

FINANCE BILL, 1969—(Contd.)

MR. SPEAKER: The House will now resume further clause-by-clause consideration of the Finance Bill. Out of 4 hours allotted, 2 hours and 40 minutes have been availed of, but we are still on Clause 13. I think we will have to finish it at least within two hours.

SHRI M. R. MASANI (Rajkot): Sir, this is the Finance Bill containing the taxation measures of the year. It is true that the discussion so far has taken a rather disproportionate amount of time. But is 4 hours' time adequate to pass the taxation measures for the year? I would suggest that we carry on till we finish the Bill and there should be no attempt to rush through or to guillotine the Finance Bill. Clause 30 deals with excise duty on fertilizers. Schedule I deals with the new taxation, and so on.

MR. SPEAKER: We will go on and finish the Bill today.

SHRI NATH PAI (Rajapur): What about the grand proposal to refer the Finance Bill to a select committee?

MR. SPEAKER: On that the House has to take a decision. I cannot do it. Now, we should finish the third reading also today. We should not drag it beyond that. We have got 5 hours now.

Clause 13—(Amendment section 209)

SHRI S. S. KOTHARI (Mandsaur): Sir, clauses 13 to 22 relate to advance payment. I have only two points in regard to that. Firstly, I would submit that instead of conferring powers on the Central Board of Direct Taxes to issue notifications for individual industries, it can be provided that the final instalment shall be payable on 15th March in the case of those assessee whose accounts end on 31st December. In my opinion, Parliament should not confer discretionary powers on the executive authority where Parliament itself can provide for a matter.

Secondly, with regard to penalties, during the last two or three years, we have been stepping up penalties without having regard to the fact whether the penalties are proportionate to the offence. If there is evasion, you can levy penalty. I do not hold any brief for tax-evaders. But when you come to matters like advance payment, delay in filing returns etc., why should the penalty be so heavy? We should not turn the income-tax law from a civil law into a criminal law.

About the other provisions, the Finance Minister has promised to consider them when he brings forward the Income-tax amendment Bill. Let him consider the aforesaid matters also.

Sir, I move* :

(Page 7)—

Omit lines 22 to 24 (54)

SHRI D. N. PATODIA (Jalore): I would like to speak on clauses 13 and 16 and amendments Nos. 118, 120 and 121. These provisions make it obligatory for the assessee to furnish an estimate of his current income and advance tax payable, if such tax payable exceeds the tax demanded by more than 33-1/3 per cent.

Now, Sir, all the three amendments that I have moved seek to revert the position to the previous one without making any change. In my opinion this legislation is completely unnecessary. We have many things to say about the desirability of collecting advance tax. As such I will not go in detail about it because in any case we are paying advance tax before the income is earned in many cases. What is happening today? Today, at the moment, under the present law an assessee pays as per demand and in case of difference the assessee pays within thirty days of the filing of the return. There is a statutory limit for filing of return beyond which he cannot delay. You cannot rule out the possibility of making mistakes in assessment of tax payable. Therefore, I do not know what particular advantage the Finance Minister

*Moved with the recommendation of the President.

is seeking to derive by suggesting that it must be submitted by such and such time if it exceeds by 33-1/3 per cent. I therefore suggest that the legislation is completely unnecessary, it will not serve any particular purpose and it will not meet any particular motive that the Finance Minister may be having. It must, therefore, be withdrawn.

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI DESAI) : Payment of advance tax is necessary for the proper collection of taxes. The salary earners do pay tax before they receive their salary. It is deducted from their salary. I do not know why businessmen also should not do it.

SHRI D. N. PATODIA : They pay at the time of receiving their pay and not before.

SHRI MORARJI DESAI : They also receive. When they pay after three months or four months, that is not without their earning the income. Therefore this is necessary.

When you say that the punishment is out of all proportion, I do not know how it is out of all proportion. It is only when it exceeds 33-1/3 per cent that they become liable to penalty. Therefore, a large margin is left in making your estimates and I do not see why that should be considered a great difficulty. As it is, the payment of advance tax is not a new provision. It is there already and it is working. As my hon. friend Shri Masani said, we have lived with it and I think they will live also with the new provision all right. The penalty must be such as deters people from evasion. This is also one way of evasion. It is not that this is not a case of evasion. There is also a provision that where the income is less in the coming year they can pay less. That provision they do not want to interfere with because that enables them to pay less. Therefore that is all right. But if it is more why should they not pay more? This is the only thing that is provided here. It was asked why we should provide that some people may pay by 15th of March. There is

some difficulty experienced by those people and therefore those people will be notified. If hon. Members have any suggestion about other such people who have such difficulties we will certainly notify them also. But where there is no notification I do not know why the instalments should not be given after the year is over. It is only after the year is over we are trying to give this facility on account of the difficulty that they are experiencing and it is not only in order to meet that we are doing this (*Interruption*).

MR. SPEAKER : I shall put amendment to clause 13.

Amendment No. 54 was put and negatived.

MR. SPEAKER : The question is :

“That clause 13 stand part of the Bill.”

The motion was adopted.

Clause 13 was added to the Bill.

Clause 14 was added to the Bill.

MR. SPEAKER : Then we come to Clause 15. There are certain amendments.

Clause 15—(Amendment of Section 211)

SHRI MORARJI DESAI : I beg to move* :

Page 8,—

after line 2, insert—

“Provided that in respect of any class of assessee referred to in clause (i), the Board may, having regard to the nature of dealings in the business carried on by such assessee, the method of accounting followed by them and other relevant factors, authorise, by notification in the Official Gazette and subject to such conditions as may be specified therein, the payment of the last instalment of the advance tax on the 15th day of March during the financial year, instead of on the 15th day of December.” (298)

*Moved with the recommendation of the President.

श्री कंवर लाल गुप्त (दिल्ली सदर) : अध्यक्ष महोदय, मैं इतना ही कहना चाहता हूँ...

श्री शिव चन्द्र भ्वा (मधुबनी) : मैंने पोइंट आफ आर्डर पहले भी उठाया था। माननीय वित्त मन्त्री ने जो संशोधन पेश किया है वह मैं जानना चाहता हूँ कि किस वित्त विधेयक को आधार मानकर पेश किया? चूँकि पेज आठ में यह संशोधन लाते हैं जो विधेयक कि लोक सभा ने सर्कुलेट किया। लेकिन इन्होंने कहा कि जो बिल इन्होंने इन्ट्रो-ड्यूस किया फरवरी में उसमें यह संशोधन लाना चाहते हैं। तो अभी जो संशोधन पेश किया वह किस विधेयक में किया है? लोक सभा द्वारा वितरित किये गये विधेयक में संशोधन करना चाहते हैं या अपने विधेयक में क्यों कि...

MR. SPEAKER : The amendment is to the Bill that is before the House. That is not in doubt.

श्री शिव चन्द्र भ्वा : आप देखिये कि पेज 8 लोक सभा सचिवालय के मुताबिक होता है। तो यह जो इनकानसिस्टेंसी है इसके मुतल्लिक कुछ कहें। जो कागज आपके सामने है उसको जरा देखिये। इस पर पेज नम्बर 8 लोक सभा के विधेयक के मुताबिक आता है और इनका पेज नम्बर 10 आता है। जब इस तरह से बात को यह पकड़ते हैं तो क्यों नहीं अपने विधेयक के मुताबिक अमेंडमेंट पेश करते हैं ?

MR. SPEAKER : You have explained your point. The Minister will explain it later on. Both are identical and more or less the same. Only to cover a technical point it was done. Shri Srinibas Misra raised the point and so it was re-circulated. The amendment is to clause 15, which is there in both the Bills. There is absolutely no difference.

श्री कंवर लाल गुप्त : मेरा इतना ही कहना है कि जो प्रस्ताव मन्त्री महोदय ने रखा

इससे असेसीज को काफी हार्डशिप होगी। और जैसा इन्होंने अभी कहा अगर इवेजन है तो आप सजा दीजिए, इसमें दो रायें नहीं हैं लेकिन एडवान्स टैक्स के पेमेंट के बारे में इवे-जन का सवाल नहीं आता है। वह पेमेंट तो करना ही पड़ेगा। आज भी जो व्यवस्था है वह काफी ठीक है और मेरे खयाल से उसको बद-लने की जरूरत नहीं है। आज की व्यवस्था में प्रोवीजन यह है कि पहले इन्कम टैक्स अफसर ऐस्टीमेट भेजता है और भेजने के बाद असेसीज पेमेंट कर देते हैं। एडवान्स टैक्स का और जब इनकम टैक्स रिटर्न दाखिला होता है, अगर उसकी इन्कम ज्यादा है तो उस समय जितना एडवान्स टैक्स पे किया और जो इन्कम पर टैक्स निकलता है वह डिफरेंस उसे पे करना पड़ता है। और इन्कम टैक्स आफिसर को भी ऐसी पावर है कि वह प्रोवीजनल असेसमेंट भी कर सकता है। इन सब के होते हुये मैं सम-झता हूँ कि इस क्लॉज की जरूरत नहीं है।

एक चीज और कहना चाहता हूँ। अभी तक एक प्रिक्टिस यह है कि, जैसा आपने कहा 15 जून, 15 सितम्बर और 15 दिसम्बर को इस तरह इंस्टालमेंट होगा, अभी क्या प्रैक्टिस है कि 15 तारीख के बजाय इन्कम टैक्स आफि-सर 14 दिसम्बर की शाम को ऐस्टीमेट भेजता है और कहता है कि 15 तक जमा होना चाहिए। तो आप यह करवा दें कि जब इन-स्टालमेंट किसी असेसी का जमा कराना हो तो कम से कम 15 दिन का समय तो अवश्य देना चाहिये ताकि समय से असेसी पैसा इकट्ठा कर के दे सके। अगर आप जांच करायेंगे तो 30, 40 परसेंट केसेज में आपको मिलेगा कि दो, तीन दिन पहले ही नोटिस सर्व होता है ऐस्टी-मेट का। फिर कहा जाता है कि आप जमा कराइये। और अगर नहीं करायेंगे तो डिले होगी।

SHRI MORARJI DESAI : There is no necessity for the assessee to wait for the notice. He can make payment even before that. Why should he wait for the notice ?

It can be done very easily. I do not see how this objection will arise.

SHRI S. S. KOTHARI : Sir, are you treating these amendments as moved ?

MR. SPEAKER : Those hon. Members who have given notice of their amendments, if they are present here, their amendments are treated as moved. Now, since both of you are present, your amendment are treated as moved...

SHRI S. S. KOTHARI : I beg to move* :

Page 7, line 35,—

for "three" substitute "four". (11)

Page 7, lines 37 and 38,—

for "and the 15th day of December" substitute—

"the 15th day of December and the 15th day of March" (12)

Page 8, line 1.—

after "(ii)" insert—

"the 15th day of June," (13)

Pages 7 and 8,—

for clause 15, substitute—

"15. For section 211 of the Income-tax Act, the following section shall be substituted, namely :—

"211. (1) Subject to the provisions of this section and section 212, advance tax shall be payable in equal instalments on the 15th day of September, 15th day of December and 15th day of March in the financial year.

(2) If the notice of demand issued under section 156 in pursuance of the order under section 210 is served after any of the dates on which the instalments specified therein are payable in advance tax shall be payable in equal

instalments of each of such of these dates as fall after the date of the service of notice of demand, or in one sum on the 15th day of March if the notice is served after the 15th day of December :

Provided, however, if the notice of demand is served within 15 days of any of the date on which the instalments specified therein are payable the instalment of advance tax due on that date shall be payable by the 15th day from the service of notice of demand." (55)

SHRI D. N. PATODIA: I beg to move.*

Pages 7 and 8,—

for clause 15, substitute—

"15. For section 211 of the Income-tax Act, the following section shall be substituted, namely :—

"211. (1) Subject to the provisions of this section and section 212, advance tax shall be payable in equal instalments on the 15th day of July, 15th day of November and 15th day of March in the financial year.

(2) If the notice of demand issued under section 156 in pursuance of the order section 210 is served after any of the dates on which the instalments specified therein are payable the advance tax shall be payable in equal instalments on each of such of these dates as fall after the date of the service of notice of demand, or in one sum on 15th day of March if the notice is served after the 15th day of December :

Provided, however, if the notice of demand is served within 15 days of any of the date on which the instalments specified therein are payable the instalment of advance tax due on that date shall be payable by the 15th day from the service of notice of demand." (119).

SHRI BENI SHANKER SHARMA
(Banka): I beg to move: *

Page 7, line 35,—

for "three" substitute "two". (197)

Page 7, line 36,—omit "namely:—" (198)

Pages 7 and 8,—

for lines 37 to 43 and 1 and 2, respectively,—substitute—

"the 1st day of September and 1st day of March" (199)

The whole scheme of advance payment was that the assesseees were asked to pay as they earned. These sections were enacted when section 140A was not there, by which assesseees are now required to pay according to the self-assessment principle.

Now, after this section, that has been added, there is no appreciable delay in the realisation of taxes due from the assesseees. Therefore, I have suggested that instead of increasing the work of the Department and of the assesseees, which should be reduced on account of heavy work load on both, instead of three instalments, the assesseees may be asked to pay their taxes in two instalments falling on 1st September and 1st March.

The hon. Finance Minister is wedded to the principle of simplification and rationalisation of the tax structure and I do not know how the amendment tabled by him is going to achieve that end.

So far as my amendment is concerned, it will not only simplify the procedure but will also take much of the burden of the Department.

I may also take up my amendment to clause 22 by which the penalty has been sought to be imposed between 10 per cent to 150 per cent...

MR. SPEAKER: That you may take it
• up later.

SHRI BENI SHANKER SHARMA: I will take it up later.

So, my only submission on this issue is that the substitution of this section as put by the Finance Minister does not, in any way, simplify the procedure but rather complicates it. If my amendment is accepted, it will save the Department from much unnecessary work. After all, the intention of the Finance Minister is to collect taxes during the year. It does not matter if he gets it every three months or every four months or every six months. I submit that instead of three instalments, there should be two instalments only falling on 1st September and 1st March.

MR. SPEAKER: Now, I put Government Amendment No. 298 to the vote of the House. The question is:

"Page 8,—

after line 2, insert—

"Provided that in respect of any class of assesseees referred to in clause (i), the Board may, having regard to the nature of dealings in the business carried on by such assesseees, the method of accounting followed by them and other relevant factors, authorise, by notification in the Official Gazette and subject to such conditions as may be specified therein, the payment of the last instalment of the advance tax on the 15th day of March during the financial year, instead of on the 15th day of December." (298)

The motion was adopted.

MR. SPEAKER: Now, I put other amendments to the vote of the House.

Amendments Nos. 11, 12, 13, 55, 119, 197, 198, and 199 were put and negatived.

MR. SPEAKER: The question is:

"That clause 15, as amended, stand part of the Bill"

The motion was adopted

Clause 15, as amended, was added to the Bill.

*Moved with the recommendation of the President.

SHRI SHIV CHANDRA JHA: Sir, you said the Finance Minister will explain it later on. Let him explain.

Clause 16—(Amendment of Section 212).

SHRI S. S. KOTHARI: I beg to move: *

“Page 8, line 40,—

for “sub-sections” substitute—

“sub-section” (56)

“Page 9,—

omit lines 10 to 28.” (57)

MR. SPEAKER: I put the amendments to the vote of the House.

Amendments Nos. 56 and 57 were put and negatived.

MR. SPEAKER: The question is:

“That clause 16 stand part of the Bill.”

The motion was adopted.

Clause 16 was added to the Bill.

Clause 17 was added to the Bill.

Clause 18—(Amendment of Section 215)

SHRI S. S. KOTHARI: I beg to move: *

“Page 9, line 41,—

for “assessed tax” substitute—

“said seventy-five per cent” (58)

“Page 9,—

omit lines 42 to 44” (59)

“Page 9, line 45,—

for “(c)” substitute—

“(b)” (60)

SHRI BENI SHANKAR SHARMA: I beg to move:

“Page 9, line 41,—

for “assessed tax” substitute—

“seventy-five per cent” (226)

SHRI D. N. PATODIA: This clause relates to the penalty due to short payment of advanced tax. The position as it is today is that interest or penalty is payable only if advanced tax paid falls short of 75 per cent of the assessed tax. In other words, a margin of 25 per cent has been kept deliberately so that so long as there is a mistake within a margin of 25 per cent, the assessee will not be penalised. By the provision under this Bill, the Finance Minister seeks to remove this margin completely and the effect will be that as soon as there the slightest difference in the amount of tax paid and the amount of tax assessed, on the amount of difference the penalty and interest will be payable. I want to ask: Does he completely rule out the possibility of a genuine mistake or a genuine error? Is it not necessary in these cases to have some provision for making mistakes? Does he not feel that some sort of a margin which was 25 per cent earlier is necessary so that an assessee is not made to suffer on account of genuine mistakes? Secondly, does he look at the conditions of the small traders and businessmen spread over the entire country who are not that much well aware of the rules and conditions?

Looking to the cumbersome procedure of the law and the various formalities to be observed, an expert advice is needed to file a return in order and to make assessment properly. Therefore, the only person who will be suffering more will be the small businessmen and traders. Looking to these things, it is necessary that a margin is kept and, I believe that a margin of 25 per cent will only be proper.

Another point that I want to stress is this. By all these provisions, penalty and removing of the margin, more and more powers are being given into the hands of the income-tax officers. How far is it desirable? Is he not aware of the callousness of the type of working, and of the harassment that is given to the assesseees by the various income-tax officers? For years, for 4 years, for 5 years, for 6 years, assessments are not completed. I am aware of these cases. Even if there is no complication, even if there is nothing much to be done, even if the tax has been paid in advance, just for the sake making delay, assessments are not completed

[Shri Beni Shankar Sharma]

for years together. Will it, therefore, be proper to give more powers into the hands of income-tax officers and remove the margin completely? I hope the hon. Minister will look into it again and will accept to retain the previous provision by keeping the margin at 25 per cent.

श्री कंबर लाल गुप्त : अध्यक्ष महोदय, मेरा भी यह विचार है कि इससे अननेसेसरी काम्पलीकेशन्स बढ़ेंगे और एसेसिज को भी हार्डशिप होगी। जो पहला प्रोवीजन था वह ठीक था और अब इन्होंने 75 परसेन्ट की जगह एसेस्ड टैक्स कर दिया, इससे जो छोटे लोग हैं उनको बड़ी तकलाफ होगी क्योंकि उनके पास पूरे एकाउन्ट्स नहीं हैं और पूरे एकाउन्ट्स न होने की वजह से इन्कम टैक्स आफिसर उनकी इन्कम को एस्टीमेट करता है और फिर एसेस करता है। ज्यादा एस्टीमेट होने के बाद उस पर टैक्स भी ज्यादा होगा और नेचुरली वे ऐड-वान्स टैक्स कम जमा करायेगे। तो वह जो माजिन है वह नहीं दिया गया। नतीजा यह होगा कि इनवेरीएबली उन पर पेनेल्टी लगेगी। तो छोटे लोगों के लिए मंत्री महोदय कुछ इन्कम फिक्स कर दें कि उससे नीचे के लोगों पर यह एप्लाई नहीं होगा, तभी इसके लाभ होगा। कम से कम 15 हजार या 10 हजार से नीचे की इन्कम पर यह एप्लाई न हो और बाकी लोगों पर एप्लाई हो तो ठीक होगा। क्योंकि छोटे लोग हजारों और लाखों की तादाद में हैं और उनके पास न कोई मुनीम है, न कोई लाइयर है और न चारटर्ड एकाउन्टेण्ट है, उन लोगों को इससे ज्यादा तकलीफ होगी।

13 hrs.

SHRI SRINIBAS MISRA (Cuttack): On a point of order. I have some doubt whether these clauses can appropriately find a place in the Finance Bill, and, I think it will be clarified by you. Please refer to rule 219 of the Rules of Procedure. Here it is said:

"In this rule 'Finance Bill' means the

Bill ordinarily introduced in each House to give effect to the financial proposals of the Government of India for the next following financial year..."

That means, 1969-70.

"...and includes a Bill to give effect to supplementary financial proposals for any period."

This is not a supplementary financial proposal. These are main financial proposals. Kindly look at Clause 18...

MR. SPEAKER: It also says, 'and includes...'

SHRI SRINIBAS MISRA: It includes a supplementary Bill. But this is not a supplementary Bill. These are main financial proposals. Here this comes into effect from 1st April, 1970, i.e., the year 1970-71 and not 1969-70. My question is where clauses 18, 19 and 20, which are coming into force from 1st April 1970, i.e., the next financial year, can properly find a place in this Finance Bill, and my submission is 'no'. They can bring another Bill for this, but cannot include in this Finance Bill.

MR. SPEAKER: This is a simple question. You have a right to pass a Bill fixing a particular date for it to come into effect. It is not a question of Government or anybody. This House has got the authority to pass any Bill and say that it comes into effect on a particular date. Nobody can question the authority of this House...

SHRI SRINIBAS MISRA: I am not challenging that.

MR. SPEAKER:...to pass something and say that it will come into effect on a particular date. The Finance Bill, which you are approving or rejecting, includes a clause which says that a particular tax comes into effect on a particular date. It need not necessarily come into effect immediately.

SHRI SRINIBAS MISRA: My question...

MR. SPEAKER: I have given my ruling to your point of order.

Mr. Abdul Ghani Dar.

