an individual that is urban property,

[Shri P. K. Ghosh]

landed property, stock in trade, jewellery and so on. Everything will come under that individual holding and every person should be asked to disclose his total holding. When there is a limit fixed, it would be easier for Government to find out if there is any black money hidden anywhere.

With these words, I welcome this Bill and support it and would suggest that, if possible, the minimum tax exemption limit may at least be raised from Rs. 8,000 to Rs. 10,000.

श्री राज सिंह भाई (इन्दौर) : सभापति महोदय, यह बिल तो बड़ा महत्वपूर्ण है लेकिन इसपर बोलने के लिए सिवाय मिनिस्टर साहब का आग्रह मानने के और ज्यादा कुछ कहने को नहीं है। फिर भी मुझे अपने कुछ विचार इस सदन में रखने हैं। अभी मेरे कुछ मित्र इस विषय को छोड़ कर बोलने हैं लेकिन मैं निवेदन करना चाहता हूँ कि इसका सम्बन्ध ऐसे लोगों से है जिनकी आयदनी कम से कम है। कम से कम आयदनी वालों पर जो इनकम टैक्स लगता है उसके सम्बन्ध से जब यहां पर बजट प्रस्तुत किया गया था तब ग्राम तोर से यही आवाज थी कि इस लिमिट को 6 हजार में बढ़ाकर 8 हजार की रखना चाहिए। अब जब इसको बढ़ाकर 8 हजार कर दिया गया है तो 10 हजार की बात कही जा रही है। मैं तो ऐसा मानता हूँ अगर इस इनकम टैक्स को सभी लोगों पर से हटा भी दिया जाये तो भी यही कहा जायेगा कि कौन सी बड़ी बात की जो टैक्स लगता था वह अब बन्द कर दिया गया? यह एक प्रकार की भूख है जो कभी पूरी नहीं हो सकती है।

मैं यह निवेदन करना चाहता हूँ यह जो 8 हजार तक की थोड़ी आयदनी वालों को इनकम टैक्स की छूट दी गई है पहले इन लोगों की परेशानियां भी बहुत ज्यादा थीं। इस मंहवाई के जमाने में कास्ट आफ़ लिविंग इन्डेक्स बढ़ने के हिसाब से उनका डीयरनेस एनाउन्स बढ़ता था, इस प्रकार उनकी आय

भी बढ़ती जाती थी लेकिन इनकम टैक्स की वजह से डीयरनेस एनाउन्स का फ़ायदा उन भूमिकों और मध्यम वर्गीय क्लर्कों को जितना मिलना चाहिए था वह नहीं मिल पाता था। लेकिन इन पिछले वर्षों से मैं देख रहा हूँ कि मंहवाई बढ़ी तो इसके साथ साथ फ़ाइनेन्स मिनिस्टर भी बहुत उदार हुए। पहले तो उन्होंने पिछले बजट में एक काम यह किया कि प्रैम्प्टी की जो रकम मिलती थी उसको टैक्स मुक्त कर दिया। 30 हजार रुपये तक को कर मुक्त कर दिया। यह एक बड़ी बात हुई थी। फिर पिछले बजट के समय उन्होंने रिट्रेन्चमेंट कम्पेन्सेशन की रकम पर भी टैक्स माफ़ कर दिया। तीसरे उन्होंने यह जो छूट दी है इसके लिए वे बधाई के पात्र हैं। 26 जून को प्राइम मिनिस्टर का ब्राइकास्ट सुनने के बाद मैं जिन लोगों से मिला तो शहरी लोग इसलिए खुशी मना रहे थे कि प्राइम मिनिस्टर ने शहरी लोगों को इनकम टैक्स में एक बड़ी छूट दे दी है। 26 तारीख के एनाउन्समेंट में देहाती, पिछड़े हुए लोग, सभी के लिए लाभदायक कार्यक्रम थे लेकिन शहरी लोग जो क्लर्कों का काम करते हैं या कारखानों से काम करते हैं उनके लिए जो बड़ी बात थी वह यह थी कि 8 हजार की आयदनी पर इनकम टैक्स माफ़ कर दिया जायेगा। इसको कम नहीं समझना चाहिए, एक बड़ी बात समझना चाहिए। कम से कम इमजेंसी में लोगों को इतना फ़ायदा तो मिला।

यह जो 8 हजार की आयदनी तक इनकम टैक्स माफ़ कर दिया है, इसके हिसाब से जिनकी मासिक आयदनी 666 रुपये होती है उसको हर महीने 22 रुपये की बचत होती है। यह 22 रुपये प्रति माह की बचत एक प्रकार से उनके वेतन में प्रति माह 22 रुपये में बढ़ाव होती हो गई है। एक गरीब के लिए 22 रुपये प्रति माह की छूट स्वागत योग्य है। इसी प्रकार से 750 रुपया महीना पाने वाले को प्रति महीना 17 रुपए 40 पैसे की बचत होती है। इसी तरह से 15 हजार की आयदनी वाले को 3 रुपया 66 पैसे की हर महीने बचत होती है इसके

लिस्ट में मंत्रों महोदय को बधाई देता हूँ।

लेकिन मैं मंत्री जी से इसी प्रसंग में एक बात कहना चाहता हूँ—घाप के हाथ में फाइनेन्स डिपार्टमेंट है और घाप को रीसे की प्रति आवश्यकता है। आज में स्वयं घाप के पास पैसे का अभाव देख रहा हूँ। इस के अभाव में बहुत से कारखाने बंद हो रहे हैं। 103 कपड़े की मिलें जो आपने अपने हाथ में ली हैं उन को पैसेके अभाव में काटन नहीं मिल रहा है और दूसरी तरफ काटन बिक नहीं रहा है। तामरी बान परेशानी यह आ रही है कि कारखानों के अन्दर जो श्रमिक बढ़े हो गये हैं, वे घर जाना चाहते हैं, घाप से ग्रेचुइटी को मांग करते हैं लेकिन पैसे के अभाव में उन्हें ग्रेचुइटी नहीं दी जा रही है। पिछले बजट के समय आपने अपने बजट में यह भी डाल दिया था कि जो मिल ग्रेचुइटी की रकम को वारिक कैपिटल के तौर पर इन्वेन्माल करेगी, उस पर टैक्स भी लगेगा। मैं चाहता हूँ कि घाप का फाइनेन्स डिपार्टमेंट कारखानेदारों से इस ग्रेचुइटी को रकम को खुद जमा कर ले और घाप एक ग्रेचुइटी ट्रस्ट बनाये उस में इस रुपये को जमा करें। आज मिलों के पास ग्रेचुइटी का करोड़ों रुपया जमा है, एक एक मिल के पास तीन-तीन करोड़ रुपये तक जमा है, जो उन्होंने खर्च कर दिये हैं और देने के लिए उन के पास पैसा नहीं है। इसलिए मेरा निवेदन है कि प्राविडेंट फण्ड ट्रस्ट की तरह ग्रेचुइटी ट्रस्ट बनाइये और जिनकी रकम ग्रेचुइटी में जमा होती है, इन ट्रस्ट के अन्तर्गत रखिये। इस से यह रकम घाप के पास आ जायेगी और घाप इस का इस्तेमाल विकास कार्यों में कर सकेंगे।

