

[Mr. Chairman]

**DEMAND NO. 51—103—CAPITAL OUTLAY  
ON PUBLIC WORKS.**

"That a sum not exceeding Rs. 5,26,16,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay on Public Works'."

**DEMAND NO. 52—124—CAPITAL OUTLAY ON  
SCHEMES OF GOVERNMENT TRADING.**

"That a sum not exceeding Rs. 3,38,79,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay on Schemes of Government Trading'."

**DEMAND NO. 54—LOANS AND ADVANCES  
BY STATE/UNION TERRITORY GOVERNMENTS.**

"That a sum not exceeding Rs. 18,22,70,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Loans and Advances by State/Union Territory Governments'."

**MR. CHAIRMAN :** The question is :

"That this House approves the Proclamation issued by the President on the 29th June, 1971 under article 356 of the Constitution in relation to the State of West Bengal."

*The motion was adopted.*

**MR. CHAIRMAN :** The question is :

"That the Bill to confer on the President the power of the Legislature of the State of West Bengal to make laws, be taken into consideration."

*The motion was adopted.*

**MR. CHAIRMAN :** We shall now take up the clauses.

The question is :

"That clause 2 stand part of the Bill"

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**MR. CHAIRMAN :** There is an amendment to clause 3 in the name of Shri Somnath Chatterjee. The hon. Member is absent.

The question is :

"That clause 3 stand part of the Bill"

*The motion was adopted*

*Clause 3 was added to the Bill.*

**MR. CHAIRMAN :** There is an amendment to clause 1 standing in the name of Shri Somnath Chatterjee. The hon. Member is absent.

The question is :

"That clause 1 stand part of the Bill."

*The motion was adopted.*

*Clause 1 was added to the Bill.*

*The Enacting Formula and the Title were added to the Bill.*

**SHRI K. C. PANT :** I move :

"That the Bill be passed."

**MR. CHAIRMAN :** The question is :

"That the Bill be passed."

*The motion was adopted.*

16.35 hrs.

**WEST BENGAL APPROPRIATION  
(NO. 2) BILL\*, 1971**

**THE MINISTER OF STATE IN  
THE MINISTRY OF FINANCE  
(SHRI K. R. GANESH) :** I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of

**DEMAND NO. 5—12—SALES TAX.**

"That a sum not exceeding Rs. 57,67,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Sales Tax'."

**DEMAND NO. 6—13—OTHER TAXES AND DUTIES.**

"That a sum not exceeding Rs. 74,61,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Other Taxes and Duties'."

**DEMAND NO. 7—14—STAMPS.**

"That a sum not exceeding Rs. 20,35,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Stamps'."

**DEMAND NO. 8—15—REGISTRATION FEES**

"That a sum not exceeding Rs. 57,07,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Registration Fees'."

**DEMAND NO. 9—16—INTEREST ON DEBT AND OTHER OBLIGATIONS**

"That a sum not exceeding Rs. 66,67,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Interest on Debt and other Obligations'."

**DEMAND NO. 11—18—PARLIAMENT, STATE/ UNION TERRITORY LEGISLATURE.**

"That a sum not exceeding Rs. 62,56,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Parliament State/Union Territory Legislature'."

**DEMAND NO. 12—19—GENERAL ADMINISTRATION.**

"That a sum not exceeding Rs. 5,74,89,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'General Administration'."

**DEMAND NO. 13—21—ADMINISTRATION OF JUSTICE.**

"That a sum not exceeding Rs. 1,69,39,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Administration of Justice'."

**DEMAND NO.—14—22—JAILS.**

"That a sum not exceeding Rs. 1,75,59,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Jails'."

**DEMAND NO. 15—23—POLICE.**

"That a sum not exceeding Rs. 21,37,50,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Police'."

[Mr. Chairman]

**DEMAND No. 16—26—MISCELLANEOUS DEPARTMENTS—FIRE SERVICES.**

"That a sum not exceeding Rs. 58,18,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Miscellaneous Department—Fire Services'."

**DEMAND No. 17—26—MISCELLANEOUS DEPARTMENTS EXCLUDING FIRE SERVICES.**

"That a sum not exceeding Rs. 4,48,25,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Miscellaneous Departments—Excluding Fire Services'."

**DEMAND No. 18—27—SCIENTIFIC DEPARTMENTS.**

"That a sum not exceeding Rs. 51,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the Charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Scientific Departments'."

**DEMAND No. 19—28—EDUCATION.**

"That a sum not exceeding Rs. 54,75,16,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Education'."

**DEMAND No. 20—29—MEDICAL.**

"That a sum not exceeding Rs. 16,30,25,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment

during the year ending the 31st day of March, 1972, in respect of 'Medical'."

**DEMAND No. 21—30—PUBLIC HEALTH.**

"That a sum not exceeding Rs. 8,35,60,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Public Health'."

**DEMAND No. 22—31—AGRICULTURE—AGRICULTURE.**

"That a sum not exceeding Rs. 10,23,99,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Agriculture—Agriculture'."