श्री अब्दुल गनी डार (गुडगांव) : स्पीकर साहब मैं अपने मुअज़िज फाइनेन्स मिनिस्टर से रिक्वेस्ट करता हूँ कि जब वह जानते हैं कि बावजूद 22 साला आज़ादी के हम अपनी ऐजुकेशन को इतना नहीं बढ़ा सके कि तमाम लोग यह जानते हों कि मोरार जी भाई की ख्वाहिश क्या है, सरकार की ख्वाहिश क्या है, तो इसका ध्यान रखना चाहिए कि इसका किन पर असर पड़ने वाला है। मगरमच्छ पर तो असर पड़ेगा नहीं जिससे बात-बात में समझौता कर लें, यह तो गरीबों पर असर पड़ने वाला है। इसलिए जब वे कहते हैं कि यह तो पहले भी था, तो पहले बुरी बात थी, अब मोरारजी भाई आये हैं तो उनको ऐसा करना चाहिए कि गरीबों पर ज्यादा बोझ न पड़े। मेरे नोटिस में एक चीज है कि ट्रस्ट का एक केस वर्षों चलता रहा और उसमें लाखों रुपया खर्च हो गया गवर्नमेंट का भी और आखिर फैसला यह हुआ कि ट्रस्ट पर इनकमटैक्स नहीं लग सकता। मकानों की कुड़कियों के ऐलान भी हो गये। इसलिए फाइनेन्स मिनिस्टर साहब, जो गांधी जी के बड़े जानशीन हैं, कम से कम उनको सोचना चाहिए कि इसका असर किन पर पड़ने वाला है। आलमगीर की तरह कहना कि मैंने जो कह दिया वह खुदा का लफ़्ज़ है, हमारे मोरारजी भाई को थोड़ा ठंडा होकर देखना है कि इसका असर गरीबों पर क्या पड़ने वाला है। जो अनपढ़ हैं, जो कमज़ोर हैं वे टैक्स देते हैं, इवेज़न वे नहीं करते। इवेज़न तो करते हैं बड़े-बड़े मगरमच्छ। इसलिए इनके किसी ऐक्शन से या सुभाव से, यह पास तो हो जाएगा क्योंकि इनके पास मैजोरिटी है, लेकिन इनको खुद अपनी आत्मा से सोचना चाहिए कि इसका असर किन पर पड़ता है। इसलिए इनको थोड़ा अपने आपको नरम करना चाहिए और नरम होकर हमारी दरखास को सुनना चाहिए।

[श्री मरारजी देसाई (गुडगांव) : स्पीकर साहब मैं आपसे
 एजुकेशन मंत्र से रकॉलेक्ट करता हूँ कि जब वह जानते हैं कि बावजूद
 22 साला आज़ादी के हम अपनी ऐजुकेशन को इतना नहीं बढ़ा सके कि तमाम
 लोग यह जानते हों कि मोरारजी भाई की ख्वाहिश क्या है, सरकार की ख्वाहिश
 क्या है, तो इसका ध्यान रखना चाहिए कि इसका किन पर असर पड़ने वाला है।
 मगरमच्छ पर तो असर पड़ेगा नहीं जिससे बात-बात में समझौता कर लें, यह तो
 गरीबों पर असर पड़ने वाला है। इसलिए जब वे कहते हैं कि यह तो पहले भी था,
 तो पहले बुरी बात थी, अब मोरारजी भाई आये हैं तो उनको ऐसा करना चाहिए कि
 गरीबों पर ज्यादा बोझ न पड़े। मेरे नोटिस में एक चीज है कि ट्रस्ट का एक केस
 वर्षों चलता रहा और उसमें लाखों रुपया खर्च हो गया गवर्नमेंट का भी और
 आखिर फैसला यह हुआ कि ट्रस्ट पर इनकमटैक्स नहीं लग सकता। मकानों की
 कुड़कियों के ऐलान भी हो गये। इसलिए फाइनेन्स मिनिस्टर साहब, जो गांधी जी
 के बड़े जानशीन हैं, कम से कम उनको सोचना चाहिए कि इसका असर किन पर
 पड़ने वाला है। आलमगीर की तरह कहना कि मैंने जो कह दिया वह खुदा का लफ़्ज़
 है, हमारे मोरारजी भाई को थोड़ा ठंडा होकर देखना है कि इसका असर गरीबों
 पर क्या पड़ने वाला है। जो अनपढ़ हैं, जो कमज़ोर हैं वे टैक्स देते हैं, इवेज़न
 वे नहीं करते। इवेज़न तो करते हैं बड़े-बड़े मगरमच्छ। इसलिए इनके किसी
 ऐक्शन से या सुभाव से, यह पास तो हो जाएगा क्योंकि इनके पास मैजोरिटी
 है, लेकिन इनको खुद अपनी आत्मा से सोचना चाहिए कि इसका असर किन पर
 पड़ता है। इसलिए इनको थोड़ा अपने आपको नरम करना चाहिए और नरम होकर
 हमारी दरखास को सुनना चाहिए।]

AN HON. MEMBER: You should be soft.

SHRI MORARJI DESAI: I do not understand how my hon. friend says 'I should be soft'. How I am hard I do not understand. Recovery of tax is always a hard game. It is not a soft game. No tax can ever be soft. It is always hard. Nobody wants to pay a tax. From that point of view I have undertaken a duty which is a hard duty. I cannot do it in a soft way. It is not possible for me to devise a method like that. Then to say that penalty should be levied on the big people and not on the small people is something, a theory which I have heard for the first time. Evasion is evasion, non-payment is non-payment, whether the sum is Rs. 5 or Rs. 500. If it

[Shri Morarji Desai]

is Rs. 500, he pays a higher fine. If it is Rs. 5 he pays a smaller fine. They say that smaller business should not be involved in this. After all smaller business men should have no difficulty in giving accurate estimates. Why should they have any difficulty? They have not many ramifications, they have no complexities. If they have complexities, they are making them for themselves. Why are they making these complexities? What is done? After all there is a change made in the penalty this time. Formerly a margin has been allowed and that is maintained. If the shortfall is upto 25%, no interest is charged. That is, if a man has to pay Rs. 100 by the assessment and the advance tax paid is Rs. 75 or above, he does not pay any penal interest. Formerly what was done was that if he paid Rs. 70 or Rs. 60 instead of Rs. 100, then he was charged interest on Rs. 75 minus Rs. 60. Now what I propose to charge is on the whole thing evaded. If it is Rs. 100 minus 65, then he will pay on Rs. 35 and not only on Rs. 10. This is the only difference. I think what was done before was not proper. It is now only being set right. He is paying only on the evaded amount, he is not paying on the whole amount. 75% margin is kept for giving lenience so that upto 75% if they pay, no penalty is charged. If he pays even below that, then to charge between Rs. 75 and the limit below would not be fair. That is what is sought to be done.

MR. SPEAKER : I will now put all the amendments to Clause 18 together to the vote of the House.

Amendments Nos. 58 to 60 and 226 were put and negatived.

MR. SPEAKER : I will now put Clause 18 to the vote of the House. The question is :

“That Clause 18 stand part of the Bill.”

The motion was adopted.

Clause 18 was added to the Bill.

• 13.07 hrs.

The Lok Sabha adjourned for Lunch till the Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at six minutes past Fourteen of the Clock.

[SHRI VASUDEVAN NAIR in the Chair]

FINANCE BILL, 1969—Contd.

श्री मधु लिमये (मुंजर) : सभापति महोदय, मेरा एक व्यवस्था का प्रश्न है। मेरी यह राय है कि इस वक्त जो वित्त विधेयक हमारे सामने है, उस पर कोई बहस नहीं होनी चाहिये क्योंकि इस वक्त जो सरकार है उसके अस्तित्व के बारे में मेरे मन में सन्देह है, और उसके ऊपर मैं आपका निर्णय चाहता हूँ।

मैं संविधान की धारा 75 की ओर आपका ध्यान दिलाना चाहता हूँ।

MR. CHAIRMAN : The hon. member was present in the House in the morning. I believe the same point was raised then.

श्री मधु लिमये : मैं दूसरा मुद्दा उठा रहा हूँ। मैं आपका ध्यान संविधान की धारा 75 (1) और (2) की ओर दिलाना चाहता हूँ। वह इस प्रकार है :

75 (1) “The Prime Minister shall be appointed by the President and the other Ministers shall be appointed by the President on the advice of the Prime Minister.”

(2) “The Ministers shall hold office during the pleasure of the President.”

जो वर्तमान सरकार है उसको शपथ दिलाई थी डा० जाकिर हुसैन साहब ने। तो जब तक डा० जाकिर हुसैन साहब की मर्जी थी, इच्छा थी, तब तक यह सरकार चलने वाली थी। अब डा० जाकिर हुसैन हम लोगों के बीच में नहीं हैं, नये राष्ट्रपति आये हैं। अब मेरा सवाल यह

है कि क्या उप राष्ट्रपति, राष्ट्रपति के नाते काम कर रहे हैं उनकी मर्जी पर यह सरकार चल रही है, क्योंकि उन्होंने उन्हें शपथ ही नहीं दिलाई है। अगर हम संविधान का ठीक अर्थ निकालेंगे तो मेरी राय में राष्ट्रपति के असामयिक निघन के बाद जो हमारे उप-राष्ट्रपति हैं वह राष्ट्रपति के नाते काम कर रहे हैं, और राष्ट्रपति के जो अधिकार होते हैं वह सब इस वक्त श्री गिरि को हैं। मेरी राय में इस सरकार को उन्हें फिर से शपथ दिलानी चाहिये थी। उसके बाद ही 75 (2) पर अमल हो सकता है।

मैं औपचारिक ढंग से यह मानता हूँ कि राष्ट्रपति की मर्जी या प्लेजर तब तक चलेगा जब तक 75 (3) के अनुसार जिस लोक सभा के प्रति इस सरकार का दायित्व है, उसमें जब तक अविश्वास का प्रस्ताव पास नहीं होता तब तक साधारण तौर पर मैं मानता हूँ कि हमारे संविधान के अनुसार राष्ट्रपति का प्लेजर रहेगा। लेकिन मेरा मुद्दा दूसरा है। मेरा मुद्दा यह है कि अब राष्ट्रपति नहीं राष्ट्रपति का काम करने वाले व्यक्ति आ गये हैं। उन्होंने श्रीमती इन्दिरा गांधी की सरकार को कभी शपथ नहीं दिलाई। ऐसी हालत में इस सरकार को इस्तीफा देना चाहिये। यह सरकार खत्म हो और दुबारा शपथ लेकर सरकार का काम चलाये। यह मेरा बहुत ही महत्वपूर्ण संवैधानिक मुद्दा है। अब तक ऐसा नहीं हुआ था।

अब तक राष्ट्रपति का, जब वह आफिस में थे, कभी निघन नहीं हुआ। राष्ट्रपति के निघन की यह घटना पहली बार हुई है। इसलिए इस मसले पर मैं जरूर रोशनी चाहता हूँ और आपका निर्णय चाहता हूँ। मैं यह सवाल नहीं उठा रहा हूँ कि राष्ट्रपति के निघन के बाद क्या हर दफा यह माना जाएगा कि नए रूप से नेता का चुनाव भी किया जाए। मैं इसमें नहीं जा रहा हूँ। यह इनका आन्तरिक मामला है। ये लोग ही इसको उठा सकते हैं अपनी पार्टी में। मैं नहीं उठा रहा हूँ। इसका मुझसे कोई सम्बन्ध नहीं

है। मैं केवल संवैधानिक सवाल ही उठा रहा हूँ।

SHRI MORARJI DESAI : The hon. Member has great ingenuity, I grant, but it does not help in the interpretation of the Constitution. He forgets that the President is never dead; it is Dr. Zakir Husain who was dead. The President is a continuing authority. Unless the President dismisses this Ministry, there is no question of having another oath-taking. I do not know what ridiculous arguments he puts forward.

श्री मधु लिमये : आप क्या निर्णय दे रहे हैं? यह कह सकते हैं कि रिडिकुलस है। यह बहुत सी बातों को रिडिकुलस कहते हैं। मैं दूसरे प्वाइंट आफ आर्डर पर आने वाला हूँ। वह फाइनेंस बिल से सम्बन्धित है। अगर आप कहेंगे कि इनकी सरकार कानूनी है और मेरा दलील ठीक नहीं है तो मैं दूसरे मुद्दे पर आता हूँ।

MR. CHAIRMAN : The President is in office; it is a continuing office. If there was a situation when there was a vacancy and there was nobody occupying that position, then there was a serious constitutional crisis.

श्री मधु लिमये : क्राइसिस नहीं होगा लेकिन शपथ नई होनी चाहिये।

MR. CHAIRMAN : Only then this provision could have been invoked. The office of the President has immediately been filled up and the Vice President has taken over as President. So, I think we cannot give any credence to the arguments advanced by the hon. Member and I think there is no point of order.....(Interruptions.)

SHRI KANWAR LAL GUPTA : The Government was at your mercy; you could have dismissed it (Interruptions.)

श्री मधु लिमये : यह कह सकते हैं कि यह सरकार अस्तित्व में नहीं है।

MR. CHAIRMAN : I think we were on clause 19. Shri S. S. Kothari.

SHRI S. S. KOTHARI : I have nothing to add.

MR. CHAIRMAN : Shri Himatsingka's is the same as amendment No. 61, Shri Patodia's and Shri Kothari's also. There is an amendment to clause 20. Shri Kothari.

SHRI S. S. KOTHARI : I have nothing to add. Only Shri Sharma wants to say something on clause 22.

MR. CHAIRMAN : I shall put clauses 19 to 21 to the vote. The question is :

"That clauses 19, 20 and 21 stand part of the Bill."

The motion was adopted.

Clauses 19, 20 and 21 were added to the Bill.

CLAUSE 22—*(Substitution of new section for section 273.)*

MR. CHAIRMAN : We take up clause 22. There are certain amendments but they cannot be moved. Shri Shiva Chandra Jha.

SHRI SHIVA CHANDRA JHA : I move:*

Page 11, line 10,—

for "ten per cent." substitute—

"fifty per cent." (169)

Page 11, line 20,—

for "ten per cent." substitute—

"fifty per cent." (170)

Page 11, line 24,—

for "ten per cent." substitute

"fifty percent". (171)

SHRI S. S. KOTHARI : I beg to move:*

Page 11, line 3,—

omit "or" (64)

*Page 11,—

omit lines 4 to 6. (65)

Page 11, line 22;—

for "and" substitute "." (66)

Page 11,—

omit lines 23 to 28. (67)

SHRI BENI SHANKER SHARMA :
I move :*

Page 11, line 8, after "sum" insert—

"equivalent to the interest charged." (201)

Page 11, omit lines 9 to 28. (202)

Mr. Chairman, Sir, this clause deals with imposition of penalty for failure to pay advance tax. This aspect of the Bill requires a thorough change specially in the view of the subsequent enactment of section 140 A. Sir after all, what is the crime that an assessee commits when he is not able to file his return in time or when he is not able to furnish certain other particulars? Besides as for every fault, there is a penalty, the penalty should be commensurate with the fault and should not be in any way excessive. Under sections 216 and 217 interest is also changed for the short fall in estimates. In addition to that, if there is a deliberate attempt on the part of the assessee to file a reduced estimate, of course, he may be charged a penalty. But then, what should be the quantum of the penalty? The penalty proposed is 10 to 150 per cent, which is rather excessive under the present Income-tax Act. Now a days, every assessee is saddled with five types of penalties. There is a penalty for the late filing of returns; there is a penalty for non-filing of the estimates, and there are penalties for so many other things.

I would submit that the Government should not make it a principle of raising money by imposition of penalties. After all, the Income-tax Act is meant for collecting the tax on income, and penalties should not be made a source of income. I have, therefore, suggested that after interest is charged at the rate of nine per cent, the penalty should not exceed thier amount equivalent to the interest charged, because the penalty imposed should be commensurate with the guilt, if

*Moved with the recommendation of the President.

any and it should not be out of proportion to the default.

श्री शिव चन्द्र भा : जो एडवांस टैक्स नहीं देते हैं या जो रिटर्न दाखिल करने में गलतियाँ करते हैं उनको सजा देने के लिए यह क्लॉज है। इसमें वित्त मंत्री जी यह सजा देना चाहते हैं :

“Not less than 10 per cent but should not exceed 150 per cent.”

इसका मतलब होता है 150 परसेंट। दस परसेंट को कहते हैं कि बहुत कम है। एडवांस टैक्स देने वालों की तरफ से या दूसरों की तरफ से जो टैक्स इवेशन होता है उसका अनुमान प्रो० कालडोर ने दो सौ और तीन सौ करोड़ प्रति वर्ष के बीच में लगाया है। इस वास्ते मैं इससे सहमत हूँ कि जो टैक्स अदा नहीं करते हैं उनके साथ सख्ती बरती जानी चाहिये। जिसको टैक्स देना ही भजे ही वह एडवांस दे लेकिन दे जरूर। शर्मा जी की बात से भी मैं काफी हद तक सहमत हूँ। यदि किसी को टैक्स देना है और उसने पिछली दफा दिया है और इस दफा वह एडवांस टैक्स देना चाहता है तो यदि उसमें वह गलती करता है तो क्यों न उसको सजा मिले? दस परसेंट बहुत कम है, ऐसा मैं मानता हूँ। लेकिन मैं यह भी समझता हूँ कि 150 परसेंट बहुत ज्यादा है। मेरा सुझाव है कि पचास परसेंट, जो डिफाल्ट करता है या जो इवेड करता है, उसको सजा होनी चाहिये। मैं चाहता हूँ कि वित्त मंत्री जी इस पर गौर करें।

SHRI MORARJI DESAI : The question of penalty is one where there can be difference of opinion. I do not deny that. But, on the one side, I am being told that I am not very careful in recovering the income-tax dues. (Interruption)

AN HON. MEMBER : It is not that.

SHRI MORARJI DESAI : It is also a tax; advance payment is also a tax. What

else is it? Afterwards, it will not be taken from him. So, it is a tax which he pays. We have passed through the stage where advance tax is in dispute.

AN HON. MEMBER : Punishment.

SHRI MORARJI DESAI : The question of punishment is one which comes into operation only when the person does not carry out what the section requires him to do. Therefore, the punishment has to be a proper one. Otherwise, what is the use of keeping a punishment? There can be difference of opinion about this, but I cannot accept my hon. friend's opinion in this matter. I have put forward my view, that is, the view of the Government. I cannot accept the amendments.

MR. CHAIRMAN : I will now put all the amendments to clause 22 to the vote of the House.

Amendments Nos. 64 to 67, 169 to 171, 201 & 202 were put and negatived.

MR. CHAIRMAN : The question is :

“That clause 22 stand part of the Bill.”

The motion was adopted.

Clause 22 was Added to the Bill.

Clause 23.—(Amendment of the Fifth Schedule

MR. CHAIRMAN : All the amendments to this clause are ruled out of order.

SHRI S. S. KOTHARI : I want to speak on this clause. Cotton mill industry is one of our major industries engaged in producing a basic necessity of life. Government has included this in the list of priority industries, which means this industry would be entitled to a development rebate of 35 per cent instead of 20 per cent. But in the Act as it stands, there is a provision that from 1st April 1970, the development rebate would be reduced for priority industries from 35 to 25 per cent and in other cases, it would be reduced to 15 per cent from 20 per cent.

[Shri S. S. Kothari]

Development rebate performs two functions, particularly in an inflationary era. On the one hand it gives funds to the assessee to provide for the higher replacement cost of machinery, which occurs because prices of machinery have gone up. France and certain other countries have a system of providing depreciation on what is known as the replacement cost basis, which provides for additional cost of machinery. In this country, we have still the conservative, historical cost basis.

Development rebate is also a vital incentive for growth. Our corporate system of taxation being what it is and taxes going upto 66.25 per cent, development rebate has a very important function to perform. Out of 150 countries, in 144 countries, corporate taxation does not go beyond 50 per cent.

SHRI MORARJI DESAI : There are no amendments to clause 23. Does he oppose the clause ?

SHRI S. S. KOTHARI : I am not opposing the clause. The Deputy Prime Minister has included the cotton mill industry in the priority industries and granted higher development rebate to it. I want that this should not be scaled down after one year.

SHRI MORARJI DESAI : That is a different proposition. That does not arise here.

SHRI S. S. KOTHARI : If it is scaled down in 1970, it will scuttle the growth of industry. So, development rebate should not be reduced.

There are certain priority industries which are entitled to 8 per cent reduction out of their income. I submit that cotton mill industry also should be entitled to that relief. Out of its gross income, before taxes, 8 per cent should be reduced as tax-free. That is the benefit which all other priority industries are entitled to.

SHRI S. R. DAMANI (Sholapur) : Sir, I also associate myself with the suggestion made by Shri Kothari. I thank the hon. Deputy Prime Minister for including the textile industry in the list of priority

industries, but it is only up to development rebate. I think there is no other industry which has been included in the list of priority industries only for the purpose of development rebate. Other industries get all the benefits of priority industries. Therefore, I request that textile industry should also be included in such a way that it gets full benefits of priority industries.

SHRI MORARJI DESAI : Sir, I do not think it is necessary to give all that full concession. It is therefore that partial concession has been given. I see no reason to change it and extend it further.

MR. CHAIRMAN : The question is :

"That clause 23 stand part of the Bill."

The motion was adopted.

Clause 23 was added to the Bill.

MR. CHAIRMAN : Shri Masani's amendment No. 14 seeking to insert New Clause 23 A, I am afraid, is out of order because it is beyond the scope of this Bill.

SHRI M. R. MASANI : The two speeches made here were in support of this.

MR. CHAIRMAN : But it is beyond the scope of this Bill. I am sorry, it is out of order.

We now take up clause 24.

Clause 24—(Amendment of Act 27 of 1957)

SHRI KANWAR LAL GUPTA : I beg to move :*

Page 11,—

omit lines 45 and 46. (15)

Page 13, line 10,—

after "equal to the" insert—

"fifty per cent of the", (16)

Page 13, line 12,—

add at the end—

*Moved with the recommendation of the President.