अभी हमारे कुछ मित्र कह रहे थे कि यह 8 हजार को जो छूट दी है यह तो शहरवालों के लिए है, इस से शहपून्ड कास्ट्स और गेड-यून्ड ट्राइव्म को क्या फायदा हुआ, देहातवालों को क्या लाभ मिला, जो भी फायदा हुआ है अजहूरी या सरकारी कारखानों को हुआ है। मैं घाप से निवेदन करना चाहता हूँ कि वास्तव

में जिनका सम्बन्ध उससे नहीं उन को कोई फायदा नहीं हुआ है, मैं घापके सामने कुछ धां कड़े रखना चाहता हूँ। 1960 में बम्बई, अहमदाबाद, कोल्हाटर, मद्रास, इन्दौर, कानपुर, और दिल्ली में श्रमिकों का जो कास्ट आफ़ लिविंग इण्डेक्स के हिसाब से डीअरनेस एलाउन्स मिलता था वह 1960 में अहमदाबाद में 125 रुपये 81 पैसे डीअरनेस एलाउन्स मिलता था, 1961 में यह 124 रुपये हुआ, 1962 में 126 रुपये हुआ। 1963 में 123 रुपये हुआ, लेकिन 1971 में यह 225 रुपये हो गया। कहने का मतलब यह है कि 1960 में जो मिलता था, 12 वर्ष बाद उस में बाजार भाव के हिसाब से 100 रुपये की बढ़ोतरी हुई। लेकिन अब उस के बाद देखिये—1971 में 225 रुपये 80 पैसे थे, 1974 में 426 रुपये 14 पैसे हो गये—कहने का मतलब यह है कि 12 वर्ष में 100 रुपये बढ़े, लेकिन इधर 3 वर्षों में 201 रुपये बढ़ गये। यह तो ठीक है कि कास्ट आफ़ लिविंग इण्डेक्स के अनुसार डीअरनेस एलाउन्स बढ़ गया, लेकिन दूसरी तरफ़ उन पर इन्कमटैक्स भी लग गया। जिन लोगों पर पहले इन्कमटैक्स नहीं लगता था, डीअरनेस एलाउन्स बढ़ने से उन पर इन्कम टैक्स लगने लगा। मंहगाई भत्ता इस लिए बढ़ा कि बाजार में चीजों के दाम बढ़े, कास्ट आफ़ लिविंग इण्डेक्स के अनुसार बढ़ा, लेकिन जो बढ़ा वह इन्कमटैक्स लागू हो जाने से हाथ से निकल गया—बात वहीं की वही रही। मंहगाई भत्ता भी कास्ट आफ़ लिविंग के हिसाब से सब जगहों पर सेंट पर-सेंट नहीं मिलता है, बम्बई अहमदाबाद में सेंट-पर-सेंट मिलता है, लेकिन दूसरी जगहों पर कहीं 80 परसेन्ट, कहीं 75 परसेन्ट और कहीं 90 परसेन्ट मिलता है। घाप इस हिसाब से भी देखें तो घाप पायेंगे की घाप का जो इन्कम टैक्स इस वर्ग के ऊपर था, वह एक भारी बोझ था। इस लिए मेरा कहना है कि घापने 8,000 की लिमिट को बढ़ा कर श्रमिक एवं मध्यम वर्ग के लोगों को एक बहुत बड़ी राहत दी है और इस के लिए मैं घाप का अभ्युत्साह देता हूँ।

SHRI M. RAM GOPAL REDDY (Nizamabad): Sir, this raising of exemption limit for income-tax is one of the points announced by the Prime Minister for the welfare of the weaker sections. About 7 lakhs of persons are benefited and the exchequer is losing Rs. 21 crores. I have no grudge against it, but I want to know whether the people who are going to be benefited by this will work honestly and efficiently and implement the other programmes announced by the Prime Minister or whether they are just going to enhance their demands further. A congress Member just now said, the exemption limit should go up to Rs. 12,000. Somebody may say it should go up to Rs. 1 lakh. I feel the exemption limit should not be raised by a rupee beyond Rs. 8,000. The per capita income in India is only Rs. 681 and nobody would get more than that if all the wealth is equally distributed. But people getting more than Rs. 800 per month want more relief. Nobody wants to work or produce. After getting so many facilities, these people working in the offices never care and they have no sympathy for the poor people. If a big man comes, they will do his work promptly. That is their mentality.

We in this Parliament have at our disposal Rs. 10,000 crores which is the poor tax-payers' money. Are we doing justice in distributing this amount? Only the more vocal population are getting the benefits. If you add the States' budgets, it comes to Rs. 20,000 crores, out of which the salary bill is not less than Rs. 16,000 crores. Hardly Rs. 4,000 crores are available for planned development and other things. The Finance Minister should see that all unproductive expenditure is stopped once and for all. Lots of money are being paid as overtime. This must be completely stopped. If the work could not be completed let more people be appointed, so that more people get employment. Now when the Government has got a lot of authority, why not

bring an ordinance putting a stop to over-time? Does the worker who works for 18 hours in the field, get any overtime? He is not getting even the real wage.

Regarding production, what is happening. In one year we have got bumper crop. In 1971-72 we got plenty of foodgrains. Still, we have not given good rates to the farmers. The same is the case with sugar industry. In Andhra Pradesh, we have to give sugar at the rate of Rs. 117/- per quintal whereas the cost of production is Rs. 150/- per quintal. The same is the case with other 8 States. Sir, the tax on levy sugar is 31 paise per kg. and on free sale sugar Rs. 1.14 per kg. This tax is very heavy. Everybody says that sugar is costly. Sugar is not costly but the tax on sugar is very heavy and that makes the sugar cost more. That is why I say that the tax on sugar should be reduced. I want to know from the Minister of Finance who is also having the knowledge of agriculture, whether the price which the Government has fixed on sugar is reasonable. Some foolish fellow who is sitting there in the Ministry of Agriculture is doing all these things. I request the Minister that there should be a rational basis in fixing the price of sugar. I want to warn the Minister that if the present price in sugar is prevalent throughout, then we are not going to get more than 30 lakh tonnes of sugar next year. Government is earning a lot of foreign exchange from sugar. If such is the case, I request the Minister of Finance to use his good offices and see that these prices which are prevailing now, are revised so that these are remunerative both to the industry as well as to the cane-growers. Also he may kindly see that the foolish persons sitting in the Agriculture Ministry are punished.