**DEMAND No. 22—95—CAPITAL OUTLAY ON SCHEMES ON AGRICULTURAL IMPROVEMENT AND RESEARCH.**

"That a sum not exceeding Rs. 1,78,04,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay on Schemes of Agricultural Improvement and Research'."

**DEMAND No. 23—31—AGRICULTURE—FISHERIES.**

"That a sum not exceeding Rs. 49,26,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of Agriculture—Fisheries'."

**DEMAND No. 24—33—ANIMAL HUSBANDRY.**

"That a sum not exceeding Rs. 1,98,37,000 be granted to the Presi-

dent out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of Animal Husbandry."

DEMAND NO. 24—124— CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING— GREATER CALCUTTA MILK SUPPLY SCHEME.

"That a sum not exceeding Rs. 10,92,58,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay on schemes of Government Trading— Greater Calcutta Milk Supply Scheme'."

DEMAND NO. 25—34—CO-OPERATION.

"That a sum not exceeding Rs. 1,03,67,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Co-operation'."

DEMAND NO. 26—35—INDUSTRIES—INDUSTRIES.

"That a sum not exceeding Rs. 2,05,61,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Industries— Industries'."

DEMAND NO. 26—96—CAPITAL OUTLAY ON INDUSTRIAL AND ECONOMIC DEVELOPMENT.

"That a sum not exceeding Rs. 1,24,13,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay on Industrial and Economic Development'."

DEMAND NO. 27—35—INDUSTRIES—COTTAGE INDUSTRIES.

"That a sum not exceeding Rs. 1,80,46,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Industries— Cottage Industries'."

DEMAND NO. 27—96—CAPITAL OUTLAY ON INDUSTRIAL AND ECONOMIC DEVELOPMENT—COTTAGE INDUSTRIES.

"That a sum not exceeding Rs. 11,33,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay on Industrial and Economic development—Cottage industries'."

DEMAND NO. 28—35—INDUSTRIES—CINCHONA.

"That a sum not exceeding Rs. 44,55,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Industries— Cinchona'."

DEMAND NO. 28—37—COMMUNITY DEVELOPMENT PROJECTS, NATIONAL EXTENSION SERVICE AND LOCAL DEVELOPMENT WORKS.

"That a sum not exceeding Rs. 5,37,51,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to *complete* the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Community Development Projects, National Extension Service and Local Development Works'."

[Mr. Chairman]

**DEMAND NO. 29—109—CAPITAL OUTLAY ON OTHER WORKS—COMMUNITY DEVELOPMENT PROJECTS, NATIONAL EXTENSION SERVICE AND LOCAL DEVELOPMENT WORKS.**

"That a sum not exceeding Rs. 5,81,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Capital Outlay on other Works—Community Development Projects, National Extension Service and Local Development Works'."

**DEMAND NO. 29—LOANS AND ADVANCES UNDER COMMUNITY DEVELOPMENT PROJECTS, NATIONAL EXTENSION SERVICE AND LOCAL DEVELOPMENT WORKS.**

"That a sum not exceeding Rs. 4,33,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Loans and Advances under Community Development Projects, National Extension and Local Development Works'."

**DEMAND NO. 30—38—LABOUR AND EMPLOYMENT.**

"That a sum not exceeding Rs. 2,91,56,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Labour and Employment'."

**DEMAND NO. 31—39—MISCELLANEOUS, SOCIAL AND DEVELOPMENTAL ORGANISATIONS—WELFARE OF SCHEDULED TRIBES AND CASTES AND OTHER BACKWARD CLASSES.**

"That a sum not exceeding Rs. 1,56,90,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges

which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Miscellaneous, Social and Developmental Organisations—Welfare of Scheduled Tribes and Castes and other Backward Classes'."

**DEMAND NO. 32—39—MISCELLANEOUS, SOCIAL AND DEVELOPMENTAL ORGANISATIONS—EXCLUDING WELFARE OF SCHEDULED TRIBES AND CASTES AND OTHER BACKWARD CLASSES.**

"That a sum not exceeding Rs. 1,27,72,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Miscellaneous, Social and Developmental Organisations—Excluding Welfare of Scheduled Tribes and Castes and other Backward Classes'."

**DEMAND NO. 33—42—MULTIPURPOSE RIVER SCHEMES.**

"That a sum not exceeding Rs. 4,09,24,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Multipurpose River Schemes'."

**DEMAND NO. 33—43—IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS (COMMERCIAL).**

"That a sum not exceeding Rs. 81,87,000 be granted to the President out of the Consolidated Fund of the State of West Bengal to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1972, in respect of 'Irrigation, Navigation, Embankment and Drainage Works (Commercial)'."

**DEMAND NO. 33—44—IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS (NON-COMMERCIAL).**

"That a sum not exceeding Rs. 2,91,84,000 be granted to the Presi-

the State of West Bengal for the services of the financial year 1971-72.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of West Bengal for the services of the financial year 1971-72."

*The motion was adopted.*

SHRI K. R. GANESH : I introduce † the Bill,

I beg to move † :

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of West Bengal for the services of the financial year 1971-72, be taken into consideration."