"except in such marginal cases who have been assessed on net wealth of not more than two lakhs in the case of individual and not more than four lakhs in the case of Hindu Undivided Family; in such cases in addition to the amount of wealth tax if any payable by him, a sum equal to two per cent of the tax for every month during which the default continued but not exceeding in the aggregate hundred per cent of the tax;" (17)

Pages 12 and 13,—

omit lines 16 to 42 and 1 to 26 respectively. (70)

SHRI S. S. KOTHARI : I beg to move:*

Page 12,—

after line 24, insert—

"(iv) agricultural land and growing crops, grass or standing trees on such land;" (72)

Page 12,—

omit lines 26 to 29 (73)

Page 12, line 30,—

omit "(ii)" (74)

Page 13,—

omit lines 1 to 26. (75)

SHRI D. N. PATODIA : I move :*

Pages 11 and 12,—

omit lines 41 to 48 and 1 to 42 respectively. (132)

Page 13,—

for lines 1 to 26, substitute—

"In the wealth-tax Act, 1957, in section 18, in sub-section (i),—

(i) in clause (i) for the words "two per cent", substitute the words "ten per cent," and for the words "fifty per cent," substitute the words "two and a half times,"

(ii) in clause (ii) for the words "ten per cent," substitute the words "fifty per cent," and for the words "fifty per cent" substitute the words "two and a half times." (133)

SHRI J. MOHAMED IMAM (Chitradurga) : I move* :

Page 12,—

omit lines 16 to 24 (142)

Page 13, line 10,—

after "to" insert "five percent of" (145)

SHRI SHIVA CHANDRA JHA : I move :

Page 12—

after line 9, insert—

"Provided those animals are not elephants ;" (173)

Page 12,—

after line 18, insert—

"Provided those animals are not elephants ;" (174)

SHRI DEORAO PATIL (Yeotmal) : I move* :

Page 12,—

after line 24, insert—

"(iv) agricultural land, its products, trees, wells and its belongings ;" (175)

*Moved with the recommendation of the President.

SHRI SHIVA CHANDRA JHA : I
move :*

Page 13, lines 5 and 6,—

for "one-half per cent."

substitute—

"five per cent."

(176)

SHRI BENI SHANKAR SHARMA : I
move* :

Page 13, line 6,—

for "net wealth" substitute
"wealth-tax"

(206)

Page 13, line 7,—

for "net wealth" substitute
"wealth-tax"

(207)

Page 13, line 8,—

for "net wealth" substitute
"wealth-tax"

(208)

Page 13, line 10,—

for "net wealth" substitute
"wealth-tax"

(209)

Page 13, line 11,—

for "net wealth" substitute
"wealth-tax"

(210)

Page 13, line 15,—

• for "net wealth" substitute "wealth-tax"

(211)

Page 13, line 16,—

for "net wealth" substitute "wealth-tax"
(212)

Page 13, lines 17 and 18,—

for "net wealth" substitute "wealth-tax"
(213)

Page 13, line 18,—

for "net wealth" substitute "wealth-tax"
(214)

Page 13, line 19,—

for "net wealth" substitute "wealth-tax"
(215)

Page 13, lines 20 and 21,—

for "net wealth" substitute "wealth-tax"
(216)

Page 13, line 22,—

for "net wealth" substitute "wealth-tax"
(217)

Page 13, line 24,—

for "net wealth" substitute "wealth-tax"
(218)

SHRI MORARJI DESAI : I beg to
move :*

Page 12,—

after line 25, insert—

(i) after clause (iv), the following
clause shall be inserted with
effect from the 1st day of April,
1970, namely :—

"(iva) agricultural land belonging to the
assessee subject to a maximum
of one hundred and fifty thou-
sand rupees in value :

Provided that where the assessee
owns any house or Part of a

* Moved with the recommendation of the President.

house situate in a place with a population extending ten thousand and to which the Provisions of clause (iv) apply and the value of such house or Part of a house together with the value of the agricultural land exceeds one hundred and fifty thousand rupees, then the amount that shall not be included in the net wealth of the assessee under this clause shall be one hundred and fifty thousand rupees as reduced by so much of the value of such house or Part of house as is not to be included in the net wealth of the assessee under clause (iv) : ” (299)

Page 12, line 26,—

for “(i)” substitute —

“(ii)” (300)

Page 12, line 30,—

for “(ii)” substitute—

“(iii)” (301)

Page 13,—

for lines 3 to 12 substitute—

“(i) in the cases referred to in clause (a), in addition to the amount of wealth tax, if any, payable by him, a sum, for every month during which the default continued, equal to one-half per cent, of—

(A) the net wealth assessed under section 16 as reduced by the amount of net wealth on which, in accordance with the rates of wealth-tax specified in Paragraph A of Part I of the Schedule or Part II of the Schedule, the wealth-tax chargeable is *nil*, or

(B) the net wealth assessed under section 17, where assessment

has been made under that section, as reduced by—

(1) the net wealth, if any, assessed previously under section 16 or section 17, or

(2) the amount of net wealth on which, in accordance with the rates of wealth-tax specified in Paragraph A of Part I of the Schedule, or Part II of the Schedule, the wealth-tax chargeable is *nil*,

whichever is greater,

but not exceeding in the aggregate, an amount equal to the net wealth assessed under section 16, or, as the case may be, the net wealth assessed under section 17, as reduced in either case in the manner aforesaid : ” (302)

श्री मधु लिमये : सभापति महोदय, मेरा व्यवस्था का प्रश्न है। 28 फरवरी को वित्त मंत्री ने अपने बजट-भाषण में कहा था :

“I am advised by the Attorney-General that Parliament is competent to legislate for the levy of wealth tax on agricultural land.” उसके बाद 6 मार्च को इस बारे में व्यवस्था के प्रश्न उठाये गये थे और हमारे मित्र माननीय श्री पी०के० देव ने कहा था कि श्री एन०सी० चटर्जी ने यह बयान दिया है कि उनकी श्री निरेन डे से बात हुई है और श्री डे ने साफ़ कहा है कि श्री मोरारजी देसाई ने या सरकार ने मुझसे कृषि संपत्ति पर लगाये वेलथ टैक्स के बारे में कभी नहीं पूछा है। ऐसी हालत में हम लोगों ने यहाँ मांग की कि श्री मोरारजी देसाई इस स्थिति को स्पष्ट करें। मेरे सामने, माननीय सदस्य, श्री अटल बिहारी वाजपेयी, का यह वाक्य भी है, इस तथ्य को चुनौती दी गई है कि वर्तमान एटार्नी-जैनेरल से पूछा गया या नहीं पूछा गया और अगर वित्त मंत्री स्थिति स्पष्ट करेंगे, तो चर्चा में सरलता होगी।” लेकिन उसके

[श्री मधु लिमये]

बाद श्री मोरारजी देसाई क्या कहते हैं ? यह पृष्ठ 6911 पर है :

"I have consulted the Attorney-General and I have got the Attorney-General's opinion before me."

जब श्री बाजपेयी ने यह साफ़ सवाल पूछा कि क्या वर्तमान एटार्नी-जेनेरल, श्री निरेन डे, को पूछा गया था, तो मोरारजी देसाई को कहना चाहिए था कि मैंने उससे पहले जो एटार्नी-जेनेरल, श्री दफ़्तरी थे, की सलाह ली थी; वर्तमान एटार्नी-जेनेरल से मेरी कोई बात नहीं हुई। उस दिन हम को जो कागज़ात भेजे गये, उनसे स्थिति बिल्कुल साफ़ हो गई। 16 मार्च को इस सदन में यह सवाल उठाये जाने पर कि क्या इस बारे में निरेन डे से पूछा गया था या नहीं, श्री मोरारजी देसाई ने कहा कि हां, एटार्नी-जेनेरल की राय भी ली है और मेरे सामने है। अब इसमें यह जो कागज़ात हैं 8, मार्च उनके अनुसार 1969 को कानून मंत्रालय एटार्नी जनरल निरेन डे के पास यह मामला भेजता है। इसके ऊपर यह तारीख़ है 8 मार्च और नये एटार्नी जनरल की राय 12 मार्च को आई। अध्यक्ष महोदय, जब इस तरह से सवाल को उठाया जाता है तो मेरी समझ में नहीं आता कि वित्त मंत्री जी ने सारी स्थिति को स्पष्ट क्यों नहीं किया? क्योंकि उस समय तो कम से कम, हमारे दिमाग पर यह असर हुआ कि निरेन डे साहब ने भी अपनी राय व्यक्त की है जबकि 8 मार्च तक उन्होंने कोई राय व्यक्त नहीं की थी। तो वैल्यू टैक्स वाला क्लोज़ आया है इसलिए मैंने यह व्यवस्था का सवाल उठाया है। मैंने उसी दिन उठाया था लेकिन अध्यक्ष महोदय ने कहा था कि जब यह क्लोज़ आये तब उठाइएगा। अब मैं आपका निर्णय चाहता हूँ। मंत्री महोदय को आज इस पर आपको डांट देना चाहिए कि इस तरह की गलतफहमी... (व्यवधान)... तो और क्या? मैं यह नहीं कह रहा हूँ कि उनके खिलाफ कोई ऐक्शन लिया जाय... (व्यवधान)...

श्री एस० आर० दामानी : मैं यह कह रहा

हूँ कि यह हिन्दी का जो वर्ड है... (व्यवधान)...

श्री मधु लिमये : रेप्रिमांड बोलता तो अच्छा होता? ग्रंथों के गुलाम। अध्यक्ष महोदय, हिन्दी में बोलने पर इनको खराब लगता है। तो मेरे मन पर जो असर हुआ वह यही हुआ। इन सवालों को पूछने के बाद भी जब मोरारजी भाई ने कहा है कि एटार्नी जनरल की राय मेरे सामने है तो मैंने तो कम से कम यही समझा कि उन्होंने निरेन डे को पूछा है; और मैंने कुछ लोगों से झगड़ा भी किया कि ऐसा कैसे हो सकता है? मोरारजी भाई तो कहते हैं कि पूछा है। इसलिए इसका खुलासा आप जरूर कराइयेगा। यह मेरा प्वाइंट आफ़ आर्डर है।

SHRI MORARJI DESAI : May I say that the hon. Member goes on repeating all the while that he wants you to scold me when the hon. Member who deserves scolding is the hon. Member himself ?

श्री मधु लिमये : लेकिन वह बताइए न कैसे मैं डिजर्व करता हूँ ?

श्री मोरारजी देसाई : यही मैं बताता हूँ। जब यह सवाल कहा गया तो मैंने यह कहा कि एटार्नी जनरल की राय ली गई है। मैंने यह नहीं कहा कि पुराने या नये...

श्री मधु लिमये : यही स्पैसिफिकली आपसे पूछा गया था।... (व्यवधान)...

यही तो मैं कह रहा हूँ, आप से स्पैसिफिकली यही पूछा गया था... (व्यवधान)...

श्री मोरारजी देसाई : मैं कहता हूँ कि मुझे बोलने तो दीजिए। आप क्यों चिल्ला रहे हैं बार बार। मैं तो सुनता हूँ और आप को भी सुनता हूँ। आप मेरी बात भी सुन लीजिए। मैं चिल्लाना नहीं चाहता क्योंकि उससे कोई फायदा नहीं होता है और आपका अनुकरण इसमें मैं नहीं करना चाहता। श्री बाजपेयी यहां इस समय हाजिर नहीं हैं। उन्होंने बाद में मुझे पूछा था

तब मैंने उनसे कहा था कि यह वर्तमान एटार्नी जनरल का नहीं है। उसको भी मंगवाऊंगा। आपको चाहिए तो मैं मंगवा लेता हूँ। यही मैंने कहा था कि यह वर्तमान एटार्नी जनरल का नहीं है। मैंने यह बात नहीं कही कि नये एटार्नी जनरल का है। लेकिन एटार्नी जनरल, एटार्नी जनरल हैं, पुराना और नया कोई फर्क नहीं होता है। एटार्नी जनरल हमारे लिए जो हैं वह हैं। वह प्रेसीडेंट वाला ही मामला है। मगर जब उन्होंने कहा कि नये एटार्नी जनरल का भी मंगवाना चाहिए तो मैंने वह भी मंगवा लिया। इसीलिए 8 मार्च को वह हुआ। तो इसमें क्या शक है? पत्र जो लिखा था वह 8 मार्च को लिखा था। उन्होंने कहा मंगवाना चाहिए तो वह मैंने किया।

श्री मधु लिमये : आपको स्पैसिफिकली पूछा गया था फिर भी आपने हाउस को नहीं बताया ... (व्यवधान) ... अटल जी को जो प्राइवेटली कहा वह हाउस के सामने नहीं कहा ...

श्री भोरारजी देसाई : प्राइवेटली नहीं कहा है, यहीं कहा है।

श्री मधु लिमये : यहां नहीं कहा है, इसमें से निकाल कर दीजिए ... व्यवधान ... देखिए, इसमें कहाँ है? मैं यही कहता हूँ। इसमें से निकाल कर दीजिए, अगर निकल जायगा तो यह हिम्मत मेरे में है, मैं आपसे माफी मांग लूँगा। जो बातें हाउस में होनी चाहिए आप प्राइवेटली कहते हैं ... व्यवधान

MR. CHAIRMAN : Will you all please resume your seats? I am on my legs. I do not think there is any point of order involved in what the hon. Member has raised. The contention of Shri Madhu Limaye is that there is discrepancy in the answer given by the hon. Minister.

श्री मधु लिमये : सप्रेशियो वेरी सजेस्टिओ फाल्सी है।

श्री भोरारजी देसाई : उसकी तो आपको मोनोपली है।

श्री मधु लिमये : हाँ, यह तो मेरी मोनोपली है, अभी आपने कहा कि हाउस में कहा 'व्यवधान' ... प्राइवेट कन्वर्सेशन का क्या मतलब है?

MR. CHAIRMAN : I would request all of you to resume your seats.

Will you resume your seat? If Members want to say something. I will give them a chance. All Members need not get up at the same time and shout. Each Member can be given a chance if he wants to say something.

Now, if this matter has to be pursued further, there are other methods for it. The Rules of Procedure provide for that. I would request the hon. Members to resort to other methods that are provided in the Rules. I do not think any point of order is involved at this stage. It was appropriate for the hon. Member to raise it because the particular clause is being discussed. The explanation has been given by the hon. Minister. If the hon. Members are not satisfied with the explanation, there are other methods for them to pursue that. I request the hon. Members to drop the matter for the time being.

SHRI S. S. KOTHARI : On a point of order, Sir.

MR. CHAIRMAN : What is the Rule?

SHRI S. S. KOTHARI : This is about the constitutionality of the clause.

MR. CHAIRMAN : Why not discuss the clause? Why should we waste our time on points of order. I think it is better we discussed the clause. Shri Masani.

SHRI M. R. MASANI : We want to oppose the whole clause. This clause has three parts (a), (b) and (c). As regards (a) and (b), they deal with the application of wealth tax on agriculture and (c) deals with the increase in penalties concerning wealth-tax. Both these provisions are equally objectionable. Therefore, the whole clause is not acceptable to us.

So far as the first part is concerned, the wealth-tax on agriculture, some of us have

[Shri M. R. Masani]

already spoken on the occasion of the Budget and the Finance Bill and I do not wish to repeat what has already been said. Several of my colleagues feel that this attempt is an unconstitutional one and that validity will be challenged. As you are aware, Sir, it is not for Parliament to go into the intricacies of validity. This House has to discuss the matter on merits and it is for the Supreme Court to decide the validity. That is why you, Sir, did not entertain an argument, a point of order, on this issue.

I would like to take the stand that this clause deserves to be rejected on broad economic and political grounds irrespective of whether or not it is valid. If it is passed, it is for the Supreme Court to strike it down. The broad grounds are that agriculture needs incentives. It has been a depressed industry which has been very harshly treated and shabbily neglected. In the last twenty years, since our Independence, in the Second and Third plans, this vital basic industry of ours was treated in scurvy fashion. Capital inputs have been denied to it. In spite of that there are citizens of the country who strive hard and produce a good crop and make a profit, it is premature at this stage to try to mulct them. But that stage will come later if agriculture ever becomes a prosperous, thriving industry with a stable base which can stand one or two bad monsoons and not be prostrate.

Again, at the end of social injustice to our peasants by the urban interests, riding on their backs, as Mahatma Gandhi said, now comes an attempt to tax the rural people. Until this past injustice is undone, those who cultivate land, whether big or small, deserve well of the country. Let us leave them alone for a few years more. A few years later, if agriculture does extremely well, this proposition might be considered. Till that happens, we oppose the wealth tax on any agriculturist whatsoever.

So far as (c) is concerned, the penalties for non-filing of returns of wealth-tax are severe enough. It will be surprise to the House to know that the existing penalties are already too severe, that is, 2 per cent of the tax assessed for every month of default, but not exceeding 50 per cent of the tax assessed. Surely, a penalty as high as this does

not need to be further aggravated. Now, the hon. Minister comes forward and tries to double the penalty. It is vindictive. It will defeat the very ends of justice. It will lead to more concealment and more evasion of tax. Any *bona fide* assessee will be have like a criminal because he is sought to be treated like a criminal. I suggest that the *status quo* is adequate and that increased penalties should not be accepted by the House.

We shall, therefore, oppose the whole clause and divide the House and not allow it to be passed without a division.

श्री कंबर लाल गुप्त : सभापति जी, मैं भी मसानी साहब का समर्थन करना चाहता हूँ और जो यह क्लॉज है, मैं सारे के सारे क्लॉज का विरोध करता हूँ। मेरे अपने विचार से सभापति जी, यह भारत के इतिहास में पहला मौका है जब वेल्थ टैक्स और उसके अधिकारियों का प्रवेश गांवों में भी इस फाइनेंस बिल के जरिए से कर दिया गया है। एक तरह से यह फाइनेंस बिल पहला फाइनेंस बिल होगा, जिसको लोग काले-विधेयक की तरह से जानेंगे। जब मैं यह बात कहता हूँ तो यह केवल मेरी या मेरी पार्टी की ही राय नहीं है, बल्कि सामने बैठे हुए अधिकांश लोगों का भी यही विचार है।

सभापति जी, मोरारजी भाई ने पहले एक गोल्ड कंट्रोल एक्ट बनाया था, उसका लाखों लोगों पर असर हुआ, लाखों लोग बेकार हो गये थे, लेकिन इसका असर करोड़ों लोगों पर होने वाला है, न केवल यह एक जबरदस्त चोट होगी, बल्कि गांव के लोग इसको बरदाश्त नहीं कर सकेंगे। यह ठीक है कि एटोर्नी जनरल ने यह कह दिया है कि यह कांस्टीचूशनल है, लेकिन मैं उनसे सहमत नहीं हूँ। मेरे ह्वाल से शेड्यूल 7 की जो एंट्री 86 है, उसमें जो यह लिखा हुआ है कि :

"Taxes on the capital value of the assets, exclusive of agricultural land, of individuals and companies..."

इसमें जो एक्सक्लूजन का प्रोवीजन है—अगर एटार्नी जनरल की ओपीनियन को मान भी लिया जाय तो इसके अन्दर आर्टिकल 248 में जो कहा गया है—

“Parliament has exclusive power to make any law with respect to any matter not enumerated in the Concurrent List or State List.”

यही बात एटार्नी जनरल ने कही है, अगर हम इसको मान लें तो एक्सक्लूजन का क्या मतलब है ? इसमें जो ये शब्द लिखे हैं—

“...exclusive of agricultural land, of individuals and companies...”

ये बिलकुल बेकार हो जाते हैं, रिडन्डेंट हो जाते हैं, इन-एफक्टिव हो जाते हैं, मीनिंगलेस हो जाते हैं। इसलिये मैं आपसे मांग करने वाला हूँ—चूँकि यह टैक्स अगले साल लगने वाला है, सरकार को चाहिये कि इसके बारे में सुप्रीमकोर्ट से राय ले। इससे देश की 80 प्रतिशत जनता प्रभावित होने वाली है—इसलिये सरकार को सुप्रीम कोर्ट की राय लेनी चाहिये कि यह जो चीज इस विधेयक में है—यह ठीक है या नहीं है।

इस बिल से लोगों को काफ़ी हैरेसमेन्ट होगा। आपने जो संशोधन किये हैं, उससे थोड़े से लोगों को राहत मिली है, लेकिन वह बीमारी नहीं हटी है। यह बीमारी तब ही हट सकती है, जब कि आप इस क्लॉज को इस बिल से हटा दें। वैल्यू टैक्स आफिसरज़ क्या करेंगे, उनके स्टाफ़ के लोग जायेंगे और गरीब लोगों को तंग करेंगे। अगर किसी की 5 एकड़ ज़मीन है तो उसको भी नोटिस जायगा और इस तरह से गरीब लोगों को भी तंग किया जायगा।

14-43 hrs.