श्री मूल बन्ध डागा (पाला) : सभापति जी, राजनीतिक आजादी के बाद अगर आर्थिक आजादी नहीं मिलेगी, आर्थिक विषमता नहीं घटेगी तब तक देश में असंतोष फैलेगा। और इसका सब से बड़ा एक कारण यह है कि एक आदमी मीनार में बैठे हैं और एक जमीन पर रेंग रहा है। सारी आप की पोलिसीज फेल हैं जब तक आर्थिक विषमता नहीं मिटती। आपने सिद्धांत बना दिये कि इन सिद्धांतों के आधार पर राज्य चलेगा जैसा कि आर्टिकल 39 और 43 में लिखा गया है :

Article 39 (c): "That the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment."

Article 43. The State shall endeavour to secure by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or cooperative basis in rural areas.

तो मेरा कहना है कि कुछ न होने से तो कुछ होना अच्छा है। कुछ आप ने किया। लेकिन सवाल यह है कि मैं समझता हूँ कि आप अपनी मशीनरी को ठीक कीजिये आप को काफी रुपया मिल सकता है। आज भी आप को इन्कम टैक्स डिपार्टमेंट में करीब 3,655 इन्कम-टैक्स अधिकारी है, 3,181 इन्स्पेक्टर है, 28,666 क्लर्क हैं और 10,000 अन्य कर्मचारी हैं। जो आदमी बी०एस०सी० या बी०ए० पास होता है और पब्लिक सर्विस कमिशन का इम्तहान पास कर लेता है उसको इन्कम टैक्स अफसर बना देते हैं जिनको अकाउन्ट्स का कुछ ज्ञान नहीं होता। मैं

नन्दी की किताब से एक कोटेशन आपको पढ़ कर सुनाऊंगा। मैंने देखा है कि आप के अधिकारी कितने अयोग्य होते हैं, उनमें न योग्यता है और न काम करने की क्षमता है वह हिसाब किताब की किताबों को पढ़ भी नहीं सकते। वह न चारटर्ड अकाउन्टेन्ट हैं, न बकील हैं, न कोस्ट अकाउन्टेन्टी जानते हैं और न ही हिसाब करना जानते हैं। ऐसे लोगों को इन्कम टैक्स अधिकारी बना दिया जाता है। अब ऐसे लोग क्या काम कर सकेंगे यह सोचने की बात है। बड़े दुख की बात है कि कभी भी हमने यह नहीं सोचा कि हमने अधिकारी होने के बाद भी आज इन्कम टैक्स क्यों इव्ड हो रहा है।

मैं नन्दी की किताब से आप को पढ़ कर सुनाना चाहता हूँ .

I am reading from a book by N. Nandi titled "Wanchoo Committee's Judicial Suicide and the doom of the Income-Tax", page 14:

"The versatility and all-roundness required of an Income-tax Officer" is, as I have said at page 367-68 of my book "The Ills That Beset the Income-tax", "peculiar to him alone, combining in himself the 'qualities of a policeman, and accountant, a lawyer and a judge', to quote the language of the Income-tax Investigation Commission Report." This peculiarity has been wholly ignored in building up the training scheme that has been built up. All my remonstrances, as revealed in the extracts quoted above, and a host of others lying scattered all over my heavy literature have totally failed to bring about the least realisation in the minds of the men in power the ruinous effect of their stupid policy of perpetually (a) allowing Income-tax Officers who cannot read the book of accounts (owing to language difficulty) to "examine" those books of accounts, and (b) investing (unformed novices of one year's nominal training with unlimited

[श्री मूल बन्द डागा]

power of assessment, against the practice in the remote past of at least 8 years' experience necessary for such investment, following a like practice in the U.K."

मैं जानता हूँ कि आप के अधिकारी कितने अयोग्य होते हैं। एक दफा आप मेहरबानी करके अपने अधिकारियों की प्रोपर्टी का सर्वे करा लीजिये। इस इमरजेंसी में आप यह कदम उठा कर इन्कम टैक्स अफसरों और कमिश्नर्स की प्रोपर्टी का सर्वे करा लीजिये और जांच कीजिये कि कितने मालदार हो गये हैं और कितनी पूंजी जमा है। मैं एक केस में अपीयर हुआ था मुझे मालूम है कि जो अकाउन्ट्स बुक हम लोग मारवाड़ी भाषा में लिखते हैं उसको इन्कम टैक्स अधिकारी पढ़ नहीं सकते। वह हिसाब नहीं जानते क्योंकि उन को अकाउन्ट्स का कोई ज्ञान नहीं होता। लेकिन फिर भी वह इन्कम टैक्स अधिकारी बने हुए हैं। मुझे अगर कोई कहे कि तुम दजीनियर हो सकते हो, तो मैं कहूंगा कि नहीं। आप बताइये कि कितने इन्कम टैक्स अधिकारी आपके हाथ से सस्पेंड हुए? कभी आप ने इनक्वायरी की कि पार्टनरशिप में कितनी इन्कम टैक्स का चोरी होती है? क्या आपने जांच की कि हिन्दू जोइंट फैमिली में किस प्रकार टैक्स इवेंट होता। मेरा एक भतीजा है जो पांच माल का है और दर्जा एक में पढ़ता, वह भी पार्टनर है, मेरी मिस्टर-इन-ला है वह भी पार्टनर है उसमें। हिन्दू ज्वाइंट फैमिली के सारे पार्टनर्स बन जाते हैं और अगर फर्म का दो लाख प्रॉफिट हुआ तो पांच पार्टनर्स में उसको डिवाइड कर लेते हैं। आप कहेंगे कि हिन्दू ज्वाइंट फैमिली अलग है और पार्टनरशिप फर्म अलग है। यह पार्टनरशिप फर्म कैसे बनती है। वे लोग जो मूनीम होते हैं, गुमाश्ता होते हैं और उस फर्म से काम करते हैं, उन का लड़का पार्टनर हो जाता है केवल नाम का और इन्कम टैक्स इवेंट करने के लिए बायस फर्म बन जाती है। इस तरह से आप देखेंगे