DR. RANEN SEN (Barasat) : I want to say a few words.

MR. CHAIRMAN : He has to give notice which he has not done.

MR. CHAIRMAN : Motion moved :

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of West Bengal for the services of the financial year 1971-72, be taken into consideration."

DR. RANEN SEN : It has been the practice here to allow a member to make a few observations at this stage also. This is in our convention. The only difference is that I have not written to you. I have been here for 10 years and you have also been Chairman for a long time. I want only five minutes.

MR. CHAIRMAN : Under the rules, it is not permitted. But as a special case, I allow him.

DR. RANEN SEN : I would draw attention to only two points. A Land Reforms Act has been passed in West Bengal during President's rule. But there are instances in many districts where it is not imple-

mented. Then even where it is, there are thousands and thousands of cases where the peasantry has been evicted. Police cases have been instituted against them one year or two years ago. There is a report in the Calcutta papers that there are nearly 300,000 cases pending. While I agree with Shri Pant that the Bandh threatened by the CPI (M) should be abandoned—it is to be noted they are also trying to come in line by dining with the Prime Minister and all that ; it is a good sign—Government should also try to create a climate conducive to peace. If there are 300,000 cases against the peasants, such a climate of peace cannot be created. You do not require the CPIM to start a Bandh ; in West Bengal today, a dozen persons can bring about a Bandh for 24 hours. They just go through the streets shouting 'close, close' and shops will close and buses will go off the streets. So in order to bring about a healthy climate, while the idea of Bandh has to be abandoned, the eviction of the peasantry which has assumed enormous proportions today, has also to stop.

SHRI SAMAR GUHA *rose*—

MR. CHAIRMAN : No please.

SHRI K. R. GANESH : It has been noted and steps are being taken.

SHRI SAMAR GUHA *rose*—

MR. CHAIRMAN : No, no. I gave him special permission. I do not allow anything else.

Now, the question is :

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of West Bengal for the services of the financial year 1971-72, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN : The question is :

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

† Introduced moved with the recommendation of the President.



*Clause 3, the Schedule, Clause 1, the Enacting Formula and the Title were added to the Bill.*

**SHRI K. R. GANESH :** I move :

"That the Bill be passed."

**MR CHAIRMAN :** The question is :

"That the Bill be passed."

*The motion was adopted.*

16.42 hrs.

### FINANCE (NO. 2) BILL, 1971

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) :** I beg to move\* :

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1971-72 and to provide for the levy of foreign travel tax, be taken into consideration."

The important features of the proposals in the Bill were outlined by me in my Budget speech and the details of the specific provisions in the Bill have also been spelt out in the Explanatory Memorandum circulated to Hon'ble Members along with the budget papers. I do not, therefore, propose to take the time of the House in going over the entire ground again, and shall confine myself merely to explaining the principal changes that I propose to introduce in the provisions of the Bill. The valuable suggestions that I have received both from Hon'ble Members and others have been of considerable assistance to me in formulating these amendments and I would like to take this opportunity of expressing my gratitude to those who have provided comments on the proposals. I have also met the representatives of various Associations. I have also had the benefit of consultations with my colleagues in the Cabinet.

The main objectives of the Bill are to simplify and rationalise the taxation laws and to reduce opportunities for evasion of taxes, as also to bring about a scaling down of the concentration of economic power and reduction in the inequalities of income

and wealth and, if I may so, it has been widely acknowledged that the proposals in the Bill will go a long way to meet these objectives. What I propose to do through the amendments is to suggest a few changes for rationalising some of the provisions of the Bill, in certain other cases, to make them more effective in achieving the objectives underlying them.

In the field of direct taxes, the Bill contains proposals for imposing a ceiling on the remuneration of employees which would be deductible in computing the taxable income of a company or any other taxpayer. The maximum amount that will be deductible in respect of any one employee will be limited to Rs. 5,000 for each month or part thereof comprised in the period of employment of the employee in India during the relevant account year. The expenditure incurred in providing any requisites etc. to an employee will also be restricted to 20% of the salary of the employee or Rs. 1,000 per month, whichever is higher. In regard to directors or persons who are substantially interested in the company or their relatives, there will be a similar ceiling of Rs. 72,000 for the year. In the case of employees, certain items of expenditure, such as, contributions to recognised provident funds, home leave travel concession, etc. will not, however, be taken into account for purposes of applying the aforesaid ceiling limit. I now propose to make an amendment in the relevant provision in order to place director-employees on a par with other employees in this regard. I also propose to clarify that where the expenditure on account of remuneration, benefits or amenities provided to a director does not relate to a full year, the deduction for such expenditure will be reduced proportionately, and further that in a case where a person is a director of the company for a part of the account year and an employee for another part of the year, the deductible amount of expenditure incurred by the company in providing remuneration, benefits or Requisites to such a person will be limited to Rs. 72,000.

The Bill proposes to limit the deduction upto Rs. 3,000 presently available to all categories of tax-payers in respect of income from investments in specified categories of financial assets, such as, Government securities, company shares, bank deposits, etc., to

\*Moved with the recommendation of the President.