[उपाध्यक्ष महोदय पीठासीन हुए]

इसकी आय के लिये आपने कहा है कि स्टेट गवर्नमेन्ट को दी जायगी, जब कि स्टेट गवर्नमेन्ट्स इसको अपोज़ कर रही है, अधिकांश

राज्य सरकारें इस क्लॉज के हक़ में नहीं है। जब जनता इसके हक़ में नहीं है, विरोधी पक्ष इसके हक़ में नहीं है, कांग्रेस पार्टी के अधिकांश लोग इसके पक्ष में नहीं हैं, राज्य सरकारें इसके हक़ में नहीं है, यह वैधानिक है या नहीं इसके बारे में भी संशय है—ऐसी हालत में मैं माननीय मंत्री महोदय से कहूंगा कि वे इस पाप को अपने सिर क्यों ले रहे हैं, किस लिये यह गलत काम कर रहे हैं ? मेरी आपसे प्रार्थना है कि अच्छा तो यही होगा कि आप इसको वापस ले लीजिये... (व्यवधान)... मेरी एक बहन कह रही हैं कि गांव के लोगों को इससे तकलीफ़ नहीं होगी। आप कृपा कर उन लोगों की भावनाओं को जाकर देखें तब आपको सही स्थिति की जानकारी होगी। आपको मालूम है कि गोल्ड कन्ट्रोल एक्ट ने आपको एक करारी चोट दी थी, वह इस सरकार की सबसे बड़ी भूल थी और अब जो कुछ होने जा रहा है वह एक तरह से कांग्रेस के कफ़न में एक कील के मार्निन्द होगा। अगर सरकार नहीं जागी तो इसके खिलाफ़ एक जबरदस्त एजीटेशन होगा, गांव-गांव में एजीटेशन चलाया जायगा, सारे देश में हम लोग इसके खिलाफ़ एजीटेशन चलायेंगे और इस सरकार को मजबूर करेंगे कि वह इसके अन्दर संशोधन करे और इस क्लॉज को वापस ले।

पैनल्टी के बारे में मसानी साहब ने जो कुछ कहा है मैं उसका समर्थन करता हूँ। पैनल्टी का मतलब कन्फिस्केशन नहीं होता लेकिन जिस तरह से आपने इस क्लॉज को रखा है उसका अर्थ कन्फिस्केशन ही है। मैं एक उदाहरण देता हूँ—मान लीजिये किसी आदमी की वैल्यू मार्जिनली 1 लाख 5 हजार है और उसके पास एक मकान है। उस छोटे से मकान की कीमत मान लीजिये वह 50 हजार रुपये लगता है, लेकिन इन्कम टैक्स या वैल्यू टैक्स आफिसर उसकी कीमत 55 हजार लगाते हैं—ऐसा होना कठिन नहीं है, यदि आप चार वैल्यू टैक्स आफिसरों को एक ही चीज अलग-अलग बैठाकर वैल्यूएशन के

[श्री कंवर लाल गुप्त]

लिये दें तो उनका एसेसमेन्ट अलग-अलग होगा—तो अगर उसकी वैल्यू वैल्यू-आफिसर के एसेसमेन्ट के अनुसार 1 लाख 5 हजार है और उसके खुद के अनुसार 1 लाख है और ऐसी स्थिति में वह पांच साल तक रिटर्न फाइल नहीं करता तो 5 साल और चार महीने में मैंने कैंकुलेट किया है—यह पैनल्टी 1 लाख 5 हजार हो जायगी, जितनी उसकी वैल्यू है सब की सब पैनल्टी में चली जायगी, सारी की सारी वैल्यू मंत्री महोदय को अर्पण हो जायगी। अगर साल के हिसाब से पैनल्टी लगाई जाय तो एक साल में 5 हजार रुपये पर 125 रु० पैनल्टी होती है—कहाँ 125 रु० और कहां 1 लाख 5 हजार रुपये। इस तरह से मार्जिनल केसेज में एसेसमेन्ट होगा और लोगों को तंग किया जायगा। गांवों में तो एसेसमेन्ट की हालत और भी ज्यादा खराब होगी—कोई कहेगा कि इरिगेटेड लैंड है, कोई कहेगा कि कैनल-इरिगेटेड लैंड है, कोई कहेगा—बारिश वाली ज़मीन है, कोई कहेगा कि 15 हजार रुपये फी एकड़ वाली ज़मीन है, कोई कहेगा 20 हजार रुपये फी एकड़ वाली ज़मीन है—जो हालत आज शहरों में हम देखते हैं, वही हालत गांवों में भी पैदा हो जायगी और जब किसानों पर पैनल्टी लगाई जायगी—आप जानते हैं कि हमारे यहां पढ़े-लिखे लोग बहुत थोड़े हैं, बहुत कम लोग हैं जो इस कानून को समझ सकेंगे, दूसरी तरफ आप यह भी कहते हैं—इग्नोरेंस आफ़ ला इज नो एक्सक्यूज़—नतीजा यह होगा कि अगर उनको पांच साल भी देर हो गई तो उनकी सारी की सारी ज़ायदाद पैनल्टी के रूप में चली जायगी।

एक माननीय सदस्य : एक लाख की सम्पत्ति किसी गरीब किसान के पास नहीं है।

श्री कंवर लाल गुप्त : अगर किसी के पास 5 एकड़ ज़मीन है तो उसको वे लोग एक लाख की सम्पत्ति बना देंगे। अब दिल्ली में इस वक्त

20 हजार रु० फी एकड़ का इरिगेटेड ज़मीन का भाव है। इसलिये मैं चाहता हूँ कि मंत्री महोदय इस पर फिर से विचार करें और पैनल्टी का मतलब कन्फिस्केशन न बना दें। अगर कन्फिस्केट ही करना है तो कन्फिस्केट कीजिये, पैनल्टी न लिखिये, तब मुझे कोई एतराज नहीं होगा, लेकिन कन्फिस्केशन को पैनल्टी लिखना गलत होगा। अगर कोई टैक्स डेब्ट करता है तो उस पर आप 100 फीसदी पैनल्टी लगाइये, 50 फीसदी लगाइये, लेकिन इस तरह के मार्जिनल केसेज के लिये कुछ रियायत दीजिये। मंत्री महोदय कहते हैं कि छोटे लोगों पर पैनल्टी क्यों न लगाई जाय ? छोटे लोग पढ़े-लिखे नहीं होते हैं, उनके पास इतने साधन नहीं होते हैं कि वे लायर्स की सर्विसिज़ को ले सकें, इसलिये आपको दोनों में डिस्क्रिमिनेशन करना होगा।

इसलिये मार्जिनल केसेज में अवश्य कुछ सहायता करनी चाहिये। वैसे मेरे ख्याल से सिद्धान्त रूप में यह पैनल्टी की क्लाज़ ही गलत है, इसलिये मैं तो इस सारी क्लाज़ की ही मुखालफ़त करना चाहता हूँ। मैं मंत्री महोदय से कहूंगा कि अच्छा हो वे इसको वापिस ले लें वरना इसके खिलाफ़ जोरदार एजिटेशन को इन्वाइट करना होगा। अगर मन्त्री महोदय मेरी भावनाओं को गलत समझते हों तो वे कांग्रेस पार्टी के सदस्यों पर से व्हिप हटा दें और फ्री वोटिंग होने दें—मैं दावे के साथ कह सकता हूँ कि मोरारजी भाई को 50 से भी ज्यादा वोट इस पर नहीं मिलेंगे। आप व्हिप हटा दें और फिर देखें कि क्या नतीजा होता है। इसका मतलब यह है कि हवा का रुख किस तरफ़ है, देश क्या चाहता है, लोग क्या चाहते हैं। अगर यह सरकार अपने को डिमोक्रेटिक सरकार कहती है तो इसको लोगों की भावनाओं की कद्र करनी चाहिए।

श्री स० मो० बनर्जी (कानपुर) : उपाध्यक्ष महोदय, मैं अपने दल की ओर से इस क्लाज़ 24 का विरोध करना चाहता हूँ लेकिन दूसरे

तरीके से विरोध करना चाहता हूँ। यह जो टैक्स लगाया गया है रूरल पापुलेशन पर, आखिर वह पापुलेशन कौन है जोकि इस टैक्स को देगी, इस चीज को हमें देखना है। एक बात हमें यह भी समझ लेनी है कि अगर हम चाहते हैं कि कन्सेन्ट्रेशन आफ वेल्थ न हो चाहे वह अर्वन सेक्टर हो या रूरल सेक्टर हो तब जो लाखों की जायदाद का मालिक है उसके ऊपर सिर्फ इसलिए टैक्स न लगाया जाये क्योंकि वह रूरल एरिया में है, इस प्रकार से जो आज इम्बैलेसेज हैं वे दूर नहीं हो सकेंगे। इसलिए सिद्धांततः यह बात सही है कि उन लोगों पर भी टैक्स लगना चाहिए जो कंसेशंस फाइनेन्स मिनिस्टर की तरफ से आये हैं उसके बाद अगर यह सोचा जाये कि एक लाख, दो लाख या तीन लाख कमाने वाले जो किसान हैं वे चौपालों में बैठकर मुश्किल से दो रोटियाँ खाते हैं, उनकी हिमायत जनसंघ और स्वतंत्र पार्टी करेगी तो फिर मैं समझता हूँ 75 फीसदी किसानों में मुश्किल से एक फीसदी लोग ही निकल सकें जिन पर कि इस टैक्सेशन के माध्यम से टैक्स लगाया जा सके। किसानों की जहाँ तक बात है, मैं समझता हूँ जितना मसानी जी घूमते हैं, उतना हम भी घूमते हैं। मेरे क्षेत्र में जहाँ तीन सिनेमा हाउसेज हैं वह तो रूरल एरिया है और 75 गांवों को अर्वन एरिया में मिला दिया गया है। मैं भी किसानों से गांव सभाओं के माध्यम से मिलता रहता हूँ। आप इधर गुड़गांव की तरफ चलें तो देखेंगे कि देहातों में एयर-कंडीशंड हाउसेज बने हुए हैं। पहले के जो जमींदार थे, उनके पास अब लैंड तो रही नहीं पहले वे लैंडलार्ड थे और अब लार्ड हैं। उनकी एयर-कंडीशंड इमारतें हैं एलेक्ट्रिफाइड, उनके अपने जेनरेटर्स हैं। अगर इसके बाद भी कहा जाये कि वे किसान मर जायेंगे तो वह कहां तक उचित होगा? उनकी इमारतें लाखों किसानों की लाशों पर बनी हुई हैं। अगर वे भी टैक्स नहीं देंगे तो फिर कौन देगा? सिद्धांत रूप में हम इसका विरोध नहीं करते लेकिन हमारा कहना यह है कि इस टैक्स को लगाने का अधिकार

राज्य सरकारों के हाथ में छोड़ा जाये। आज सूबों में मुस्तलिफ सरकारें बनी हुई हैं। चाहे वह बंगाल की सरकार हो या केरल की सरकार हो और दूसरी सरकारें हों, वहां पर चाहे कांग्रेस की हुकूमत हो या नान-कांग्रेस हुकूमत हो, उनके ऊपर इस बात को छोड़ना चाहिए कि वे लैंड सीलिंग के बारे में तय करें। मैं मसानी साहब और कंवरलाल गुप्त जी से कहना चाहता हूँ कि लैंड सीलिंग का जहां तक सवाल है, हमारी राय में 25 एकड़ से ज्यादा किसी के पास भी जमीन नहीं होनी चाहिए। और एक और दस के अनुपात से ज्यादा लोगों की आमदनी में फर्क नहीं होना चाहिए। लेकिन सवाल यह है कि सीलिंग कौन लगाये, यहां तो 31 से 51 ६० करने की बात हो रही है।... (व्यवधान)... अगर रूस के बारे में कुछ पूछना हो तो कोसिगिन साहब यहीं पर हैं, उनसे पूछ सकते हैं।... (व्यवधान)... मैंने किसी चीज की एजेन्सी नहीं ले रखी है। न किसानों की और न मजदूरों की—उनकी नुमाइन्दगी जरूर करता हूँ। अगर अमरीका की एजेन्सी मिले तो उसको इनकार करने की हिम्मत जरूर रखता हूँ। रूस में या दूसरी जगहों पर क्या हो रहा है उसको छोड़कर अगर हमें अपने हिन्दुस्तान को बनाना है तो यहां की एकोनामी को स्ट्रेंथेन करना चाहिए। जब हम वेगिंग वाउल लेकर अमरीका या रूस नहीं जायेंगे तभी हमारा हिन्दुस्तान बनेगा। इस देश के समर्थ और मेहनत से ही इस देश की एकोनामी को स्ट्रेंथेन किया जा सकता है। इसलिए मैं इसका विरोध केवल इसी आधार पर कर रहा हूँ कि इसको सुवे की सरकारों के हाथ में छोड़ा जाये। सिद्धांततः यह बात सही है।

अन्त में एक बात कहकर समाप्त करूंगा। मैं स्वतंत्र पार्टी के लोगों से कहना चाहता हूँ जहां तक सीलिंग की बात है—उड़ीसा की सरकार को हमने बधाई दी थी जबकि लैंड रेवेन्यू माफ किया गया था—हजारों बीघे जमीन लोगों के पास है, कलेक्टिव फार्मिंग के नाम पर लोगों ने मिलकर फार्म बना लिए हैं, उस जमीन

[श्री स० मो० बनर्जी]

को खेतिहर मजदूरों को दिया जाये जोकि आज बेकार घूम रहे हैं, जिनकी आमदनी दो आना रोज भी नहीं है। हमारे मित्र सरजू पांडे जी यहां पर बता चुके हैं कि गाजीपुर में किस तरह से लोग आम की गुठलियां खाकर रहते हैं। दूसरी तरफ जो इंडस्ट्रियलिस्ट्स हैं वे क्या करते हैं कि शहरों में तो अपने कारखाने लगाते हैं लेकिन अइयाशी करने के लिए देहातों में उनके बगीचे लगे हुए हैं। ब्लैक मनी को व्हाइट करने का उनके पास एक ही तरीका है। मैं समझता हूँ इसके जरिए से उस ब्लैकमनी को बाहर निकालने में कुछ आसानी पैदा होगी लेकिन मेरा विरोध केवल इस बात के लिए ही है कि इसको सूबे की सरकारों के ऊपर ही छोड़ा जाये। वरना सिद्धांत रूप में मैं और हमारा दल इस चीज को सही समझता है।

SHRI KRISHNA KUMAR CHATTERJI (Howrah) : It is purely a historical accident which has resulted in agricultural income being left out the Central Budget. When the income-tax was first levied in 1860, agricultural income tax was also imposed. Then, when tax on non-agricultural income was removed and licence tax was introduced, of course agricultural income was left out. But a corresponding cess was imposed on agricultural income. It continued for a long time and in 1866 when the income tax was reimposed, agricultural income was left out because the cess was continuing. Thereafter, this anomaly continued and it is only a happy sign that our Finance Minister has removed that anomaly. The big farmers of India are holding 65 per cent of our land. In between them they are having an annual income of Rs. 6,000 crores. Therefore, it is only natural that our Finance Minister is trying to levy some kind of wealth tax to get some money out of it. One thing has to be remembered that our Finance Minister has declared a tax holiday for new industrial enterprises. Naturally it was expected that agricultural sector also would get some benefit so that there will be a sufficient incentive for the agriculturists. I am prepared even to risk the monopolistic tendencies in big farmers; I am even prepared to risk concentration of wealth provided we can ensure that the food deficit is removed from

India. So that we may not go to foreign countries to get foodgrains. That is one reason why there may be some justification for asking that this tax be not imposed. But I am supporting this clause fully to see the result thereof. But I would appeal to the Finance Minister to see that if this proves to be a disincentive, he would rectify the position.

15 hrs.

SHRI D. N. PATODIA : I associate myself with the remarks made by Shri Masani and Shri K. L. Gupta in opposing this clause as a whole. Whether it is wealth tax on agriculture or it is a tax fertiliser, I think Government are unnecessarily complacent about the development of agriculture in the country. We have produced about 95 million tonnes of foodgrains and we appear to be swollen-headed. We seem to forget that at the rate at which our population is growing we shall very soon need nothing short of 125 million tonnes. This proves that a very much faster rate of growth in agricultural production will be needed. What we need is pumping more surplus into the rural and agricultural sector rather than squeezing the surplus out of it. What we need is more and more prosperity to be generated in the villages.

We have now come to the conclusion after experimenting for 20 years that the basic ailments of our country, whether in respect of unemployment, housing or inadequacy of the basic necessities of life, can ultimately be solved only by the development of the rural section and not so much by industrialisation. Are we by imposing this tax on agricultural land or on fertilisers helping this process or are we inhibiting the development of this process? I am of the opinion by doing this, we are creating conditions by which agricultural growth is bound to be curbed and retarded. Therefore, this particular provision is ill-conceived and must not be pressed. There is no prestige involved in it and Government should be wise enough to heed the countrywide protest.

The other matter is in regard to the penalty on wealth tax. Shri K. L. Gupta narrated one example. But I find he made some small mistake in the narration. Compared to the previous provision applicable today, the provision in the Bill differs in the

basic concept of it. Previously the penalty was applicable in relation to the amount of tax involved. Now it has been made applicable in relation to the total amount of wealth involved. This basic departure makes a very big change in the very concept of penalty or of taxation as such.

Shri Gupta gave one example where he said that a situation may arise when in good faith a man having a property of Rs. 1 lakh considers that his property is not beyond Rs. 1 lakh, and similarly in good faith after waiting for five years for assessment to be finalised, the ITO comes out with an assessment saying that the property was worth Rs. 1,05,000. It is true under these circumstances if the provision now proposed is applied in full, the amount of penalty will be around Rs. 1,05,000. Against what? The amount of wealth tax payable on the total wealth of Rs. 1,05,000 in the course of five years will be only Rs. 125, not penalty but the tax amount. A tax which is capable of getting a revenue of Rs. 125 is now made capable of drawing a penalty to the extent of Rs. 1,05,000. Where is the sense? Where is the proportion?, Where is the logic in it? This is confiscatory, unjust and absolutely irrelevant. Whatever be the penalty, it may be any amount—it has got to be related to the amount of tax involved, not to the amount of total wealth.

My amendment says that the existing penalty may be raised by 5 times. We do not mind. But the penalty has got to be related to the tax and never to the amount of total wealth.

SHRI K. NARAYANA RAO (Bobbili) : This is an innovation deliberately brought in to the fiscal structure of the Union. Legislation taxing wealth was brought here before and I am sure that at that time the Law Ministry and the Government were quite aware of the constitutional position. That was why the Wealth Tax Act originally passed in 1957 does not include in its definition of wealth agricultural land, standing crops, etc. This is not an oversight; it was done in accordance with entry 86 of the Constitution. Now, the Government seems to be having second thoughts for the simple reason that the corresponding entry in the State List, No.

49, speaks only of land tax. What is the precise connotation of that entry is not the concern of the Union Government; the Union Government's concern is about entry 86. There are two relevant entries and some case law had been cited. In spite of the able manner in which our learned Attorney General explained this matter I am not at all convinced and I hope most of the Members are not convinced. The Gobardhan Das case primarily related to provincial autonomy..... (*Interruptions*). The issue concerned the municipality. I come to the Supreme Court case which disposed of the entire issue on the simple ground that the rules were beyond the scope of the particular Act. The latest case which the Attorney General cited has no relevancy with respect to the meaning of entry 86.

MR. DEPUTY-SPEAKER: At this stage this point is not quite relevant. It is the substance of clauses that should be discussed.

There are some cases, I know and even the Attorney General had some doubts—I was not here but I read his opinion; he himself has some doubts and reservations.

SHRI MORARJI DESAI: No doubts. He said that it might be argued; but he had no doubts; that is what he said (*Interruptions*.)

SHRI K. NARAYANA RAO : The clause may ultimately be withdrawn; that is our hope. Therefore, I want to say what Mr. Justice Wanchoo said.

SHRI R. D. BHADDARE (Bombay-Central): On a point of order. It was in pursuance of the wishes expressed by the House that the Attorney General was heard. He has given his opinion. His last sentence was that he was not in doubt at all that this could be levied. In view of all this, could we discuss or agitate the same point?

My Hon. friend should be asked to confine his remarks to the clause as such. (*Interruption*)

MR. DEPUTY-SPEAKER : Mr. Bhaddare is right.

SHRI S. KANDAPPAN : The Attorney-General is not the final authority.

MR DEPUTY-SPEAKER : Even assuming that some hon. Members may not agree with the view-point or the interpretation placed on a particular clause by the Attorney-General, at this stage, a discussion is not proper, because, ultimately, the matter may be taken to the Supreme Court. So, those points should not be argued at this stage here.

SHRI SEZHIYAN (Kumbakonam) : This is the stage at which we can discuss certain points arising from this clause; unless the House is fully aware of the implications of this clause, there is no point in simply proceeding with it. Whether one agrees with Mr. Narayana Rao or not, he, being a legal luminary, may be permitted to place all aspects of the clause, before the House.

MR. DEPUTY-SPEAKER : Well that is for argument's sake, but while the Minister has agreed with the suggestion of the highest law officer of the Government, the Attorney-General, who had placed all the facts before the House, and given his opinion, I think there should be no more reference to it. In case there is a doubt,—even I may entertain a doubt about the interpretation given by him—that is a matter for the Supreme Court. Not here. So, I request Mr. Narayana Rao to confine his remarks to the clause as such.

SHRI K. NARAYANA RAO : Yes, Sir, I only wanted to place all the implications of this clause before the House. As you know the opinion of the Attorney-General is only for our enlightenment. It is not going to set a fixed course, and perhaps I am seeking to establish a contrary course. Those are matters for the court of law, but so far as this clause is concerned, let us have the problem put in its correct perspective. In that process, it is very necessary to refer to certain aspects of the problem.