कि इन्कम टैक्स के अन्दर हजारों फर्म जो हैं वे बोगस फर्म हैं। उन में एकाध पार्टनर हो जेतुइन होते हैं। बाकी बोगस होते हैं और जो प्रोपर्टी होती है वह विपट कर दी जाती है। मूनीम का लड़का है या कोई दूसरा अपने कार्किडेंस का नौकर है, उस को फर्म में पार्टनर बना लिया जाता है और इस तरह से बोगस फर्म बन जाती है। अगर आप इस चीज को एग्जमिन करेंगे तो आप को बहुत सी बोगस पार्टनरशिप मिलेंगे जिनके द्वारा लाखों रुपये का टैक्स इवेंट होता है हर दिन। इस तरह से यह हिन्दू ज्वाइंट फैमिली क्या है और यह पार्टनरशिप फर्म क्या है, इस के असली रूप को आप देखें। इस में लाखों रुपये का टैक्स इवेंट किया जाता है। यह जो किताब है, जिसका हवाला मैं ने पहले दिया है इस को कोई इन्कम टैक्स आफिसर पढ़ेगा, तो उस को बहुत सी बातें पता चलेंगी। आप घंटी बजा रहे हैं। मैं अभी समाप्त कर देता हूँ। यह जरूरी है कि आर्थिक विषयना को कम करना चाहिए और यह जो आप ने 8,000 रुपये की लिमिट की है, इसमें क्या होगा। जो आदमी एक मोनार पर बैठा हुआ है, उस को आप को नीचे लाना चाहिए और नीचे वाले आदमी का स्टैंडर्ड आफ लाइविंग ऊंचा उठाना चाहिए। जिन लागा का पूंजी बढ़ रही है, उस को रोकना चाहिए। मैं इस किताब के पेज 133 में कुछ पक्किया कोट कर रहा हूँ

"I said that the chief obstacle to fighting tax-evasion is a weak administration rotten to the core, and the chief obstacle to the toning up of the administration is a weak Board equally rotten to the core, and what is worse, is a renegade Board that does not believe in playing a full role and has perpetually been content with playing a partial role, and faithless to the unrestricted fulfilment the objectives for which the Department stands, and always prone to escaping from

reality and dodging."

आपकी जो पब्लिक एकाउन्ट्स कमेटी है, उस ने भी इस सम्बन्ध में अपनी कुछ रिक्लामेंडेशन्स दी हैं लेकिन हू केयर्स फ़ार दीज़ रिक्लामेंडेशन्स? इस की जो रिक्लामेंडेशन्स होती है उनको इन्कम टैक्स डिपार्टमेंट इग्नोर करता है। मैं इस को पढ़ना चाहता हूँ और आप इस को सुन कर आश्चर्य करेंगे। आप बंटी बजा देंगे लेकिन मैं कहता हूँ कि इन्कम टैक्स की लाखों करोड़ों रुपयों की चोरी न होती तो यह 15 करोड़ रुपये का काला धन न होता। यह काला धन क्यों हो गया? यह इसलिये हो गया क्योंकि इन्कम टैक्स आफिसर ऐसे लोगों से हाथ मिलाते हैं। यहाँ पर अभी एक साहब उनकी वकालत कर रहे थे कि उनको अच्छे मकान देने चाहियें। वे दौलत कमाने में मसगूल है और धन का प्रदर्शन करते है। अगर किसी आदमी का बेटा इन्कम टैक्स आफिसर हो जाता है या सैल्म टैक्स आफिसर हो जाता है, तो वह मालामाल हो जाता है। ये भ्रष्टाचार ऐसे है जहाँ धन लुटाया जाता है। यह एक तरफ़ धन लूटते है और दूसरी तरफ़ देश को गरीब बनाने है। तो मैं पब्लिक एकाउन्ट्स कमेटी की रिपोर्ट के पेज 126 पर जो लिखा है, उस को पढ़ कर धुनाना चाहता हूँ :

"It is most deplorable that even after six months of the target date fixed, the results of the review have not been made available to the Committee. The Committee take a serious view of the delay that has taken place and for which there would appear to be no valid reasons."

इन्होंने कहा है कि 50,000 रुपये की दौलत हो, तो उस पर रिमार्क होना चाहिए कि यह कहां से आई और इसके क्या डिटेन्स हैं। इसका एक कालम होना चाहिए लेकिन इन्कम टैक्स आफिसर कुछ नहीं करते हैं

और वे सोचते हैं कि हमारा कुछ नहीं होने वाला है। सारी मशीनरी और सारी ब्यूरो-क्रेटिक मशीनरी की अगर यह जांच करें, तो हम जानें कि हमने कुछ काम किया है नहीं तो ये लोग हमारे सर पर बैठे रहेंगे और हम पर राज्य करेंगे। उस के बाद वह कहते हैं ;

"The Committee, however, regret to note that the Ministry has neither accepted their suggestion for an additional column being provided in the Income-tax Return, for keeping a watch over the receipt of outstanding professional income nor has it offered any reason for turning it down."

डाक्टर वकील कितने मालामाल हैं। आप ने जो यह लिमिट 8 हजार तक की है, उस के लिए मैं धन्यवाद देता हूँ कि कुछ रिलीफ़ तो छोटे लोगों को मिला है। अच्छी बरसात आई है। कुछ बरसात यह है और कुछ बैसे भाँ इस बार अच्छी बरसात हो रही है। लेकिन इस से ही हमें संतोष नहीं कर लेना चाहिए। संतोष तो हमें तब होगा जब मिनार पर बैठने वालों को नीचे लाए और गरीबों को ऊंचा उठाए। उस समय हमारे फाइनेन्स मिनिस्टर साहब बधाई के पात्र होंगे।

श्री राम हेड़ाज (गम टेल.) : सभापति जी, यह जो बिगड आया है, मैं इसका समर्थन करने के लिए खड़ा हुआ हूँ। इस में यह अच्छी बात कही गई है कि 6,000 रुपये की जगह 8,000 रुपये की राशि इन्कम टैक्स के लिए बढ़ा दी गई है। इस से यह स्पष्ट है कि जो सरकारी कर्मचारी है, जिनकी इन्कम कागज पर लिखी जाती है, उस में तो बराबर टैक्स वसूल होता है लेकिन जिन की आदत न० 2 का रिक्लार्ड मेंटेन कराने की है और जो टैक्स की ज्यादा चोरी करते हैं, उनके बारे में इस बिल में प्रावधान नहीं है और उनसे कर वसूल नहीं कराया जा सकता।

[श्रीराम हेडाऊ]