My first point, to begin with, so far as the constitutional aspect is concerned, is this. Actually, in the Bombay case, Justice Sarkar, though it is not his opinion in that case, made it very clear in his observations that

what he was holding in the context of the 1935 Act was not going to be relevant for the present case. So, whatever has been stated in the Bombay case is not relevant, but so far as the latest, present case is concerned, the judgement of the court in relation to entry 86 of the Union List is there, but no court has given anything about the scope and ambit of entry 49 of the State List. The State Government is the concerned party there. Let us find out what exactly is meant by entry 49. So far as the entry in the Union List is concerned, it is very clear, and there is nothing for the Central Government to agitate upon. It looks as though the Centre has taken up championing the cause of the States in this matter. But my point is, I am prepared to agree that some State Governments may pass a law—

MR. DEPUTY-SPEAKER : If we now open the question of interpretation of the Constitution which was referred to here, then, I cannot debar the other Members also from opening the issue. As I have said, so far as clause 24 is concerned, whether the interpretation is correct or not, once the opinion has been expressed in this House, we should no longer deal with that opinion here, at the present stage. Not that that opinion is final. The Supreme Court is the final authority. But let us confine ourselves to the clause at issue. Many other Members also want to open that issue, but I am not permitting them. Mr. Narayana Rao should now come to the substance of the clause itself.

SHRI BENI SHANKER SHARMA : Sir, before you occupied the Chair, we were discussing the Bill clause by clause. Are we now having a general debate on the Bill again?

MR. DEPUTY-SPEAKER : No, no. We were only debating whether the penalty is justified or not. That was argued. Now, we are discussing clause 24 as such. No case law need be referred to now, Mr. Rao. The substance of the clause may now be dealt with. You can mention the other things outside.

SHRI K. NARAYANA RAO : Yes, Sir. We will fight it out later on. I do not bother

about it here. That can be done outside. But then, what did we do last time about gold control? Our mouths were kept shut here. What happened? The decision of the Supreme Court has come in now. But let me not refer to it here. Outside, I can do so. On the ground of avoiding administrative inconvenience, the hazards which the population is going to be put through cannot be ignored.

But now, coming to the clause in question, the assesses all over India, to a very large extent, are illiterates, and you are now bringing them into a very sophisticated machinery of the tax structure. Hitherto, the villager or the agriculturist used to have the land receipts. Now many people do not take care to keep even the land receipts, nor do they ask them from the authorities. Now, you are bringing them into the bigger machinery. Who are the people that are brought in here, and we are not sure of the machinery yet; it is not specified yet. It is not possible for the Central Government to operate this without the cooperation of the States. You have to bring in the village *Karnam*, the Revenue Officer, the tehsildar, etc. Neither the farmer nor the Government will be benefited by this. You would be just adding one more avenue for corruption. Before plunging into this, one must have the foresight to consider the ramifications. This is a matter over which many people are deeply concerned. I hope and trust we can succeed in persuading the Finance Minister to withdraw this.

SHRI S. S. KOTHARI : Sir, keeping in view the entire pattern of division of taxes between the Centre and States, I feel the Union Government, as the big brother or stronger partner, should have left this taxing power to the States. Entry 46 of the State list relates to taxes on agricultural income. Entry 48 covers "Estate duty in respect of agricultural land." Entry 47 deals with Duties in respect of succession to agricultural land." The taxation on agricultural income and agricultural wealth was intended by the Constitution-makers to be left to the States. Therefore, keeping in view the entire pattern and the intention of the Constitution-makers, this should have been left to the States.

Secondly, agriculture has not yet reached

the stage where we can be complacent that we have gone out of the woods and food production will be sustained whatever taxes we may impose on agriculture. The taxes on fertiliser and agricultural wealth tax would have an adverse effect on agricultural production. The Indian monsoon is so fickle that we have to provide against contingencies. I should have thought that the Finance Minister would give encouragement to agriculture instead of taxing it.

Penalties should be proportionate to the extent of the offence. You can punish tax-evaders as hard you like, but for delay in filing returns due to certain reasons or for some mistake in filing returns, the penalty should not amount to confiscation. We are in a democracy. Penalty should be reasonable and bear some relation to the offence.

श्री मु० अ० खां (कासगंज) : उपाध्यक्ष महोदय, जहाँ तक वैल्यू टैक्स एग्रीकल्चर पर होने का सवाल है या फर्टीलाइजर्स टैक्स हो, समर्थन तो करना पड़ेगा क्योंकि डिस्मिपलिन में है, मगर दिलो दिमाग कबूल करने को तैयार नहीं है।

उपाध्यक्ष महोदय, मैं ऐसे इलाके से आता हूँ जहाँ पर 90 फीसदी के ऊपर लोग काश्तकारी के पेशे में लगे रहते हैं। मैं खुद भी काश्तकार हूँ मगर वैसे नहीं जिसकी मेरे साथी श्री एस० एम० बनर्जी ने मिसाल दी है। उन जैसा काश्तकार मैं नहीं हूँ जो कि एयर कन्डीशन के कमरों में रहते हैं। मैं तो गांव में रहता हूँ और जब यह चर्चा हुई कि यह टैक्स लग रहा है तो मैंने गांव के लोगों को कहते सुना कि ऐसा मालूम होता है कि 20 सालों में जो एक साल पहले हमें कुछ रोटी चैन से खाने को मिली थी वह इस सरकार को देखना बर्दाश्त नहीं हो सका। एक साल पहले तो गल्ले के भाव महंगे बेइन्ताह थे पर इस वक्त तो काश्तकारों को कुछ रियायत देनी चाहिए थी क्योंकि गल्ले के भाव सस्ते हो गये हैं और काश्तकारों की हालत गिरती जा रही है और काश्तकारों की जरूरयात की सारी चीजें इन्ताह महंगी हैं और महंगी

[श्री म०अ० खां]

होती जा रही हैं। उस तरफ सरकार का ध्यान कतई नहीं गया है।

उपाध्यक्ष महोदय, जैसा बताया गया मैं उस बात से तो सहमत हूँ कि वैल्यू टैक्स उन लोगों पर लगाया जाए जो किसान एयर-कंडीशंड कमरों में रहते हैं, जैसा अभी मेरे साथी ने कहा। मगर अन्देश यह है कि जो एक लाख 5 हजार की लिमिट लगाई गई है, आज यह मानना पड़ेगा कि हममें करप्शन आ गया है। कोई भी महकमा हो, कोई भी विभाग हो, उसमें इम्तिहाई करप्शन है। आज उन्हीं लोगों में से टैक्स असैस करने के लिए जायेंगे। जहाँ पर जिसकी 80 हजार की प्रापर्टी होती है अगर उसने पैसा न दिया तो एक लाख 5 हजार हो जाएगी और जिसकी एक लाख की होती है उसकी तो हो ही जाएगी। इसमें शक नहीं है कि इससे करप्शन बढ़ेगा। अगर 2 लाख की भी किसी की आमदनी है और वह अगर पैसा दे देगा तो उसकी 80 हजार की हो जाएगी। अगर मैंने पैसा नहीं दिया तो मेरी 1 लाख पांच हजार की हो जाएगी। मेरी दरखास्त यह है—मुझे क्षमा करें इस बात के लिए कि डिप्टी प्राइम मिनिस्टर मानने के आदी तो हैं नहीं, मगर मैं यह दरखास्त जरूर करूँगा काश्तकारों के नुमा-इन्दे की हैसियत से, कि यह सीलिंग 1 लाख 5 हजार की लगाने के बजाय प्रापर्टी की लिमिट कायम कर दी जाए। मिसाल के तौर पर 25 एकड़ जमीन एक घर और दो दुकानें रखने वाले पर टैक्स नहीं लगेगा तो मैं समझूँगा कि यह सरकार ईमानदारी से यह चाहती है कि गरीब किसान पर टैक्स न लगे और बड़े आदमी पर लगे। अगर यह नहीं होता, उपाध्यक्ष महोदय, तो मैं समझूँगा कि करप्शन को बढ़ावा देने के लिए यह किया जा रहा है।

• उपाध्यक्ष महोदय, जहाँ तक फटिलाइजर्स पर टैक्स लगाने का सवाल है, यह कहा गया कि किसानों पर टैक्स नहीं लगेगा उस बलाज के मुताबिक जो इस बिल में है। रोज हम वादा

करते हैं कि सैल्फसफिशियंट गल्ले में होंगे, फिर आप टैक्स फटिलाइजर्स पर लगाते हैं। परन्तु बड़ी पूंजी के लिए लिमिट कायम नहीं करते। फटिलाइजर्स जो भी खर्च करेगा, उस पर टैक्स लगेगा।

उपाध्यक्ष महोदय, मैं दरखास्त करूँगा डिप्टी प्राइम मिनिस्टर से कि जरा सोचें और ऐसी कोई लिमिट कायम करें कि किसी भी तरीके से गरीब किसान पर, 25 एकड़ से कम के किसान पर यह टैक्स न लगाना पड़े।

SHRI S. KANDAPPAN : Mr. Deputy-Speaker, Sir, I would like to be very brief but I would like to have the attention of the Finance Minister because he seems to be very impatient when hon. Members are advancing their arguments. I think probably he has already made up his mind and therefore he does not like to hear any more arguments for or against the clause. I would like to appeal to him to keep an open mind and try to take into account the feelings expressed by various sections of the House. I have got very revealing figures here collected from *Yojana* dated 19th March, 1969. There a tabulation has been given showing how much money has been spent or advanced to rural sector as against various other sectors. The actual production value in regard to commerce is Rs. 1800 crores for which loans available from various sources is Rs. 446 crores. With regard to industries the actual production value is Rs. 2800 crores and loans available from various sources is Rs. 753 crores. In the agricultural sector the actual production value is Rs. 6800 crores and as against that the loan made available from various sources is only Rs. 380 crores. This is the money that has been sunk into the rural sector for which Government is making a tall claim as if they have done wonderful things for the agricultural sector and it is time that they should be taxed. This is very unfair.

Sir, I do not want to repeat the arguments that have been advanced here, but one thing I am not very clear in my mind and I would request the Finance Minister to give a convincing reply. The return that will accrue out of this levy is of the order of Rs. 5. crores.

That is a very meagre amount and even that Rs. 5 crores he is going to give back to the States. Now my argument is this. If the Government are not very keen to have this amount and if they are not going to utilize this Rs. 5 crores for meeting the expenses of the Central Government, then what is the difficulty for the Centre agreeing to this suggestion that if at all the States feel very keen to go ahead with this levy, let them do so after considering the situation prevailing in the various States. Why should the Centre take upon itself the responsibility of collecting this tax when it is entirely within the jurisdiction of the State Governments ?

Though I agree with the theory that Shri S.M. Banerjee has expounded, I was not at all able to agree with his arguments or the factual position which he has described. I belong to a rural area where we do not have even a *pucca* road. Even today I have to walk half a mile from the road to reach my village because I live in an interior area. When I look around in that area I do not find even a single house which has got air-conditioning facilities. In fact, there are people in that area who do not know about electricity. There are many people who have not even seen a motion picture. That is the standard of living of the people in the rural sector. So, if at all the State Governments genuinely feel that there is some money to be tapped from the rural sector and if there are people in the rural areas who come in the bracket of more than Rs. 3½ lakhs, I think it would be better to leave it to the States.

Secondly, we have been hearing so much about the opinion of the Attorney-General and so many hon. Members from the side of the Congress and opposition are arguing for and against it. But one thing is very clear. Suspicion and doubt are still lingering in the minds of even eminent lawyers both inside and outside the House whether the Centre has the power and competence to tax the rural sector. At the same time, I am sure the hon. Finance Minister will concede the position that if it is entirely left to the States, so far as the constitutionality of the taxation proposal is concerned, there will be absolutely no doubt whatsoever. When the Central Government are also very clear in

their mind that the income accruing from this tax will go entirely to the States, what is the difficulty in leaving the matter in the hands of the State Governments and not taking upon themselves the responsibility of levying this tax?

श्री अब्दुल गनी डार : डिप्टी स्पीकर साहब, मैं आपके जरिये आनरेबल फाइनेंस मिनिस्टर साहब से चार बातें कहना चाहूंगा। एक यह कि टैक्सों को चाहे जितना वह लगायें मैं तारीफ़ करूंगा, लेकिन उन्हें पता यह तो होना चाहिए कि किसानों की वैल्य और शहर की वैल्य मुस्तलिफ़ है। किसान के पास सैकड़ों एकड़ ज़मीन हो, अगर वारिश नहीं हुई तो उसमें कोई फसल नहीं होगी।

दूसरे, मैं अर्ज़ करना चाहूंगा कि बहुत सी ज़मीनें हैं जो सरकार के डिफेंस डिपार्टमेंट ने और दूसरे इदारों ने अपने कब्जे में कर रखी हैं और उनको एक पैसा बीधा के हिसाब से टैक्स देते हैं। मैं बनर्जी साहब को बताना चाहता हूँ, मैं गुड़गांव से आता हूँ जहाँ वह कहते हैं कि एयर कंडीशन है, कि वहाँ गरीबों की हज़ार हज़ार एकड़ ज़मीन तो सरकार के कब्जे में है, डिफेंस के कब्जे में है या डेवलपमेंट के कब्जे में है इंडस्ट्री के नाम पर और दूसरे नामों पर। अब उनकी ज़मीन तो सरकार के पास है, सरकार के कब्जे में है तो वह कहां से टैक्स देंगे, इतना मैं मोरारजी भाई की खिदमत में अर्ज़ करता हूँ।

तीसरी बात मैं यह कहना चाहता हूँ कि क्या यह सचाई नहीं है कि करीबन 12 साल से किसान पिसता चला आया है। अब अगर थोड़ा सीड अच्छा मिलने लगा और गंदम, मेज़, मूंग-फली, ग्राउंडनट कुछ पैदा होने लगा है मैं मानता हूँ, लेकिन वह किसान जैसा मैंने कहा वह था जो जो 1947 तक गांधी मार्का कांग्रेसी था। आज कोई 57 मार्का, कोई 58 मार्का, कोई 62, 64 और 69 मार्का कांग्रेसी यहां राज कर रहे हैं। कांग्रेस के नाम पर वह किसान जिन्होंने यहां पर

[Shri R. D. Bhandare]

hon. Finance Minister has explained that wealth tax will be collected only from such lands the value of which is Rs. 1,50,000.

SHRI MORARJI DESAI: Rs. 2,50,000. One lakh which is already the limit plus Rs. 1,50,000. (*Interruptions*) May I say that nobody whose valuation is less than Rs. 2,50,000—minus any urban residential house that he may claim—will be involved in this.

SHRI R. D. BHANDARE: That explanation is more than enough. I wanted to make one suggestion, which the hon. Minister for Finance may be kind enough to consider. The whole trouble is regarding the valuation of the land. Which is the machinery which can go and decide the value of the land? There is an apprehension in the minds of some hon. members that unless there is a machinery for deciding the value of the land, for the valuation of the land, the rigours of law will not be reduced. I, therefore, suggest that there ought to be a machinery and the structure of the machinery be incorporated in the Act itself so that the rigours of the valuation of the land will be reduced to that extent.

The second point which I wanted to suggest was this. The apprehension that may be there in the minds must be removed. Our country is the land of villages, a land of farmers. What is the structure, the agricultural structure, of those who are having land?

How much of land 85 per cent of farmers hold? Very small portion. They are excluded. (*Interruption*) The landless are excluded. The agricultural labourers are excluded. The majority of the small farmers are excluded. Why then should it get on our nerves to support a measure of this type? When the hon. Minister has gone out of his way and explained this matter, I think, that apprehension should be removed.

SHRI SRINIBAS MISRA: It was his duty to explain. (*Interruption*)

SHRI R. D. BHANDARE: Misunderstanding still persists.

Regarding penalty, I think, the penalty is excessive. It militates against the principles of legislation. I am talking of the penalty clause. It militates against the principles of legislation and it also militates against the principles of jurisprudence because as soon as there is an evasion of the tax the evader has been taxed to such an extent that the net value of the net assets have been taken into consideration. Therefore, the penalty is to excessive. It therefore militates against the principles of legislation and also against the principles of jurisprudence.

With these words — I do not know how many members have supported—I do support this Clause.

श्री शिव चन्द्र भा : मुझे नहीं मालूम कि आप यह चाहते हैं कि मैं अपने संशोधनों पर बोलूँ या जो वैल्यू टैक्स एग्रिकल्चर के क्षेत्र में लगाया जा रहा है उस पर बोलूँ...

MR. DEPUTY SPEAKER: Now this is debate on the clause itself and the penalty also. Because you have an amendment, I am giving you a couple of minutes. Otherwise I was going to put it to vote.

श्री शिव चन्द्र भा : एग्रिकल्चरल वैल्यू टैक्स बड़ा विवादास्पद बन गया है। इसी कारण से एटर्नी जनरल को यहाँ आना पड़ा और अपने विचार इस सदन के सामने रखने पड़े। लेकिन उनकी बात से सफाई नहीं हुई। मैंने सवाल किया था कि दफ्तरी साहब से वह सहमत हैं तो क्या दफ्तरी साहब का यह विचार नहीं था कि 86 नम्बर की जो एण्टी है उसमें सरकार को पहले संशोधन करना चाहिए और तब एग्रिकल्चरल वैल्यू टैक्स के बारे में कदम उठाने चाहियें ?

जहाँ तक एग्रिकल्चरल वैल्यू टैक्स का सम्बन्ध है हम लोगों का विश्वास है कि समाज

में जहाँ कहीं एक्युमुलेटिड वैल्य है उसका समाज के हित में उपयोग होना चाहिये। हमारे देश में गरीबी बहुत ज्यादा है। लोगों को रोजगार नहीं मिलता है। बंदुमत जनता का ऐसा है जो तीन आने रोज कमाता है और उसी में गुजारा करता है। जो धन कुछ लोगों के पास जमा हो गया है उसको समाज के हित में एप्रोप्रियेट किया जाना चाहिये फिर चाहे वह इंडस्ट्री के क्षेत्र में हो या एग्रीकल्चर के क्षेत्र में हो। ऐसा करना समाज का फर्ज है। समाज के हित के लिए उसका सहयोग होना चाहिये।

आजादी के बाद कृषि का जो कुछ भी विकास हुआ है उसमें पूंजीवाद बढ़ा है। रूरल एलाइट जिस को कहते हैं वे पैदा हो गए हैं। दूसरे शब्दों में उनको कुलाक्स कह सकते हैं। वे पैदा हो गए हैं। कुछ लोगों के पास धन जमा हो गया है कृषि के क्षेत्र में भी। अब सवाल पैदा होता है कि क्यों न उसको भी इकट्ठा किया जाए और उसका इस्तेमाल किया जाए। हमारा यह विश्वास है कि चाहे इण्डस्ट्री का क्षेत्र हो या कृषि का क्षेत्र हो, वैल्य टैक्स लगाना चाहिये। लेकिन अभी आप देखें कि सेंटर और स्टेट के जो रिलेशज हैं वे खराब हो रहे हैं। इस वास्ते मैं चाहता हूँ कि सरकार इस पर फिर से विचार करे। एक दो साल के बाद इसको आप लायें। लेकिन ऐसा मैं समझता हूँ कि आप इसको पास कराने जा रहे हैं। वैल्य टैक्स का जो विधेयक जिस रूप में हमारे सामने है उसमें आप कुछ छूटें दे रहे हैं। उन छूटों के बारे में मेरे दो संशोधन हैं, 173 और 174। आप एनिमल्ज में गाय, भैंस, बकरी, घोड़े आदि को छोड़ रहे हैं एसेट्स में से। उसी तरह से आप गार्डज को छोड़ रहे हैं। मैं चाहता हूँ कि जहाँ आप इन जानवरों को छोड़ें वहाँ एलीफेंट्स को न छोड़ें। ये पैरासिटिक सिम्बल है। वैल्य टैक्स में जिन एसेट्स की गिनती हो उनमें मेरा यह निश्चित विश्वास है कि हाथी की भी गिनती होनी चाहिये। इसी वास्ते मैंने कहा है कि प्रोवाइडिड दे आर नाट एलीफेंट्स।

तीसरा मेरा संशोधन पैनलटी को लेकर है, सजा देने की बात को लेकर है। आप ने यहाँ वन हाफ इसको रखा है। जो टैक्स नहीं देते हैं, जो डिफ़ॉल्ट कर जाते हैं, उनको सजा होनी चाहिये और सख्त सजा होनी चाहिये। इस वास्ते मैं चाहता हूँ कि वन हाफ न रख कर पांच परसेंट रखा जाए।

मोटे तौर पर मैं इस बात से सहमत हूँ कि कृषि के क्षेत्र में जहाँ दौलत हो वहाँ सरकार टैक्स लगाये। लेकिन इस वक्त जो फिजा है उसको देखते हुए इसको अगर पोस्टपोन रखा जाए तो ज्यादा अच्छा होगा। मैं यह भी चाहता हूँ कि एग्रीकल्चरल वैल्य टैक्स लगाते समय एसेट्स की जब गिनती हो तो उसमें एलीफेंट्स की भी गिनती होनी चाहिये। साथ ही साथ सजा जो वन हाफ रखी गई है वह पांच परसेंट आप कर दें।

श्री स. मो. बनर्जी : लेकिन जिन के नाम के आगे हाथी आता है, उन पर टैक्स नहीं लगाना चाहिये।

SHRI BENI SHANKER SHARMA: I want to record my protest against this practice of allowing unlimited time to those persons who have not tabled any amendments. According to me those persons who have tabled amendments, should be allowed to speak first. Then if you have time you could have shown latitude to others.

MR. DEPUTY SPEAKER: I have given full opportunity to all those who have moved amendments. This is a controversial clause. They may have got to say something.