आज आप देखें कि देश में जो वकील हैं और जो बकालत का धंधा करते हैं, वे कानून के न पालन करने के ऐसे रास्ते बताते हैं जिनसे टैक्स कम वसूल होता है और उसी के लिए वे बहुत ज्यादा फीस लेते हैं। मैंने यह देखा है कि जो इनकम टैक्स के अफसरान होते हैं, बड़े-बड़े अफसरान हैं, उन की पूंजी-तियों, कारखानेदारों या जिन की आमदनी बहुत ज्यादा है, उन लोगों से बहुत ज्यादा दोस्ती हो जाती जैसा कि मराठी में शब्द है कि ससुर जवाईं जैसे सम्बन्ध मेंटने हो जाते हैं और फिर वे अफसरान कर अपवचन के अनेक तरीके सिखाते हैं कि न० 2 का रिफार्ड कैसे मेंटने करें। इतना ही नहीं जो टैक्स उन पर लगाया जाता है, वह भी वसूल नहीं होता है। आप किसी शहर में चले जाइए। आप पाएंगे कि इन के हफने बंधे होते हैं जैसे कि पुलिस डिपार्टमेंट में गुनाहगारों में हफने बंधे होते हैं। इस तरह से यह अफसरान कर वचन में बड़े बड़े लोगों की मदद करते हैं। मैंने पिछली दफा भी बताया था कि भद्राग जिले में जिला कांग्रेस कमेटी के जो प्रेसीडेंट हैं श्री राम नारायण मोर और परिवार पर काफी इनकम टैक्स का रकबा बकाया है और मंत्री महोदय ने खुद बताया था कि 40 लाख रुपये इनकम टैक्स के बकाया है। 15 साल से उन पर इनकम टैक्स का बकाया है। ये जो आंकड़े उन्होंने दिये यह भी गलत है। उनके ऊपर करीब 4 करोड़ इनकम टैक्स का बकाया है लेकिन हर साल उसने कर्म के नाम बदल कर करअवचन की है। मैं सरकार से यह पूछना चाहता हूँ कि इतना टैक्स बकाया होने के बाद भी क्यों उन से यह वसूल नहीं होता है। इसका स्पष्ट कारण यह है कि कर अधिकारी उन से मिले हुए हैं, अफसरान मिले हुए हैं और नेता मिले हुए हैं। पार्टी-इन-गवर्न के नेता भी उन के पीछे हैं और इसलिए यह कर वसूल नहीं होता है। वे कांग्रेस (आर) की जिला कांग्रेस कमेटी के प्रेसीडेंट हैं। ये जो बड़े लोग कांग्रेस के

बैठे हुए हैं, क्या वे जनता की सेवा करेंगे? नहीं इनकम टैक्स बचाते रहना है, इनको अपनी प्रॉपर्टी बढ़ाना है और हमेशा सरकार को लूटना है। अपना जो माल मता है, सम्पत्ति है उसको बढ़ाते रहना है। इसकी ओर मंत्री महोदय और सरकार को देखना चाहिये। आपको चाहिये कि आप नीचे के आदमी का उत्थान करें। नीचे का आदमी तीन रुपये रोज से अपने परिवार का निर्वह करता है। वह भूखा रहता है। जबकि दूसरी ओर इस प्रकार से सरकार को लूट कर, कर अपवचन करने वाले जो लोग हैं वे बड़े बड़े होटलों में पाच सौ रुपये की थानी अफसरान और नेताओं के साथ खाते हैं इतनी भारी जो विषमता है इसको आप कब बन्द करेंगे। करअवचन के जितने प्रकार हैं ये सब बन्द होने चाहिये। किन किन रास्तों से कर अपवचन होता है इसको आप देखें और उन रास्तों को आप बन्द करें। मैं आपको अपना अनुभव बताता हूँ। मैं भी इनकम टैक्स देने वाला हूँ। मैं इनश्योरेंस का धंधा करता रहा हूँ। मैंने इनकम टैक्स रिटर्न समय पर नहीं भरा किन्तु टैक्स भरा था। मैं नया आदमी था। मुझे इसके बारे में मालूम नहीं थी। मेरा केस प्राठ साल तक चलाता रहा है। मुझे वकील की मार्फत संदेश भेजा गया कि मैं पांच हजार रुपये दे त इनकम टैक्स आफिसर को तो फंसना हो सकता है। मेरे खुद के साथ यह घटना घटी है। मैंने कहा कि पांच हजार तो क्या मैं पांच पैसे भी नहीं दूंगा, मैं देखूंगा क्या होता है। मैंने कुछ नहीं दिया। यह आज स्थिति है। जो इनकम टैक्स आफिसर है उनको जब आप नौकरी पर लगाते हैं तो उसकी तथा उसके रिश्तेदारों की प्रॉपर्टी का डिक्लेरेशन लेना चाहिए और इस डिक्लेरेशन को हर दो साल के बाद और फ्रेश डिक्लेरेशन करवाना चाहिये। हमसे आपको पता चल सकेगा कि प्रॉपर्टी कहीं बढ़ तो नहीं रही है।

13 hrs.

आपको देश के उत्थान के लिए पैसे की

करता है। इनकम टैक्स की जो कमाया राशियाँ हैं, उनको प्रांतको बसूल करना चाहिये। किसी भी पक्ष का आदमी हो, कोई भी धंसा करना हो किसी पर आपको सहम नहीं दिखाना चाहिये। जो देता नहीं है उसकी प्रायर्टी को आप नीकाम करें और इनकम टैक्स की राशि तुरन्त आप बसूल करें। किसी पर मेहरबानी नहीं होनी चाहिये। आज देखने में आता है कि गरीबों की कोई सुनता नहीं है, छोटे छोटे लोग जो इनकम टैक्स देने वाले हैं उनको बहुत सताया जाता है, उनके केसिस प्रांच पांच छः छः साल तक फाइनलाइज नहीं होते हैं। उन से पैस लिए बगैर उनके केसिस फाइनलाइज नहीं किये जाते हैं और बड़े लोगोंको हर जगह सहूलियत दी जा रही है इनको प्रोटेक्शन दिया जाता है। यह सब बन्द होना चाहिये।

इन शब्दों के साथ मैं इस बिल का समर्थन करता हूँ।

SHRI SHYAM SUNDER MOHAPATRA (Balasore): Mr. Chairman, Sir, it is heartening that the country is passing through an emergency today. There are promises which had not been fulfilled yet. The process can be accelerated during this emergency.

Mr. Chairman, I want to emphasise one particular aspect of our planning, that is, unless the people are asked to participate in the implementation of projects, our socialist planning will never be a success. It is a poor country in the sense that it is not possible for the Government or other agencies to employ millions of people for implementation of projects.

In all socialist countries, we have found, Mr. Chairman, that people contribute voluntary labour for the completion of projects. In China or in Russia or in Yugoslavia or in Germany or in Hungary also people have contributed largely for the completion of projects during the planning periods. A dam which would have

taken normally eight years was completed within eight months in China and that was admitted by Mr K. L. Rao, our former Irrigation & Power Minister. Well, judging from that standard, if we call upon people in this emergency, during this period of transition, and they come forward voluntarily, I think, we can complete our dams, reservoirs and roads which connect every village. There are so many things which can be completed successfully during this period.

Every State, whether it is in the north or in the south or in the centre or in the frontiers, suffer from floods and drought. Unless we take water to the villages, we cannot certainly improve upon our Agricultural system and we cannot have enough production to feed all the mouths in our country. But it is true, as our Prime Minister once said, it is a very costly enterprise to have lift irrigation system. But whatever it is, I think, we must fix a target. A target should be fixed by which period all our river valley projects should be completed and, at least, lift irrigation can be given, if not to every village, to a few villages which can be brought under a cooperative system. Unless it is done, our productivity of land will never increase.

Health is a hazard in our country. It is impossible to give the benefit of health to all our villages. About 80 per cent of our population lives in villages. It is the urban people who have the benefit of health system. In our country, we have Ayurveda system, Unani system and Homoeopathy system. Why not take some doctor of some system, of some branch of medicine, to the villages so that the villagers can have the benefit of health system?

The people want clothes to wear. It is an unfortunate thing that our village people do not get standard cloth. Standard cloth that we give to the cooperatives is taken out to the

[Shri Shyam Sunder Mohapatra]

market where it is sold at a higher price. All the textile mills were asked to produce standard cloth of a definite quantity. What happened? They did not fulfil the target. They preferred to pay the penalty of 6p. per metre. They gave the penalty and got the cloth produced by other mills and got the incentive by which they were benefited four times. Our Government, our Textile Commissioner, closed their eyes. I would urge upon you to say, let us not produce costly cloth, terylene, terycot and so many other kinds of cloth—I do not know the names. Why not produce standard cloth, coarse cloth, so that we can give this cloth to poor people? We can ask the mills to produce this type of cloth and give it to our people. If we can give food to our people, if we can provide cheap clothing to our people, if we can give the benefit of health scheme to our people and education to our people, I think, we would have sufficiently done our job during this period of Emergency.

DR. KAILAS (Bombay South): Mr. Chairman, Sir, I support the Finance (Amendment) Bill moved by the Finance Minister. But while supporting it, I would like to make a few comments and ask some queries.

I was just reading one of the papers in which it has been shown that the ex-factory levy on sugar has been either increased to a very high level or reduced to a very low level. I would like to quote the figures here. In Andhra Pradesh, the levy on sugar factories has been revised to Rs. 117.48; in East U.P. it has been revised to Rs. 200.25; in South Bihar, it has been revised to Rs. 441.31 and in Maharashtra, it has been revised to Rs. 140.31 while existing levy was Rs. 149.55 in Andhra Pradesh, Rs. 167.95 in East U.P., Rs. 183.07 in south Bihar and Rs. 156.99 in Maharashtra. I just want to understand why the revised levy rates has been increased,

highest by Rs. 258.24 in south Bihar and in some cases reduced by Rs. 32.07—lowest—in Andhra Pradesh.

We must see that the price of sugar should not go down so low as to affect the manufacture of gur and khandsari. If we reduce the price of sugar, the fear is that, next year, the manufacture of sugar will be less and that whatever little we are earning in foreign exchange, perhaps, may be further reduced. I can understand that. But it should not be revised below cost price of Rs. 4 per kg. so that the people are not much hurt, we earn our foreign exchange and the quantity manufactured by the factories should not be less than 45 lakhs tonnes per year. But if gur and khandsari, due to the lowering of sugar price, go down, it directly affects the farmer and the intention of this Government has always been to support the farmer, who is the weakest link in the nation. Hence, you have to be very, very cautious. Government is very anxious to complete all the Plans they have planned for 1974-75 and 1975-76. Money must be got for them and I must congratulate Government for the fact that Rs. 285.75 crores have been demanded as a Supplementary Demand. This is only to show to the country, and to all those who are shouting from the house-tops that our Plans are not being fulfilled, what exactly the Government wishes to do, that our developmental work does not come to a standstill but goes on progressing.

As rightly stated by Shri Shyam Sunder Mohapatra, we must see not to take up only the big plans of Irrigation cum generation of electricity. Of course, I am happy that there are 16 big projects which are completed over 50 per cent to 60 per cent and are going to be completed within one, two or at the most three years, for multi-purpose work—for generation of electricity, irrigation etc. But most of the money should be utilised for quick results or the benefit of the nation. That means

that minor and medium irrigation projects should be taken in hand all over the country.

About this sum of Rs. 85.75 crores, which have been asked for, I would like to have some more details. They have been given, but it is better that, while replying, the Minister shows to the country and to the world that we have promulgated emergency not to put somebody behind the bars but to bring discipline in this country, that we want to work in this country, that we want production to go up, that we don't want prices to go up and that we want to see that nobody is deprived of what is due to him.

My hon. friends Shri Nimbalkar and Ramjibhai were rightly quoting some figures as to what we achieved from World War II up to 1962 and how much after 1962 in paying DA to the workers. If this is due to labour class, then they are all working and doing their job not only for their own families but for the nation and we should not grudge. So, we should not grudge them paying anything more. After all, the minimum they get is still not even the bare minimum. Rather, I should say that even the necessities of life are not yet given to them. So, we should not grudge giving them anything more so that the money gets back in the form of labour from our workers.

Secondly, the distribution system has got to be very much strengthened, and more so in rural India. With the very dynamic and intellectual effort of Shri Subramaniam, I am sure the country will go forward.

I must congratulate the Prime Minister for raising the exemption limit from 6,000 to 8,000. But still, as rightly pointed out by the first speaker from the Congress side, we must try to see that in the future, say after ten or fifteen years, the income-tax is reduced to the minimum and the lowest man is brought to such a level that the gap between the richest and the lowest is 1:10 at the maximum by getting more profits from public sector undertakings.

I thank you, Sir, for giving me this opportunity to express my views.

SHRI CHAPALENDU BHATTACHARYYA (Giridih): Mr. Chairman, this is Finance (Amendment) Bill, and we have to judge the problem of tax relief, which we all welcome, in the larger context of the economic background and the functioning of our economy itself. We welcome this announcement by our Prime Minister. It is a very welcome relief, and we also welcome the successful efforts to control the rate of inflation in our economy. As a matter of fact, in July 1975, the rate of inflation is nine per cent less than what it was in July 1974. We have taken this upward revision in the prices of coal and steel in our strides without much significant increase in the price level. This is good so far as it goes. The increase in the coverage of irrigation, the productive effort in crop calendar, and the increase in productivity in agriculture, are the keys which will further accelerate the process of our economic expansion in the coming years. The money supply has been curtailed, has been kept down; it has declined by Rs. 29 crores in the week ending 4th July 1975. The power position is being urgently looked into. I understand that an additional Rs. 1,000 crores for irrigation and an additional Rs. 150 crores for power are being granted. At the same time, there has been a decrease in the price of fertiliser. The overall deficit is going up. In this broad context, we welcome this increase in the tax exemption limit from Rs. 6,000 to Rs. 8,000. It is good as far as it goes, but not far enough. This particular sector should get more relief. I refer to the survey conducted by the Reserve Bank of India on the extent of indebtedness of the middle class people. Their indebtedness has grown, and the cost of living index has also gone up. Naturally, the indebtedness of those families earning income upto Rs. 10,000 has grown and some relief is due to them.

[Shri Chapalendu Bhattacharyya]

I am going to suggest to the Finance Minister, through you, Sir, that, if he cannot directly increase the tax exemption limit to Rs. 10,000, the least he could do is to increase it from Rs. 8,000 to Rs. 10,000 in this way: Rs. 2,000 could be linked with small savings; that means, those families who deposit Rs. 2,000 in small savings could be given exemption, to that extent, from income-tax.