SHRI BENI SHANKER SHARMA : You should not curtail our time. I have got a number of amendments, from No. 203 to 218. I oppose this clause lock stock and barrel. About the legality of the imposition of wealth tax on agriculture I am not going to say anything. The Government has been advised by the Attorney General

[Shri Beni Shanker Sharma]

and they will be proceeding with it, I know. But, Sir, personally speaking, I am not convinced by what the learned Attorney General had stated on this issue. I agree with my hon'ble friend Shri S. M. Banerjee that this is the domain of the State Government. In fact the income-tax on agricultural income is being levied by so many State Governments and as I have submitted already on an earlier occasion income-tax and wealth-tax are allied enactments and the authority which has the power to impose income-tax on agricultural income, can also impose wealth tax on the agricultural assets.

Therefore, those Governments which have power to levy income-tax can as well levy wealth-tax on agricultural assets. That is the general corollary. By usurping the powers of the States the Government will now be only creating troubles, for themselves and would be further creating strained relations between the Centre and the States. But that is not my business. That if for the Government to see. Sir, I am not against the imposition of tax on agricultural income. In fact, there are Agricultural Income-tax Acts in so many States imposing tax on agricultural income. And, I am not against it as I do not understand why there should be any distinction between a man earning taxable income from agriculture and that from business or profession. But I feel that the imposition of wealth-tax on agricultural income should be left in the hands of the States.

In my amendment I have simply picked out certain words and have asked you to leave out those few lines. If they are taken out the clause will be as innocent as the whole House would like to have it.

Now as to the penalty clause. By the proposed changes the penalty sought to be imposed is being related to the net wealth instead of the tax thereon. The absurdity of this provision can be just imagined. For a little negligence or inadvertence, if a man forgets to file his return for 5 years 4 months, he will be penalised to the extent of confiscation of the whole of his property. Sir, you know that there are two prices for every thing

in every market; one is the sellers' price; the other is the buyers' price. Take an example. I have got a house or a plot of land and its value is Rs. 95,000 according to me or in any event is below Rs. 1 lakh. Now, Sir, if I am in dire need of money I will accept 95,000 but if I am not and if the seller is anxious to buy it he may offer Rs. 1,05,000 or more even. Any wealth-tax officer may go by the price which the over-anxious seller might have offered and wealth-tax officer may take its value at Rs. 1,05,000 and may issue a notice to the assessee after 5 years and 4 months to file a return. Now, what will be the result? This man honestly believes that his property was worth Rs. 95,000 only. And the WTO also honestly believe that the property could have been sold at that time at Rs. 1,05,000. Both of them are honest in their conviction and there is an honest difference of opinion between them. However, what will be the result of this honest difference of opinion? The assessee who is asked to file his return after 5 years and 4 months shall have to pay a penalty of 32% for the first year's return in respect of delay for 64 months; a penalty of 26% for the second year for a delay of 52 months; a penalty of 20% for the third year for a delay of 40 months, and a penalty of 14% for delay of 28 months, and so on till in the end it comes to 100%. Now, Sir, see the absurdity of this provision, I will give another example which will show how absurd this proposition is.

Suppose an assessee whose net wealth is Rs. 99,990 for the assessment year 1964-65 does not file a return of net wealth in time. The WTO completes his assessment ex-parte and computes the net wealth at Rs. 1,00,200. The wealth tax on Rs. 200 will be Re. 1 only. The maximum penalty under the existing provisions can be 50 paise or Re. 1 only. But under the proposed amendment the maximum penalty would be Rs. 1,00,200 i.e., 1,00,20,000% more than the former penalty. Now Sir, imagine for yourself how for this new provision is in keeping with the offence committed by the assessee if any.

For this simple default ..

MR. DEPUTY SPEAKER : Please conclude now.....(Interruptions).

SHRI BENI SHANKER SHARMA :

My only submission is that so far as imposition of penalty is concerned, the penalty should be related to the amount of tax and not to the wealth itself. Otherwise, it will create opportunities for corruption. There is already corruption galore in our country. If the officer values the property at 5,000 or 10,000 more he may demand anything upto 10,000, 20,000 or 50,000 for not doing so., i. e., for a small mercy which is not very difficult to show. Therefore, in order to check corruption also, about which the Deputy Prime Minister is very anxious, we should not at least create further opportunities for corruption like this by such absurd legislation.

SHRI NAMBIAR *rose*—

MR. DEPUTY SPEAKER : No. Your amendment is there. But you were not in your seat.

With the permission of the House, if you are not pressing for one amendment, I will put all amendments together. Before that, I will call the Minister.....(*Interruptions*)

SHRI MORARJI DESAI : This clause is objected to on two grounds. One is the wealth tax on agricultural land and the second is about penalties

श्री देवराव पाटिल : उपाध्यक्ष महोदय, मेरी एमेंडमेंट है।

श्री तुलशीदास जाधव : उपाध्यक्ष महोदय, मुझे इस क्लॉज पर बोलना है।

MR. DEPUTY SPEAKER : Shri Jadhav, will you resume your seat ? (*Interruptions.*) Shri Nambiar wrote to me. But he was not in his seat, though he has moved his amendment. There should be some time limit. Everybody wants to speak. For that there was a general debate.

श्री तुलशीदास जाधव : आप ने आपोजीशन के कई सदस्यों को चांस दिया है। मैं भी इस क्लॉज पर बोलना चाहता हूँ।

श्री देवराव पाटिल : उपाध्यक्ष महोदय, मेरी तो एमेंडमेंट है।

SHRI MORARJI DESAI : One hour and 20 minutes were spent on this. The time is already over. The two objections are about wealth tax and about the penalty for evasion. I do not go into the legal arguments because on account of the wishes of the House, the Attorney General was invited here and he gave his opinion. I would not say at any time that the opinion of the Government is final in the matter. Of course, it is for the Supreme Court to decide if it goes there. On that score, I have no doubt in my mind. Honourable friends said that in the Gold Control Order or Act something has been declared *ultra vires*. But that does not change the scheme of the Act. I have gone through it. If some rules are necessary, we will certainly make them. But the scheme has not been changed by the judgment, as far as I can see. It is not as if the Government is trying to take a final decision in the matter. Government would not like to do it. If the Attorney General had any doubt in the matter, I would have dropped it. I have always followed the principle that if the Attorney General says 'no', I do not go with the legislation because then I must rely on him and I should not rely on my own opinion.

My honourable friend has said that I should keep an open mind. Do the Hon. Members keep an open mind? (*Interruptions.*) I see they have no open mind. They go on saying the same arguments throughout. They are not prepared to hear me... (*Interruptions.*)

SHRI S. KANDAPPAN : The Minister never replies to the point.

SHRI MORARJI DESAI : They want me to have an open mind. This cannot be left to the State legislature because the State legislature has no authority. Even in regard to estate duty which is in the State List, they have asked the Government of India to have the legislation. It is a Government of India Act and not the State Act. That is what they do not remember; they forget it very conveniently. This is also a matter

[Shri Morarji Desai]

where the State has no authority. The authority is only with the Centre and, therefore, the Centre levies it. I have said that so far as the tax on agricultural land is concerned, it will go to the States. That is what I have said, though it is not necessary for me to say so; but I should certainly augment the income of the States if I can do so legitimately. Therefore, I do not want to go into the legal part of it. My hon. friend Shri M. R. Masani said that the agriculturists' conditions had not improved...

SHRI M. R. MASANI : They have improved.

SHRI MORARJI DESAI : ...or they have improved very little. Does he realise that the value of agricultural land has gone up more than ten times or even fifteen times? Land which was valued at Rs. 100 has gone up to Rs. 1000, and land which was valued at Rs. 1000 has gone up to Rs. 15,000.....

SHRI R. K. AMIN : That is because of inflation.

SHRI MORARJI DESAI : One hon. friend said that crores of the people would be affected. Will crores of agriculturists have land valued at Rs. 250,000? I would be very happy if that is so, because then the country is very rich and there is no question of being worried about it at all.

After all, how many people are there who have land worth Rs. 250,000? Only they will be affected who have that much value of land and nobody else.

Of course, the question of valuation is a tricky business. I do not want, therefore, to take to any hasty decision in this matter. I would see that there is no harassment of any agriculturist I want to assure them that there is no harassment. Therefore, there are two or three or four or even more ways whereby I can safeguard it. Therefore I have taken a year for this matter so that it does not come into operation immediately and it comes into operation later on. One can rely on the data supplied by the States so

that the Income-tax Officers do not have to go there; they would go there; I would like to see that. I would also like to consider another remedy where one can accept whatever valuation those people put in their returns, and if we find it is less, I can buy over the land and put it to auction. This is what I can do. That will avoid all other difficulties for me. This is what I am considering even for other wealth-tax matters so that there is not much difficulty in the matter. There was some legal difficulty. I am battling with it for the last two years. I do not want to take a risk. But if I can do that, then that will solve all questions of harassment. So, this is what is being done.

There was also the question of urban properties. Government are very seriously considering what is to be done about urban property and what ceiling can be put and what can be done in that regard. This is being very earnestly considered, and we are going in to this question. So, it is not as if we do not want to consider this or we do not want to tax people who can paytax. So, all this is being done. Wealth cannot be different for one property and another. Wealth is wealth. What I have, therefore, done is that where as the other people, the urban people have an exemption of Rs. 100,000 plus a residential house up to Rs. 1 lakh; if he has more, there is no exemption, but up to Rs. 1 lakh he will have exemption—for the agriculturist I have said that he will have exemption up to Rs. 250,000, that is, Rs. 150,000 more; Obviously an agriculturist will not have a house worth more than Rs. 20,000 or Rs. 25,000 or Rs. 30,000 therefore, he will not have that kind of property; that is, he will not have that value of property, that is: he will not have Rs. 220,000 value of property which will be liable to tax if he has a house worth Rs. 30,000.

SHRI PILOO MODY (Godhra) : What about the method of valuation?

SHRI MORARJI DESAI : I am trying to do it in such a manner that there is no harassment. I do not mind if I get less income, but I do not want to have any harassment. That is what I am trying to do.

Any suggestions that hon. Members have to give in this matter will be most welcome. As I have said, we are also examining and very seriously going into the whole question of how urban property can have a ceiling or how it can be taxed more. As it is, from 1965-66 onwards, there is an extra wealth tax on urban properties; they have to pay that in addition to the other wealth tax. Perhaps, hon. Members do not seem to know or realise this or perhaps they have not understood it.

But that has been done for the last three or four years.

16 hrs.

As regards penalty, why is evasion made? To save money. That is always so. There is no other reason for evasion. All these arguments are more political than economic. I want to make it economically impossible for these people to evade. If a person evades a tax of Rs. 300 or Rs. 500 and if he knows that if he does so, he will have to pay a penalty of Rs. 50,000, he will think ten times before he evades Rs. 500 tax. He will even pay Rs. 700 as tax, but he will not evade Rs. 500 tax. (*Interruption*). You may call it an experiment. I want to have a deterrent in this matter.

SHRI D. N. PATODIA: What about genuine cases of difficulty?

SHRI MORARJI DESAI: I have already provided for marginal cases of difficulty. My amendment No. 302 is there, where the initial exemption will be deducted from the assessed wealth so that he will pay penalty only on the marginal thing and not on the whole thing.

SHRI S. S. KOTHARI: New assessments?

SHRI MORARJI DESAI: Even there this will be available. Therefore, there is no question of that. The marginal things

are provided for. Therefore, it is not as monstrous as my hon. friends think. But even if I have to be monstrous to put down evasion, I am prepared to be so.

MR. DEPUTY-SPEAKER: I will first put the government amendments to vote. They are amendment Nos. 299, 300, 301 and 302.

The question is :

Page 12,—

after line 25, insert—

(i) after clause (iv), the following clause shall be inserted with effect from the 1st day of April, 1970, namely:—

“(iva) agricultural land belonging to the assessee subject to maximum of one hundred and fifty thousand rupees in value:

Provided that where the assessee owns any house or part of a house situate in a place with a population exceeding ten thousand and to which the provisions of clause (iv) apply and the value of such house or part of a house together with the value of the agricultural land exceeds one hundred and fifty thousand rupees, then the amount that shall not be included in the net wealth of the assessee under this clause shall be one hundred and fifty thousand rupees as reduced by so much of the value of such house or part of house as is not to be included in the net wealth of the assessee under clause (iv);” (299)

Page 12, line 26

for “(i)” substitute—

“(ii)” (300)

[Mr. Deputy Speaker]

Page 12, line 30,—

for “(ii)” substitute—

“(iii)” (301)

Page 13,—

for lines 3 to 12, substitute—

“(i) in the cases referred to in clause (a), in addition to the amount of wealth-tax if any, payable by him, a sum, for every month during which the default continued, equal to one—half per cent, of—

(A) the net wealth assessed under section 16 as reduced by the amount of net wealth on which, in accordance with the rates of wealth-tax specified in Paragraph A of Part I of the Schedule or Part II of the Schedule, the wealth-tax chargeable is nil, or

(B) the net wealth assessed under section 17, where assessment has been made under that section, as reduced by—

(1) the net wealth, if any, assessed, previously under section 16 or section 17, or

(2) the amount of net wealth on which in accordance with the rates of wealth-tax specified in Paragraph A of Part I of the Schedule or Part II of the Schedule, the wealth-tax chargeable is nil,

Whichever is greater,

but not exceeding, in the aggregate, an amount equal to the net wealth assessed

under section 16, or as the case may be, the wealth assessed under section 17, as reduced in either case in the manner aforesaid;” (302)

The motion was adopted.

MR. DEPUTY-SPEAKER: I shall now put the rest of the amendments which are in order together to the vote of the House.

Amendments Nos. 15, 16, 17, 70, 72 to 75, 132, 133, 142, 145, 173 to 176 and 206 to 218 were put and negatived.

MR. DEPUTY-SPEAKER: The question is :

“That clause 24, as amended, stand part of the Bill”

श्री तुलसी दास जाधव : उपाध्यक्ष महोदय, मुझको बोलना है इस पर ।

MR. DEPUTY-SPEAKER: At this stage, I am not going to permit any discussion.

SHRI TULSIDAS JADHAV: Point of order. आप जो कुछ करना हो करें, हम बैठेंगे नहीं ।

MR. DEPUTY-SPEAKER: In the process of voting, how can I permit it ?

श्री तुलसीदास जाधव : यह अन्याय नहीं करना चाहिए । मैं पहले से खड़ा होता रहा हूँ ।

MR. DEPUTY-SPEAKER: The question is :

“That clause 24, as amended, stand part of the Bill”.

The Lok Sabha divided

Division No. 16.]

AYES

[16.08 hrs.

Achal Singh, Shri
 Ahirwar, Shri Nathu Ram
 Azad, Shri Bhagwat Jha
 Babunath Singh, Shri
 Bajpai, Shri Vidya Dhar
 Barua, Shri Bedabrata
 Basumatari, Shri
 Bhagat, Shri B. R.
 Bhakt Darshan, Shri
 Bhandare, Shri R. D.
 Birua, Shri Kolai
 Bohra, Shri Onkarlal
 Chanda, Shri Anil K.
 Chanda, Shrimati Jyotsna
 Chandrika Prasad, Shri
 Chatterji, Shri Krishna
 Kumar
 Chaudhary, Shri Nitiraj Singh
 Chavan, Shri D. R.
 Chavan, Shri Y. B.
 Choudhury, Shri J. K.
 Damani, Shri S. R.
 Das, Shri N. T.
 Dassappa, Shri Tulsidas
 Desai, Shri Morarji
 Deshmukh, Shri Shivajirao S.
 Dixit, Shri G. C.
 Dwivedi, Shri Nageshwar
 Ering, Shri D.
 Ganesh, Shri K. R.
 Gautam, Shri C. D.
 Ghosh, Shri Parimal
 Govind Das, Dr.
 Gudadinni, Shri B. K.
 Gupta, Shri Ram Kishan
 Hanumanthaiya, Shri
 Hari Krishna, Shri
 Jadhav, Shri Tulshidas
 Jagjiwan Ram, Shri
 Jamir, Shri S. C.
 Karan Singh, Dr.
 Kasture, Shri A. S.
 Katham, Shri B. N.
 Kavade, Shri B. R.
 Kedaria, Shri C. M.

Kesri, Shri Sitaram
 Kinder Lal, Shri
 Krishna, Shri M. R.
 Krishnan, Shri G. Y.
 Kureel, Shri B. N.
 Lakshmikanthamma, Shrimati
 Laskar, Shri N. R.
 Mahadeva Prasad, Dr.
 Maharaj Singh, Shri
 Mahishi, Dr. Sarojini
 Master, Shri Bhola Nath
 Masuriya Din, Shri
 Mehta, Shri Asoka
 Metha, Shri P. M.
 Melkote, Dr.

Menon, Shri Govinda
 Mirza, Shri Bakar Ali
 Mishra, Shri Bibhuti
 Mohinder Kaur, Shrimati
 Mrityunjay Prasad, Shri
 Mukerjee, Shrimati Sharda
 Murti, Shri M. S.
 Naidu, Shri Chengalraya
 Pahadia, Shri Jagannath
 Pandey, Shri K. N.
 Pant, Shri K. C.
 Paokai Haokip, Shri
 Pamar, Shri Bhaljibhai
 Pratap Singh, Shri
 Parthasarathy, Shri
 Patil, Shri A. V.
 Patil, Shri Deorao
 Poonacha, Shri C. M.
 Pramanik, Shri J. N.
 Qureshi, Shri Mohd Shaffi
 Radhabai, Shrimati B.
 Raghu Ramaiah, Shri
 Raj Deo Singh, Shri
 Ram, Shri T.
 Ram Dhan, Shri
 Ram Dhani Das, Shri
 Ram Sewak, Shri Chaudhary
 Ram Subhag Singh, Dr.
 Ram Swarup, Shri
 Rana, Shri M. B.

NOES

Ahmed, Shri J.
 Amin, Shri R. K.
 Banerjee, Shri S. M.
 Brij Bhushan Lal, Shri
 Dar, Shri Abdul Ghani
 Deiveekan, Shri
 Deo, Shri K. P. Singh
 Deo, Shri P. K.

Dhandapani, Shri
 Dipa, Shri A.
 *Ghandhi, Shrimati Indira
 Gowd, Shri Gandilingana
 Haldar, Shri K.
 Jai Singh, Shri
 Jha, Shri Shiva Chandra
 Kalita, Shri Dhireswar

Rao, Shri Jaganath
 Rao, Shri K. Narayana
 Rao, Shri Muthyal
 Rao, Shri J. Ramapathi
 Rao, Dr. V. K. R. V.
 Rao, Shri V. Narasimha
 Raut, Shri Bhola
 Reddy, Shri Ganga
 Reddy, Shri P. Antony
 Reddy, Shri R. D.
 Reddy, Shrimati Sudha V.
 Roy, Shri Bishwanath
 Roy, Shrimati Uma
 Sadhu Ram, Shri
 Saha, Dr. S. K.
 Saleem, Shri M. Yunus
 Sambasivam, Shri
 Sanghi, Shri N. K.
 Sapre, Shrimati Tara
 Sayad Ali, Shri
 Sen, Shri Dwaipayan
 Sen, Shri P. G.
 Sethuraman, Shri N.
 Shambhu Nath, Shri
 Sharma, Shri Naval Kishore
 Sheo Narain, Shri
 Sher Singh, Shri
 Shinde, Shri Annasahib
 Shukla, Shri S. N.
 Siddaaya, Shri
 Siddheshwar prasad, Shri
 Singh, Shri D. N.
 Sinha, Shri Mudrika
 Snatak, Shri Nar deo
 Sonavane, Shri
 Surendra Pal Singh, Shri
 Suryanarayana, Shri K.
 Ulaka, Shri Ramachandra
 Venkatasubbaiah, Shri P.
 Verma, Shri Balgovind
 Virbhadra Singh, Shri
 Vyas, Shri Ramesh Chandra
 Yadab, Shri N. P.

Kandappan, Shri S.
 Khan, Shri H. Ajmal
 Khan, Shri Zulfiquar Ali
 Kothari, Shri S. S.
 Madhok, Shri Bal Raj
 Masani, Shri M. R.
 Meena, Shri Meetha Lal
 Meghachandra, Shri M.

*Wrongly voted for 'NOES'

Mody, Shri Piloo
 Mohamed Imam Shri J.
 Muthusami, Shri C.
 Naik, Shri R. V.
 Nair, Shri Vasudevan
 Pandey, Shri Sarjoo
 Patil, Shri N. R.
 Patodia, Shri D. N.

Ramamoorthy, Shri S. P.
 Reddy, Shri Eswara
 Saminathan, Shri
 Sen, Dr. Ranen
 Sezhiyan, Shri
 Sharma, Shri Beni Shanker
 Sharma, Shri Narain Swarup
 Shastri, Shri Prakash Vir

Shastri, Shri Ramavatar
 Shastri Shri Raghuvir Singh
 Shastri, Shri Sheopujan
 Shastri, Shri Shiv Kumar
 Sivasankaran, Shri
 Suraj Bhan, Shri
 Tyagi, Shri O. P.
 Yadav, Shri Jageshwar

MR. DEPUTY-SPEAKER : The result* of the division is Ayes : 132; Noes : 48.

The Motion was adopted.

Clause 24, as amended, was added to the Bill.

Clause 25—(Amendment of Act 7 of 1964)

MR. DEPUTY-SPEAKER : We take up clause 25. I think we can confine our discussions to the controversial clauses. Otherwise, it will take more time. Is Mr. Kothari moving his amendment? The amendments moved by Shri Abdul Gani Dar and Shri K. L. Gupta are out of order.

SHRI S. S. KOTHARI : I beg to move : **

Page 13,—

for clause 25, substitute—

25. In the Companies (Profits) Surtax Act, 1964, in the Third Schedule.—

(i) for the words and figures in the first para "25 per cent." substitute '1 per cent.'