The entire issue has to be seen in the context of the position in recent years of unrealised income-tax, the quantum of evaded income-tax and also non-implementation of the expenditure tax proposed by Professor Kaldor. I still maintain that Prof. Kaldor's expenditure tax was never given the trial it deserved. The number of 5-star hotels is going up; the black-moneyed people, the neo-rich, are spending their money on 5-star hotels; three out of every five rooms are occupied by the neo-rich, the Indian neo-rich; A large number of them are evading taxes; they are spending their wealth in this way. How can you take away a slice of this expenditure unless you impose tax on heavy expenditure? We should give relief to the small people and come down heavily on the black-moneyed people with a trial of expenditure tax. Through expenditure, the black money is really adding to the inflationary pressure on our economy.

The question was how to make good the shortfall. If we streamline the working of the tax-gathering machinery—not only income-tax but also customs and excise—then certainly the shortfall will be made good. Unfortunately, our strategy has been this: in order to make good the shortfall, we have been increasing the coverage, as it were. If excise duty on 29 goods does not make good the shortfall, you increase it to 220. If the customs duty does not come up to your anticipated receipts, you increase the rate of customs

duty. Sir, the machinery that we have on ground is what for? Is it for large leakage and lot of malpractices which have been brought out by the previous speakers. Sir, it is possible to curtail our budgetary deficit and give relief to the small man by stiffening up the tax collecting machinery. That would give a great fillip to our economy. We would request that the suggestion of ten thousand tax threshold should be given the attention it deserves.

THE MINISTER OF FINANCE
(SHRI C SUBRAMANIAM): Mr. Chairman, Sir, this is a very simple Bill, but since it is an amendment of the Finance Act, a wide range has been covered in the debate on this Bill.

As far as the working of the Income-tax Act is concerned, as far as improving the administrative structure of the Income-tax Department is concerned, I am sure, the hon. Members are aware that we had a Committee, known as the Wanchoo Committee, which went into the whole system of income-tax and the functioning of the Income-tax Department. And on that basis, a draft Bill was submitted to this House and it had been referred to a Select Committee. The Select Committee has submitted its report and that Bill is going to be taken up for consideration in this House in the next few days. As a matter of fact, it is already on the Order paper. Therefore, I would rather reserve my comments with regard to the functioning of the Income-tax Department and the various other matters that were raised to be discussed and to be dealt with when we consider that Bill. Therefore, it is not as if I do not attach any importance to the very many points raised, I attach a very great importance to them, but since we are going to have that Bill within a very few days, I think, that would be the appropriate stage to go in detail with regard to these various matters.

Naturally, various other matters relating to the economy of the country were touched and particularly some Members got excited about the fixation of the levy sugar. I am afraid, I do not have all the facts and figures with regard to that, but I am sure that if proper representations have already been made to the Food Ministry, it is bound to be looked into. If there are any points which require rectification and if it is found, it is necessary to do that, I do not think there would be any hesitation on the part of the Government to have those defects rectified. But I am afraid. I do not have the facts before me to give any categorical reply with regard to that.

Before I go into the details of the Bill and the suggestions made by Shri Shastri and various other hon. Members with regard to the raising of the exemption limit, I would like to mention one point. Some points were raised with regard to the raids which are going on and what had been the results of these raids. Sir, during the last year, we had more than 2,000 raids and about twenty crores worth of assets have been seized. But this is only the tip of the iceberg. During searches, many incriminating documents have been seized and many incriminating accounts books have been seized and if only we scrutinize these documents properly, I am sure, this would lead to much larger disclosures of undisclosed income and on that basis, it would be possible to catch the tax-evaders. Not only the tax evaded would be collected from them, but further actions which are called for would certainly be initiated against them.

A point was made with regard to the stay orders which are generally obtained with regard to some of the investigations we have taken up. I do agree the orders of the court do come in the way of the investigation. But, certainly for that, we have to take necessary amendments in the various statutes for the purpose of

avoiding it. This is under the consideration of Government and perhaps we may make suitable amendments and, if it is necessary, even in the Constitution. I am sure particularly in the investigation of economic offences, stay should be avoided. That is my considered view. That is why I have been emphasizing this aspect that if it is a question of personal liberty, naturally, the judiciary should come forward and give the necessary protection, but, with regard to economic offences and particularly, when investigations are going on, people rush to the court and get stay and stop the entire investigation and thereby the whole matter gets frustrated in that process. For example, we had the Sarkar Commission inquiring into the affairs of some of the big business houses. Writ petitions were filed and the whole proceedings were stopped. Fortunately, we have won one case out of 70 to 80 odd cases filed and I hope the other cases also we will be able to win. But the time is lost and when time is lost, perhaps some evidence is also lost. This is the real difficulty. Therefore, in these cases, we have to take care to see that the judicial process does not come in the way of even investigations going into matters with regard to the submission of returns whether they were true returns, the re-opening of some of the proceedings in the income-tax or the wealth-tax, etc. these matters naturally should go through that process and in the statute itself we have provided for appeals and then appeal to the High Court and then appeal to the Supreme Court also. Therefore, to get the investigations stopped in between certainly hampers the administration or functioning of the administration. This will have to be looked into. I want to assure the House that this matter is being looked into and we shall try to see that the judicial process is not abused and taken advantage of by vested interests to get the investigations stayed.

With regard to the Bill itself, the main point made was that this Rs.

[Shri C. Subramaniam]

8000 should be raised to Rs. 10,000. I am glad to find that there is unanimity as far as this Bill is concerned that it is welcome. I am not surprised. It may not be welcomed by all classes of people but at least those who get relief, I am sure, will welcome it and it is in that sense we all welcome this Bill because generally we represent that class who will get some relief or the other by this Bill. But we should not be carried away by our enthusiasm that this should be further increased to Rs. 10,000 because we should also realise what status these people occupy in the whole of the society. As it was pointed out by somebody, if our per capita income is only round about Rs. 700 or so, then people who are getting Rs. 8000 and more are certainly getting 10 to 12 times the per capita income. But still taking into account the inflationary situation etc. we have come forward to give some relief and, therefore, we have to scrutinise this very carefully as to who all would be the beneficiaries out of it and upto what level. Rs. 8000 would mean Rs. 8000 taxable income. It is not gross income.

SHRI S. M. BANERJEE (Kanpur): It would actually mean Rs. 10,500.