(ii) the proviso shall be omitted. (18)

I have moved an amendment so that the proviso in the Third Schedule may be omitted. The Surtax on company profits incorporates the principle of progression in company taxes. When we were passing through inflation, there might have been some justification. But when we are emerging out of the recession, it is necessary that our scarce means and resources should be utilised effi-

ciently. In view of this, there is no justification whatsoever for surtax which is progressive and penalises efficiency. Mr. Bhoothalingam in his report also suggested that the surtax on company profits should be withdrawn. Mr. Bhoothalingam is a financial expert of the Finance Ministry; he may not be there now. His suggestion should be followed and the surtax on company profits should be withdrawn because the tax rates are going higher and higher and they are adversely affecting production, savings and investment.

SHRI M. R. MASANI : I should likely, briefly, to oppose this clause. The reason for this clause is that while it lays down a ceiling of seventy per cent on the aggregate taxation on a company, the current rates do not go anywhere near 70. Why have a ceiling? This is strange argument to say that because the current rates do not go across the ceiling, the ceiling should be abolished. Ceilings are meant to be permanent, to guard against subsequent raising of taxation. There is no guarantee that if this clause is passed, next year this Finance Minister or some other Finance Minister will not come and tell us to raise corporate taxation on companies beyond 70 per cent. Seventy per cent is a high enough ceiling which was introduced by this very Government. The fact that it is not violated is not an argument against its remaining in the law. Therefore, I oppose this clause. It seeks to remove the ceiling and opens the door to mischief in the future.

16.10 hrs.

[MR. SPEAKER *in the Chair*]

SHRI MORARJI DESAI : It is necessary, at the present economic conditions,

* The following Members also recorded their notes :—

** Moved with the recommendation of the President.

AYES :—Shrimati Indira Gandhi and Shri Randhir Singh.

NOES : Sarvashri Kiruttinan, S. D. Somasundaram and N. K. Somani.

for me to keep this tax, and I cannot give it up. Therefore, I cannot accept the amendment.

SHRI M. R. MASANI : Is it necessary to violate the ceiling ? In your statement, the reason given is that you do not want to touch the ceiling.

SHRI MORARJI DESAI : I want it to remain as it is.

SHRI M. R. MASANI : You want to abuse this next year though, not this year.

MR. SPEAKER : I shall put the amendment to vote.

Amendment No. 18 was put and negatived.

MR. SPEAKER : The question is :

"That clause 25 stand part of the Bill".

The motion was adopted.

Clause 25 was added to the Bill.

Clauses 26 to 29 were added to the Bill.

Clause 30—(Amendment of Act 1 of 1944.)

SHRI M. R. MASANI : I move :*

Page 15,—
omit lines 18 to 20. (19)

Page 15,—
omit lines 24 to 34. (20)

Page 15,—
omit lines 38 to 40. (21)

Page 16,—
omit lines 7 to 12. (22)

SHRI D. N. PATODIA : I move :*

Page 17,—
after line 13, insert—

"Provided that all cotton fabrics valued upto Rs. three per square metre shall be excluded from the *ad valorem* duty." (303)

SHRI M. R. MASANI : I move :*

Page 20,—
omit lines 42 and 43. (23)

SHRI S. S. KOTHARI : I move :*

Page 21,—
omit lines 6 to 12. (24)

SHRI BENI SHANKER SHARMA : I move :*

Page 15, lines 28 and 29,—
for "INCLUDING" substitute "EX-
CLUDING" (220)

Page 15, line 30,—
after "STARCH" insert—
"BUT INCLUDING". (221)

Page 16,—
omit lines 7 to 12. (222)

Page 17,—
for lines 15 to 36, substitute—
"The basis of duty to be changed suitably from per square metre to *ad valorem*" (223)

Page 21, line 16,—
for "Eleven per cent." substitute—
"Five per cent." (225)

SHRI DINKAR DESAI (Kanare) : I move :*

Pages 16 and 17,—
for lines 43 and 44 and lines 1 to 36, respectively, substitute—

" I. All varieties of cotton 10 per cent. fabrics whose tariff *ad valorem* values are rupee one and below per square metre.

IA. All varieties of cotton fabrics 12½ per cent. *ad valorem*.

* Moved with the recommendation of the President.

[Shri Dinkar Desai]

whose tariff values are over rupee one but below rupees two per square metre.

IB. All varieties of cotton fabrics whose tariff values are over rupees two but below rupees four per square metre. 15 per cent. *ad valorem*.

IC. All varieties of cotton fabrics whose tariff values are above rupees four per square metre. 20 per cent. *ad valorem*. (267)

SHRI RAMAVATAR SHASTRI
(Patna) : I move*

Page 16,—

omit lines 18 to 22. (271)

SHRI M. R. MASANI : Sir, the amendments that I have moved pertain to processed foods, petroleum and fertilisers. My colleague Mr. Patodia will deal with the excise duty on processed foods. I would like to take just two minutes to oppose the levy of additional taxation on petroleum and lubricating oils and on fertilisers.

As I mentioned in my budget speech a month ago., petroleum and motor spirit have been taxed mercilessly over the last 10 to 15 years. Every year, in spite of the unconscionable burden a little more burden is put on road transport. Road transport has been held back by the Railway monopoly of Government at great cost to the economy of this country. We are aware of the injustice done to the small road transport operator whose life and business are made impossible and the only way the truck owner can carry on his business is either to overload his truck and have an accident or to bribe the police. Therefore the additional duty on petroleum products, particularly motor-spirit, is entirely unconscionable and I would like to oppose it.

So far as the fertilisers are concerned, I do not wish to repeat the arguments that have

been advanced not only by us here but by many members of the ruling party both in their own party forum and on the floor of the House. Today, the Indian peasants who use fertiliser pay a price which is 50 per cent or more higher than the world price. Fertiliser is one of the capital inputs about which we talk so much but very little is made available to the peasants. The price that the peasant pays is 50 per cent more than his fellow-peasants have to pay in the rest of the world. Therefore, there is no room for adding to his burden. Fertiliser is something that should be made cheaply available to every farmer because it is through it that the so called green revolution about which we talk so much but do nothing to help is being made. Therefore, I wish these two duties to be dropped.

If the hon. Finance Minister will not listen to us, we shall oppose them. We shall divide the House of this also because we feel that so far as fertilisers are concerned, the overwhelming majority of the Members of this House do object to this excise duty being levied, and if the hon. Members on the other side care to assert themselves, we shall give them an opportunity to show what their real sentiments are.

SHRI D. N. PATODIA : With regard to processed food, a new duty has been imposed on it this time 10 per cent *advalorem* which will bring an additional revenue of Rs. 1½ crores to the Central Government. While imposing this duty I feel that the condition in which the industry of preserved food is working have been completely ignored or bypassed. This industry is still in a state of infancy. They are working against every possible odd. They are already burdened by high costs due to the high cost of imported machinery as well as the high cost production like the incidence of sales tax, high electricity charges, municipal taxes and on the top of these all recently, the new imposition on free sugar which has increased the price by as much as Rs. 40 per quintal has been a hard blow to this industry. Many of the industries have already started closing down or they are converting to other jobs. Out of a total of 900 licences already granted, more than 90 per cent are units

* Moved with the recommendation of the President.

working in one small room. It is like a cottage industry which needs to be protected and encouraged. The imposition put by the Finance Minister will be a very hard blow which will throw the industry out of gear and create unemployment. I hope he will look into it again and withdraw this imposition.

A word about my amendment No 303 regarding cotton textiles. There are about 26 varieties on which previously specific rates of duty were applicable and they have now been converted to *ad valorem* basis by this conversion, in respect of many items, duties have gone up by as much as 300 per cent. We are not so much bothered about that. What we are bothered about is that many of these varieties are such that they are used by poor people, they are used for industrial material and are export oriented. In respect of these items, it is very unfair to permit the cost to rise by a fresh imposition in this manner. My amendment says that this increase should not be applicable to any cloth valued up to Rs. 3 per square metre.

SHRI S. S. KOTHARI: My amendments are Nos. 21, 22, 25 and 26. Since amendments Nos. 21 and 22 have already been moved, I move the other two.

I beg to move :*

Page 21, omit lines 22 to 34. (25)

Page 21, omit lines 35 to 46. (26)

We on this side of the House, are deeply concerned about the direct and indirect taxes levied on the middle-classes. Because of the conversion from specific to *ad valorem* basis in respect of duty on sugar, the price of sugar in the free market has considerably gone up. Practically every body has to purchase sugar from the free market because the rationed quantity is not sufficient and many of the villages have not been reached by the rationing system. This increase in sugar price would adversely affect their standard of living.

I would now refer to the increase in excise duty on petrol, cigarettes, electric appliances, soap and caustic soda. All these

commodities, enter into the standard of living of the masses. Inflation has already had an impact on their standards of living and these levies would further squeeze the family budgets. Year after year, the direct and indirect taxes on the middle classes are being increased. In 1960-61, indirect taxes amounted to Rs. 901 crores. In 1967-68 they were increased to Rs. 2558 crores. Most of the excise duties add to cost push inflation and impinge upon the standard of living of the masses.

I would not repeat what has been said about fertilisers. If there is free voting, I believe many members on the Treasury Benches would vote with us.

Regarding export duties, the Finance Minister has been good enough to give some relief in respect of jute and tea. But may I submit, the time has come to take a bold decision. It is no use giving small reliefs in duty after imposing it at a high level. Pakistan, our chief competitor in jute, has been giving bonus vouchers and gaining ground at our expense. Therefore, the export duties on jute and tea should be abolished.

SHRI SEZHIAN (Kumbakonam) : I will take only the important ones dealing with sugar, petroleum and fertilisers. The assumption that the *ad valorem* duty on free market sugar is meant to mop up the extra profits being earned by sugar mills I am afraid, is misplaced. Those who are benefited by the controlled price of sugar live in large cities and towns. The bulk of our people get sugar from the free market at prices which are already high. They will now have to pay more because of the duty that is being levied now. By no stretch of imagination can we say that sugar is a luxury item and should be taxed so severely by the Finance Minister. The rise in the excise duty will be passed on to the consumer. As soon as the duty was announced I understand the price of sugar in many places rose by as much as Rs. 40 to Rs. 50 per quintal in the free market.

Regarding motor fuel Shri Masani has already dealt with the point. The seven paise increase in duty on petrol may appear

*Moved with the recommendation of the President.

[Shri Sezhiyan]

to be small in itself but experience has shown that any rise in the cost of fuel increases transport charges and the price of virtually every type of commodity availing road transport shows an increase in cost.

Coming to fertilisers, this has already been dealt with by hon. Members on both sides of the House. Even the Chief Ministers of Assam and Uttar Pradesh have expressed their doubts about the wisdom of levying such a tax. When we talk of green revolution we should give all encouragement to the peasants to use fertilisers. India is one country where the use of fertilisers is at the lowest in comparison to world figures. In India it is only 8 kg. fertiliser per hectare of arable land as against 26 in USSR, 71 in USA, 1.10 in UAR and 354 in Japan. Because the use of fertiliser here is much lower we should give all encouragement to the peasants to use more and more fertilisers. There is an argument that if there is prosperity in agriculture, we should mop it up. We should not do it just by levying tax on fertilisers. If there is prosperity in rural sector it will be reflected in other sources. If the rural population is prosperous they will buy more clothing, they will use more transport, they will buy more of other consumer things and their Surplus will be mopped up by indirect taxes. We need not put a tax on fertiliser for that purpose. If you tax fertiliser it means a tax on food production itself. By increasing the tax on fertiliser you are increasing the cost of food articles. In the budget of an Indian family 60 per cent accounts for food and if the cost of food goes up the prices of other commodities will go up and it will have an inflationary tendency. The other day I quoted some figures from an article written by Shri M. S. Randhaw, Vice Chancellor of Punjab University and another professor. The Finance Minister contested those figures, but I am still waiting for correct figures to be given by him.

SHRI S. M. BANERJEE : Sir, I beg to move* :

Page 16, omit lines 9 to 12. (281)

Page 16, lines 28,—

omit "dhoties, sarees, chadders, bed-sheets, bed-spreads." (283)

Page 17,—

omit lines 23 to 26. (284)

Page 17,—

omit lines 27 to 30. (285)

Page 17,—

omit lines 31 to 34. (286)

Page 22.

omit lines 1 to 12. (290)

My amendment No. 281 seeks to delete lines 9 to 12. These lines read like this :

"Fertilisers, all sorts but excluding natural animal or vegetable fertilisers when not chemically treated."

You know, Sir, there is scarcity of green manure in our country. That is one of the reasons why we wanted to make the peasants fertiliser conscious. When first fertiliser was introduced it was supplied to the peasants. I know in Uttar Pradesh because of lack of fodder they could not use it properly.

Now that they have become fertilize conscious and started using it, though not in large quantities, an *ad valorem* duty of ten per cent has been imposed. I am sure it will be a disincentive to the peasants and it will be wrong to do so. I hope the hon. Finance Minister will kindly bear me out when I say that a majority of Members of this House, whether in this side or that side, are totally opposed to this levy. I hope he will withdraw it.

Then I come to my amendment No. 282, which seeks to omit lines 18 to 22. We do not want any additional excise duty on soap used by the poor people. So, we oppose it.

Then I would like to say on behalf of my group that any further taxation or excise duty on petrol we will have to oppose because it will increase the fare for the

*Moved with the recommendation of the President.

conveyances of the poor. Forget, for the time being, taxis and private cars; what about the fares for buses? It will certainly hit the poor people and so we will oppose it.

Then I come to the excise duty on medium and coarse cloth which will affect our export market. Already there is severe competition from China in the South East Asian market and we are not able to export medium and coarse cloth to those countries. Because China is able to sell her textiles cheaper, we are not able to compete. This additional duty will make the position still worse. At the same time, the price for internal consumption will also go up. So, it should be withdrawn.

Coming to sugar, there is an open market and a controlled market. The difference in price between the two is very much. After the imposition of this additional excise duty, the open market price has gone up still higher. I would request the hon. Finance Minister to consider once again objectively whether the prices should not be made to come down, if necessary, by withdrawing the additional imposts. I totally oppose all these taxes.

SHRI YOGENDRA SHARMA: I move*:

Page 16,—

(i) line 15,—

for "Six and a half per cent. *ad valorem substitute*,

"Four and a half per cent. *ad valorem*"

(ii) line 16,—

for "Nine and a half per cent *ad valorem*" *substitute* —

"Five and a half per cent *ad valorem*" (295)

Page 16, lines 20 to 22,—

for "Six and a half per cent. *ad valorem substitute* — "Three and a half per cent. *ad valorem*" (296)

SHRI S. R. DAMANI : I move* :

Page 17,—

after line 13, insert—

"Provided that on all 'grey' qualities which are not subjected to any further processing a rebate of 30 per cent, on the excise duty shall be granted :

Provided further that the excise duty shall be progressively levied as below :—

- (1) for prices between
Rs. 2.51 to Rs. 3.50... 10 per cent.
- (2) for prices between
Rs. 3.51 to Rs. 4.50... 12½ per cent.
- (3) for prices at Rs. 4.51
and above ... 15 per cent."

(304)

श्री शिवचन्द्र भाः अध्यक्ष महोदय, कलाज 30 में मेरे तीन संशोधन हैं—177, 178 और 179। जहाँ तक मेरे संशोधन नं० 177 का सम्बन्ध है, कलाज 30 के सब कलाज (2) में चाकलेट पर एकमाइज ड्यूटी लगाने की बात है जिसमें कहा गया है :

seeks to levy excise duty on chocolates in bulk manufactured with the aid of power—

मैं चाहता हूँ कि इसको डिलीट कर दिया जाये। मैं मानता हूँ कि चाकलेट साधारण लोगों के बच्चे नहीं खाते, कुछ ऊपर वालों के बच्चे ही खाते हैं लेकिन बच्चे सब बराबर होते हैं। चाकलेट पर एकमाइज ड्यूटी लगाने से उनके साथ निर्दयता करना होगा। इसके अलावा इसको न लगाने से आपका कोई खास नुकसान या घाटा भी नहीं होने जा रहा है। इसलिए मैं चाहूँगा कि आप इस एकमाइज ड्यूटी को न बढ़ावें। इन पंक्तियों को हटा दिया जाये, यह मैं चाहता हूँ।

178 संशोधन के द्वारा फटिलाइजर के संबन्ध में जो—

*Moved with the recommendation of the President.

[श्री शिव चन्द्र भा]

14HH Fertilisers, all sorts, but excluding natural animal or vegetable fertilisers when not chemically treated—

उसको मैं डिलीट कराना चाहता हूँ। मैं जानता हूँ कि जो अच्छे और कुशल खेतिहर हैं वह फर्टिलाइजर इस्तेमाल करते हैं और देहातों में कैंपेलेस्ट्स की एग्रीकल्चर भी शुरुआत हो गई है लेकिन इस वक्त जो मौजूदा परिस्थिति है, जो लोग फर्टिलाइजर का इस्तेमाल कर रहे हैं उससे खेती की उपज बढ़ती है और मोटे तौर पर समाज को उससे फायदा हो रहा है। इसलिए जल्दबाजी में उनके ऊपर टैक्स लगाकर उनकी रफ्तार को रोकना ठीक नहीं होगा। इसीलिए मैं चाहता हूँ कि 14 एचएच को डिलीट कर दिया जाये यानी फर्टिलाइजर पर जो टैक्स लगा रहे हैं उसको न लगाया जाये।

जहाँ तक संशोधन 180 का सम्बन्ध है, 30ए में पावर ड्रिवेन पम्पस पर से चूँकि आपने ड्यूटी हटा ली है इसलिए मैं इस संशोधन को विदग्ध कर लेता हूँ। आपने इसको कर ही दिया है।

SHRI SRINIBAS MISRA: Regarding amendment 260, I will only add a little to what has already been said. This is with respect to "Prepared or Preserved foods put in unit containers add ordinarily intended for sale". Perhaps, the hono; Finance Minister has not considered the effect of such a tax. According to him, there is evasion of tax and there is always a tendency in human beings to evade tax. What will happen if these foodstuffs are not really sold or put for sale in containers. That will only lead to unhygienic sale of articles and the weight will increase by mixture of dust and dead flies. Instead of encouraging hygienic packing, the hon. Finance Minister wants to tax it by 10 per cent *ad valorem* so that those persons who want really to evade tax will sell these articles in the open instead of putting them into containers. I request him to consider the effect of this and my proposal to delete it.

The next one is regarding fertiliser.

Much has been said about it. While supporting what has been said already, I want to add only this. What is really being taxed? The laconic item is: "Fertilisers, all sorts, but excluding natural animal....." All animals are natural. What is meant thereby I do not know. Whether there is a comma I do not know.

MR. SPEAKER: Natural is for fertiliser, not for animal.

SHRI SRINIBAS MISRA: I do not know. It says, "but excluding natural animal or vegetable fertilisers when not chemically treated."

There are certain fertilisers which are chemically treated. Perhaps, the hon. Finance Minister must have know and consulted the Food Ministry also about it that some sort of chemical is added in the components. If some chemical is added, it is chemically treated. Does he mean thereby to tax components also? What is the meaning of all this tall talk of green revolution when, by used of fertiliser, production is increasing and there is a buoyancy — you say there is a buoyancy, whatever it means — to your economy? Your carrier services are getting some profits; you are getting sales-tax in all other fields; you are getting some income out of it. You want to kill and eat the hen that lays golden egg.

Allow agriculture to develop as an industry. Allow it to grow to such a height, to such a profitable extent that you could tax it. Even from the beginning, you want to tax fertiliser when people are only learning the use of fertiliser. What is being done? 10 per cent *ad valorem* tax is being levied. The impact of this should have been considered. I hope the hon. Finance Minister will consider some ways and means so that the impact of this tax does not fall heavily to the detriment of agriculture.

SHRI S.R. DAMANI: Sir I welcome the relief announced by the hon. Finance Minister ...

MR. SPEAKER: What about your amendment?

SHRI S.R. DAMANI: I am coming to that. I also welcome the relief given to textile industry by reducing the *ad valorem* duty up to Rs. 2.50 p. per s.q. metre. It is useful to a great extent.

In the Budget, the relief given to textile industry on certain qualities was for Rs. 9.50 crores and, on certain qualities, the excise duty was increased, yielding Rs. 15.30 crores. Out of this, Rs. 1.90 crores relief has been given to the industry, including power-loom yarn and hank.

This is the first year when Government is going to introduce the excise duty on an *ad valorem* basis. Up-till now the duty was on specific basis. To begin with, 19 qualities have been introduced on the *ad valorem* basis. I think, next year and in the years to come, more and more qualities will be included in this *ad valorem* system. As a matter of policy, I have no objection to converting this specific duty into an *ad valorem* one, but we should see that it does proper justice to all the qualities. After considering all the things, I think that it requires some reconsideration because this rate will be the basis, the guideline, for future years. Therefore, it requires reconsideration so that no quality or no manufacturer is unduly burdened with a heavy tax. With this idea I have moved this amendment I want to say one thing. On the *ad valorem* basis, there is no difference. For example, on the medium quality, here the excise duty starts with grey cloth; on grey quality it is 8.7 paise, but on bleached or *dyled*, the duty is 13.7 paise; then the same quality, if it is mercerized, the duty is 23.7 paise and if it is sanforized, it is 38.7 paise, i.e., more than four times the duty on grey quality, whereas on the *ad valorem* basis, the duty is up to 7.5 per cent; whether it is grey or dyed or bleached or mercerized or sanforized it is the same. So, the advantage to the grey quality disappears.

MR. SPEAKER: The hon. Member should conclude. This is not a general discussion. This is clause by clause consideration.

SHRI S.R. DAMANI: This is a technical subject.

MR. SPEAKER: It is not very technical after all.