SHRI C. SUBRAMANIAM: Rs. 8000 is the taxable income. I am sure the hon. Members are aware and anyhow I would like to bring to their notice that as far as salaried incomes are concerned, a standard reduction of 20 per cent of the salary upto Rs. 10,000 and 10 per cent of the salary in excess of Rs. 10,000, subject to a maximum of Rs. 3,500, the assessee is entitled to get deducted. If a person is getting Rs. 10,000 he can get Rs. 2,000 deduction, he comes to the level of Rs. 8,000, on which he need not pay any tax. Even take a person receiving Rs. 11,000 as gross salary. He would get deduction of Rs. 2,100 and if he has an insurance policy and paying Rs. 900 to the extent of Rs. 3,000 he can deduct from his income. Therefore, at the level

of Rs. 11,000 he need not pay any tax. Therefore, as far as gross income is concerned, upto the level of Rs. 11,000 no tax need be paid. Unless the taxable income comes to the level of Rs. 11,000, nobody need pay any tax. With regard to the taxable income, in the scheme which we have formulated in this Bill, at Rs. 8000, no doubt there is no tax to be paid, he gets relief of Rs. 264 per annum. If you go to the man earning Rs. 9,000 taxable income, leaving alone deduction, he gets relief of Rs. 209. If taxable income is Rs. 10,000 he gets relief of Rs. 154, on Rs. 11,000 relief is Rs. 132, on Rs. 12,000 relief is Rs. 110, on Rs. 13,000 relief is Rs. 88, on Rs. 14,000 relief is Rs. 66; on Rs. 15,000 and above Rs. 44 is for all of them. In addition to what they are entitled to get as relief on account of certain deductions from their gross incomes, even where the taxable income comes to more than Rs. 8,000 these are the reliefs. The higher the income, the lesser is the relief. I am sure Shastri will agree with this philosophy—the higher the income, the relief should be smaller and the burden should be greater. As a matter of fact if you go to Rs. 10,000 man, Rs. 528 will be the relief. I respectfully submit there is no case for pleading that this Rs. 8,000 should be increased to Rs. 10,000. On the other hand it is taxable income which is Rs. 8,000 which is given the relief. At the level of gross income of Rs. 10,000 there is relief already. He need not pay any tax. But even with regard to taxable income there are reliefs provided in the scheme of the Bill even from Rs. 8,000 upwards. Therefore, from this point of view I am sure hon. members would agree there is absolutely no case for increasing it to Rs. 10,000.

Hon'ble members coming from the rural areas plead if urbanised people getting salaried income get tax exemption, then what about the poor farmers from whom we collect all sorts of taxes. Therefore, unfortunately we should not become advocates of our

own clients. We should have a broader look into the national situation and particularly the large masses of people who are living in the rural areas, who are agriculturists. What are their conditions and under those conditions what are they called upon to pay. I am not pleading in respect of large farmers in my view who have got to pay high levels of taxes. I am talking about poor farmers, marginal farmers, small farmers who have five to ten acres of land. You have to take into account their income and the tax they are called upon to pay. If you take that into account, we are more than generous to this class of people whom we represent and whom we want to give relief. Even Shastri would agree that what we have come forward with is a generous gesture with regard to the middle class.

It has been said if we give more relief, people would come forward to support us and particularly for implementation of these programmes. I do not agree with it. I do not think people are mercenary that their support should be bought for implementation of various radical programmes. I thought there was much more commitment than mercenary commitment. I am afraid it will be casting reflection on those who are supporting the Prime Minister's radical programme. Secondly, they are coming forward for getting monetary return as such. They have faith in the programme. That is why they are coming forward. They have faith in the programme of providing relief to the gramme of providing relief to the poor masses, millions of people, who are today living under substandard conditions, below the subsistence level. As a matter of fact, our concern has got to be how to improve the situation with regard to the last three or four tiers in the population, but we always look at things as to with whom we come into contact, in whom we are interested, and naturally, we plead for their cause a little more—not that people could not plead for them, but we should at the same

time view the other side of the picture also. If things are viewed from this perspective, I think, the hon. Member would welcome this gesture of increasing it to rupees 8,000. With great respect to hon. Members, I wish again to emphasise that there is absolutely no case to think in terms of increasing this further beyond this limit of Rs. 8,000. This is one of the programmes in the Prime Minister's 20-Point Programme. I am happy to say that perhaps this House will be getting an opportunity to discuss the entire economic programme; we may perhaps have a day to discuss this. Therefore, these programmes also will have to be implemented as expeditiously as this programme of giving relief to middle-class people. As a matter of fact, those programmes relating to much poorer sections should get speedier implementation. I hope that with the full cooperation of the House this will be done. Just like there is this cooperation from members and unanimous support to this Bill, I hope, this support will be further intensified in greater measure in regard to these various other measures which are brought for helping the poorer sections of our people.

Sir, I commend this Bill for the acceptance of the House.

MR. CHAIRMAN: The question is:

"That the Bill to amend the Finance Act, 1975, be taken into consideration".

The motion was adopted.

MR. CHAIRMAN: Regarding Clauses, for Clause No. 2 there is no amendment.

I will put it to vote. 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 the First Schedule)

MR. CHAIRMAN: For Clause 3, there are amendments Nos. 1 and 2 by Shri Ramavatar Shastri. Is he moving?

SHRI RAMAVATAR SHASTRI (Patna): Yes, Sir, I am moving my amendments Nos. 1 and 2. I beg to move:

Page 2, line 5,—

for "8,000" substitute "10,000"
(1)

Page 2, line 39,—

for "8,000" substitute "10,000" (2)

MR. CHAIRMAN: I will now put these amendments to the vote of the House.

Amendments Nos. 1 and 2 were put and negatived.

MR. CHAIRMAN: I will now put Clause 3 to the vote of the House. The question is:

"That Clause 3 stand part of the Bill".

The motion was adopted

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): I beg to move:

'That the Bill be passed.'

MR. CHAIRMAN: The question is:

'That the Bill be passed.'

The motion was adopted

MR. CHAIRMAN: Item No. 34, Dr. Laxminarayan Pandeya—not here. Item No. 35—Shri K. Brahmananda Reddy.

13.49 hrs.

MAINTENANCE OF INTERNAL SECURITY (SECOND AMENDMENT) BILL

THE MINISTER OF HOME AFFAIRS (SHRI K. BRAHMANANDA REDDY): Sir, I beg to move:

"That the Bill further to amend the Maintenance of Internal Security Act, 1971, be taken into consideration."

Government have already explained adequately in the House the circumstances leading to the proclamation of the present emergency. The activities of certain political parties over the last few years have deliberately injected hatred and violence into the public life of the country and attempted to create conditions of chaos and anarchy.

Here was a situation created not merely by the activities of a few individuals but by the sinister machinations and manoeuvres by organised groups which wanted to seize power by extra-constitutional means. This was an extraordinary situation and the entire country was being fouled by an atmosphere of violence, hatred and calumny. This extraordinary situation called for extraordinary steps. Immediate preventive measures had to be taken under the provisions of the MISA.

When a proclamation of emergency is in operation, the State gets powers under Article 358 to make any law or to take any executive action within its competence, notwithstanding the constitutional provisions relating to fundamental rights. In an extraordinary situation where the entire administrative machinery throughout the country was continuously engaged in maintaining extreme vigil to guard against the activities of subversive elements in the present situation, enforcing appropriate preventive measures against all anti-social elements