SHRI S.R. DAMANI: Whatever we know we must explain.

We have to help the House.

MR. SPEAKER: Please try to conclude.

SHRI S.R. DAMANI: My suggestion is that in the rate of *ad valorem*, a 30 per cent rebate should be given on the grey quality. And I can say that if the grey quality is processed, at that stage, the duty of 30 per cent or whatever they like can be put so that there will be no loss of revenue. This will do justice to the mills which are producing grey quality.

Can I go on to the second amendment ?

MR. SPEAKER: From my record I find that there is only one amendment in your name. What is the number of that amendment ?

SHRI S.R. DAMANI: The number is 304.

MR. SPEAKER: That is the only amendment.

SHRI S.R. DAMANI: There are two clauses in that. I will take only two minutes.

The excise duty upto the quality of Rs. 2.50 is 7.5 per cent and then it jumps to 15 per cent. Suppose there is an increase of 5 paise in the quality, it will attract an excise duty of 19 paise. So, the mills will have to produce either the quality of Rs. 4 and above or the quality of Rs. 2.50. In between there is no quality. The effect of the excise duty is so heavy that it demands reconsideration. I have suggested a telescopic rate of excise duty so that the effect of excise duty is equal on all the qualities.

One thing more and I will conclude. If the cloth between Rs. 2.50 and Rs. 4.00 used by middle class people is taxed, that will discourage many mills that are pro-

[Shri S.R. Damani]

ducing it It will have a long-term effect. My only submission is that Government should take into account all these difficulties and accept my suggestion.

SHRI BENI SHANKER SHARMA: In moving my amendments 219 to 225, I am not going to repeat the arguments just advanced by my hon friends. I will confine myself only to two issues, namely the position of excise duty on cotton fabrics and electric bulbs. Two methods have been evolved so far as the the imposition of excise duty on cotton fabrics is concerned. One is *ad valorem* and another is on the basis of some paise per metre. A distinction has been made in cotton fabrics as fine, superfine, Medium A, Medium B, coarse, etc. It is well-known that sometimes the coarse cloth costs more and it is being patronised by Well-to-do people only. Sometimes the cotton fabrics which are called fine are purchased by poorer sections of the people. My suggestion is that instead of linking this excise duty with per metre, these should be *ad valorem*: duty on all types of fabrics according to its value.

Another point I want to make is about the position of excise duty on vacuum and gas-filled bulbs. It has been suggested to impose an excise duty of 11% on such bulbs. With the speedy electrification of rural areas, these electric bulbs are being consumed more in the rural areas than the towns where we have got gas-filled tubes and other things. Therefore, I suggest that the excise duty on bulbs which henceforth will be mostly used by the people in rural areas with the speedy electrification of these areas, should be reduced to 5%.

श्री रामावतार शास्त्री (पटना) : अध्यक्ष महोदय, मैं वित्त विधेयक पर संशोधन नं० 270, 271, 273, 278 और 294, 295 और 296 पेश करता हूँ और साथ ही 272 और 297 जो विद्युत चालित पम्पों पर टैक्स लगाने की बात से सम्बन्धित है और जिसे इन्होंने वापस ले ली है, इसी लिए उन दो संशोधनों को वापस लेता हूँ।

इन संशोधनों को पेश करते हुए मैं एक दो बातें आपकी मार्फत वित्त मंत्री जी की सेवा में

निवेदन करना चाहता हूँ। अध्यक्ष महोदय, कई माननीय सदस्यों ने यह ठीक ही कहा कि आज जब हम चाहते हैं कि देश में ज्यादा से ज्यादा उत्पादन बढ़े और ज्यादा से ज्यादा गल्ला पैदा हो ताकि हमारे देश को अमरीका या दूसरे देशों से गल्ला न मंगाना पड़े। तो इसलिए कि ज्यादा से ज्यादा गल्ला पैदा हो, हम किसानों को सहुूलियतें देना चाहते हैं, पानी की व्यवस्था करना चाहते हैं, खाद और बीज देना चाहते हैं लेकिन दुख की बात है कि खाद पर उत्पादन शुल्क के नाम पर शुल्क बढ़ाया जा रहा है। इसका नतीजा यह होगा कि आज छोटे-छोटे किसानों में जो यह भावना जगी है कि वे ज्यादा गल्ला पैदा करने के लिए खाद खरीदें और अपने खेत में डालें जिससे ज्यादा से ज्यादा पैदावार हो तो उनके सामने कठिनाई होगी। ऐसी बात नहीं है कि बड़े बड़े धनी किसान ही केवल खाद अपने खेतों में डालते हैं। हमारे सूबे में, बिहार में, एक बीघा, दो या तीन बीघा वाले किसान भी, अध्यक्ष महोदय, खाद खरीद कर अपने खेतों में डालना चाहते हैं क्योंकि वे देखते हैं कि उससे ज्यादा फायदा होता है, देश का फायदा होता है और उनका भी फायदा होता है। इसलिए इन बातों को देखने पर मुझे अचरज होता है कि सरकार ने इन तमाम लोगों पर टैक्स लगाने का निश्चय क्यों किया। इसलिए मैं चाहता हूँ कि इसे विल्कुल हटा दिया जाए।

उसके बाद अध्यक्ष महोदय, हमारा एक संशोधन पेज नं० 16, लाइन 15 पर है जिसमें साढ़े छः परसेन्ट **एड वलोरम** की बात कही गई है। मैं चाहता हूँ कि इसे कम करके साढ़े चार परसेन्ट **एड वलोरम** कर दिया जाए। उसी तरीके से एक जगह पर उसी के बाद कहा गया है साढ़े नौ परसेन्ट उसको हम चाहते हैं कि कम करके साढ़े पांच परसेन्ट कर दिया जाए। फिर अध्यक्ष महोदय, जहाँ साबुन का जिक्र है, उसमें हम चाहते हैं कि साढ़े छः परसेन्ट को कम करके साढ़े तीन परसेन्ट कर दिया जाए। उसके बाद, अध्यक्ष महोदय, 21 पृष्ठ में बिजली के पंखों पर भी टैक्स लगाया जा रहा है।

कई माननीय सदस्य : वह तो वापस ले लिया है।

श्री रामावतार शास्त्री : वापस ले लिया है तो ठीक है। जो डोमेस्टिक इलेक्ट्रिकल एप्लायन्सेज पर टैक्स लगाने की बात है तो उसमें मेरा कहना यह है कि टैक्स अगर आप बड़े बड़े होटलों और रेस्टोरेन्ट पर लगाते तो मैं बात समझ सकता था और मैं उसका समर्थन करता कि बड़े बड़े होटल जो हमारे लक्षपति चलाते हैं उन पर टैक्स लगाना चाहिए। लेकिन शिक्षण संस्थाओं पर उसका असर पड़ेगा। उसी तरह से अस्पतालों में जहां गरीब रोगी अपनी चिकित्सा कराते हैं, वहां उसका असर पड़ जाता है। उसी तरीके से ट्रेन के अन्दर जो किचिन होती है, भोजनालय होते हैं, उन पर भी बढ़ा रहे हैं तो तमाम लोग जो यात्रा करते हैं यानी यंत्रियों के खाने पर दाम बढ़ जाएगा। उसी तरीके से सेलून की दूकानों पर, उसी तरीके से लान्डरी में जहां कि बिजली का इस्तेमाल करते हैं, इन तमाम पर लगाना चाहते हैं तो मैं समझता हूँ कि यह उचित नहीं है बल्कि बड़े लोगों पर टैक्स लगाना चाहिए और छोटों को छोड़ देना चाहिए। इन शब्दों के साथ मैं इन तमाम संशोधनों को पुनः आपके सामने पेश करता हूँ और वित्त मंत्री जी से अनुरोध करता हूँ कि वे फर्टीलाइजर्स यानि खाद पर टैक्स तो बिल्कुल ही समाप्त कर दें।

श्री देवराव पाटिल (यवतमाल) : मेरा संशोधन नं० 175 खाद पर टैक्स न लगने के बारे में है और खास कर जो किसान छोटे किसान हैं और भूमिहीन किसान हैं और जो किसान ड्राईफार्मिंग करते हैं, वे किसान जो खाद देते हैं, उन पर टैक्स नहीं लगाना चाहिए। इसके बारे में मेरा संशोधन है और मेरी मंत्री महोदय से प्रार्थना है कि इस बारे में वे बहुत गम्भीरता से विचार करें।

अब मैं कुछ प्रिसपिल की बात कहना चाहता हूँ क्योंकि हमारे जो अर्थ मंत्री जी हैं

उनको अगर प्रिसपिल के बारे में, तथ्य के बारे में कोई सही बात कहे तो उसको वे मानते हैं। इसलिए मैं कहना चाहता हूँ कि इस बारे में विचार करने की सख्त जरूरत है कि वे कैपेसिटी टू पे का प्रिसपिल टैक्स के बारे में लागू हो। मेरे कहने का मतलब यह है कि जो किसान हैं जिनके पास पांच एकड़ से कम जमीन है और जिनकी खेती नैसर्गिक पानी पर निर्भर रहती है जो छोटे छोटे किसान हैं और जो खाद को यूज करते हैं, उस पर टैक्स देने की क्या उनकी कैपेसिटी है? मेरे कहने का मतलब यह नहीं है कि मन्त्री महोदय का सिर्फ यही प्रोपोजल है। कृषि के क्षेत्र में अतिरिक्त टैक्स लगाने का प्रोपोजल प्लानिंग कमीशन का था और उन्होंने जो प्रोपोजल रखा था उसमें दो कारण दिए थे। एक कारण तो यह था कि यह जो तीन चार सालों में किसानों को पिछले वर्षों में काफी कीमत मिली है, एक कारण उन्होंने यह दिया है और दूसरा कारण उन्होंने यह दिया है कि कृषि उत्पादन में वृद्धि हुई है। ये जो टैक्सेसन के प्रोपोजल्स हैं उनमें यही दो बुनियादी बातें दी हैं। इनमें से दोनों बातों में, जिन लोगों का मैंने जिक्र किया है, वे लोग नहीं आते हैं। जिन किसानों का मैंने जिक्र किया है उनका ज्यादा कृषि उत्पादन नहीं है और न ही उनको कृषि से कोई फायदा ही मिला है। आपकी रिपोर्ट है। मैं बताना चाहता हूँ कि एक वर्गको फायदा मिला है जिनके पास सिचाई के साधन हैं लेकिन ड्राई फार्मिंग वाले और छोटे किसानों को कोई फायदा नहीं मिला है। इसलिए मेरी दरख्वास्त है कि कम से कम इतना तो करना चाहिए।

मैं आखीर में, माननीय मन्त्री जी से रिक्वेस्ट करूँगा कि पहले जब उन्होंने यहां पर स्टेटमेंट दिया था उस समय हाउस से प्रामिस किया था कि कैबिनेट इस पर पूरा विचार करेगी। इसमें क्या प्रगति हुई है, यह मैं जानना चाहूँगा। आज किसान हमारी मार्फत आपकी राय की अपेक्षा करते हैं। मैं हाउस की तरफ से रिक्वेस्ट करूँगा कि इस पर फिर से विचार

[श्री देवराव पाटिल]

करें और अगर आप 50 करोड़ आमदनी चाहते हैं तो हम दूसरी आमदनी देने को तैयार हैं।

दूसरी बात यह है कि आप 50 करोड़ रुपया जमा करने वाले हैं और स्टेट्स को देने वाले हैं। मैं पूछता हूँ कि वह पैसा किसके लिए खर्च करने वाले हैं? किसानों के लिए खर्च करने वाले हैं या कृषि के डेवलपमेंट के लिए खर्च करने वाले हैं, इसके बारे में भी कुछ प्रामिस देने वाले हैं क्या आप?

SHRI R. D. BHANDARE : One minute.

MR. SPEAKER : Will you kindly sit down? I am on my legs. Am I to throw this open for general discussion? What is the desire of the Congress members? If that is the desire, I am prepared to do it. Normally, amendments are moved and whoever moves amendments is allowed to speak. But if a general discussion begins now, what will happen? He will speak for one minute, another friend will get up and speak for one minute. The moment I begin allowing members who have not moved amendments to speak, then it becomes a general discussion. I have no objection. But then please do not blame me. The moment I call one friend, I must call another friend also. I cannot say that he is in the panel of Chairman and therefore let him speak, but not Shri Jadhav. No please; it is not proper. If I do it, do not blame me. I will sit down. But it is not proper because it will take two hours for each clause.

SHRI TULSIDAS JADAV : I will request for two minutes.....

MR SPEAKER : Why you alone?

SHRI TULSIDAS JADAV : On a point of order.

SHRI MORARJI DESAI : How can there be point of order now?

MR SPEAKER : What is the point of order?

SHRI TULSIDAS JADAV : Under 351. Rule 351 says. A member desiring to make

any observations on any matter before the House.....

MR. SPEAKER : It is a Rule. What is the point of order? I cannot allow so many people. If I allow you, I must allow others. Why you alone? What is the speciality with you? There is no point of order. I have called the Deputy Prime Minister.

SHRI TULSIDAS JADAV : I want your ruling. मुझे आपसे रूलिंग चाहिए। पहले भी डिप्टी स्पीकर साहब थे. (व्यवधान) मेरी रिक्वेस्ट तो मुन लीजिए। .. (व्यवधान)

SHRI MORARJI DESAI : I have heard carefully not only now, but even before the objections raised against the taxation on fertilizers and some other matters.....

AN HON. MEMBER : And petroleum.

SHRI MORARJI DESAI : Yes, petroleum, particularly. My Hon. friend always says about it. The Finance Minister and the Government have a difficult task to perform. Everybody wants development and the tempo of development should go higher and higher. If that does not happen, there will be demoralisation even more. It is, therefore that one has got to mobilise resources. When it is said that tax on fertilizers will inhibit further improvement in agriculture, I am afraid that is not a correct inference because I have been seeing for the last three or four years that when prices rose fertilizers were used more and more. When subsidy was withdrawn, 37 per cent more fertilizers were used next year.

And this will not, therefore, inhibit, because the profits from the use of fertilisers are large enough. I find that there are people who take from the blackmarket fertilisers at twice the value and yet they do it. Why? They do it because it profits them to do it.

SHRI SEZHIYAN : The supply is too small. (Interruptions)

SHRI MORARJI DESAI : Hon. Members may make protestations. But this is the experience which I have which perhaps they do not have.

This is used mostly in irrigated areas, and in irrigated areas, if an acre of land produces a crop which gives a profit ranging from Rs. 1000 up to Rs. 10,000.....

श्री देवराव पाटिल : जिसकी घाटे की खेती है वह क्या करेगा ?

श्री मोरारजी देसाई : घाटे की खेती कोई है ही नहीं ।

I have this on the testimony of some Members of the two Houses, who have themselves told me what profit they get. I am not going to name them because then my hon. friends may go after them. They have told me what their profits were from certain crops. Therefore, all this information is with me. I have consulted even some agriculturists with whom I have nothing to do. But they have also told me that this does not take away more than Rs. 4 out of Rs. 134 extra profit that will be obtained by the use of fertilisers. This is the calculation that I have got from agriculturists. It is not, therefore, my calculation but that of agriculturists who do consider that it is necessary to advance this more and spend more money. If I have spent more money, if I do not get it from those who profit by it, from whom else can one get it ?

श्री रामावतार शास्त्री : उनको होता होगा, अध्यक्ष महोदय ।

SHRI MORARJI DESAI : I refuse to believe this. This is a thing which cannot happen because then the man will become bankrupt. How can he remain in a losing economy? Yes, when there is famine and there is scarcity, these people do have losses. I do say that. But then Government spends money at that time and helps them. All this money spent on irrigation and fertilisers and everything else benefits certain class of agriculturists from whom only this will come. Therefore, it was thought fit to levy this. I had said that the Cabinet would decide it. The Cabinet has decided it ; so, it is not I myself who have decided it. Therefore, I cannot withdraw this excise duty.

In regard to sugar it was said that the duty had increased the price of sugar. Before

the budget, the price of sugar in the free market was Rs. 3.55, and on 30th April it was Rs. 3. 10. And yet my hon. friend begins to tell me that the prices have increased. I have therefore, taken this excise from the profits of the people who sell it in the open market. So, the charge that is made that the price has increased is not true.

17 hrs.

I have already declared certain concessions for powerlooms and for the other cloth; up to Rs. 2.50 for ordinary cloth, I have reduced it to half and so also to Rs. 4 for some other cloth. Beyond that, it is not possible for me to go. Of course, if the time comes and it is necessary, then I have always considered it from time to time as the economy demands and as the production demands. That is also being done; as we do in the matter of jute or other things, in the matter of textiles also, one can do it. Therefore, I am giving effect to these concessions by notifications and not by amendment of these provisions. Therefore, these amendments are not necessary.

I have also said that on power-driven pumps the duty has been given up. All this will be given effect to by notification, and therefore, I cannot accept any of these amendments.

SHRI SRINIBAS MISRA : What about compost ?

SHRI MORARJI DESAI : Compost does not attract this at all.

SHRI SRINIBAS MISRA : When chemical is added ?

SHRI MORARJI DESAI : Only on that chemical it will be put and on nothing else.

SHRI SRINIBAS MISRA : When it is chemically treated ?

SHRI MORARJI DESAI : That is all wrong. I know how compost is made.

SHRI SRINIBAS MISRA : What about the container ?

SHRI MORARJI DESAI : Nothing is to be added. I have also excluded it up to

[Shri Morarji Desai]

Rs. 50,000 production. Therefore, all those other people also will be exempted; even the larger sector will get that much exemption.

SHRI K. SURYANARAYANA (Eluru) :
On a point of clarification.

SHRI M. R. MASANI : Amendment No. 22 may be put separately.

MR. SPEAKER : I shall first put amendment No. 22 to clause 30 to the vote of the House.

The question is :

“Page 16, omit lines 7 to 12”. (22)

The Lok Sabha divided :

Division No, 17]

AYES

[17.06 hrs.

Ahmed, Shri J.
Amin, Shri R. K.
Banerjee, Shri S. M.
Birua, Shri Kolai
Brij Bhushan Lal, Shri
Deiveekan, Shri
Deo, Shri K. P. Singh
Deo, Shri P. K.
Dwivedy, Shri Surendranath
Gowd, Shri Gandilingana
Gowda, Sri M. H.
Gowder, Shri Nanja
Gupta, Shri Kanwar Lal
Jha, Sh t Shiva Chandra

Kandappan, Shri S.
Kiruttinan, Shri
Kothari, Shri S. S.
Krishna, Shri S. M.
Lakkappa, Shri K.
Masani, Shri M. R.
Meena, Shri Meetha Lal
Meghachandra, Shri M.
Misra, Shri Srinibas
Mohamed Imam, Shri J.
Nair, Shri Vasudevan
Nihal Singh, Shri
Patil, Shri N. R.
Patodia, Shri D. N.

Saty Narain Singh, Shri
Sen, Dr. Ranen
Sezhiyan, Shri
Sharma, Shri Beni Shanker
* Shashi Bhushan, Shri
Shastri, Shri Ramavatar
Shastri, Shri Sheopujan
Sivasankaran, Shri
Somasundaram, Shri S. D.
Sondhi, Shri M. L.
Tapuriah, Shri S. K.
Vidyarthi, Shri R. S.
Yadav, Shri Jageshwar

NOES

Achal Singh, Shri
Agadi, Shri S. A.
Ahirwar, Shri Nathu Ram
Ahmed, Shri F. A.
Azad, Shri Bhagwat Jha
Babunath Singh, Shri
Barua, Shri Bedabrata
Basumatari, Shri
Bhandare, Shri R. D.
Bhanu Prakash Singh, Shri
Bohra, Shri Onkarlal
Chanda, Shri Anil K.
Chatterji, Shri Krishna
Kumar
Chaturvedi, Shri R. L.
Chaudhary, Shri Nitiraj Singh
Chavan, Shri D. R.
Chavan, Shri Y. B.
Choudhary, Shri Valmiki
Choudhury, Shri J. K.
Damani, Shri S. R.
Das, Shri N. T.
Dasappa, Shri Tulsidas
Desai, Shri Morarji
Deshmukh, Shri Shivajirao S.
Dixit, Shri G. C.
Dwivedi, Shri Negeshwar

Ering, Shri D.
Gandhi, Shrimati Indira
Ganesh, Shri K. R.
Gautam, Shri C. F. A.
Gavit, Shri Tukaram
Ghosh, Shri Parimal
Govind Das, Dr.
Gudadinni, Shri B. K.
Gupta, Shri Ram Kishan
Hanumanthaiya, Shri
Hem Raj, Shri
Jadhav, Shri Tulsidas
Jagjiwan Ram, Shri
Jamir, Shri S. C.
Kamble, Shri
Kamala Kumari, Kumari
Karan Singh, Dr.
Kavade, Shri B. R.
Kedaria, Shri C. M.
Kinder Lal, Shri
Krishan Singh H. R.
Krishnan, Shri G. Y.
Kureel, Shri B. N.
Lakshmikanthamma Shrimati
Laskar, Shri N. R.
Mahadeva Prasad, Dr.
Maharaj Singh, Shri

Mahishi, Dr. Sarojini
Master, Shri Bhola Nath
Masuriya Din, Shri
Mehta, Shri P. M.
Melkote, Dr.
Menon, Shri Govinda
Minimata. Shrimati Agam
Dass Guru
Mirza, Shri Barkar Ali
Mishra, Shri Bibhuti
Mrityunjay Prasad, Shri
Mukerjee, Shrimati Sharda
Murti. Shri M. S.
Pahadia, Shri Jagannath
Pandey, Shri K. N.
Pant, Shri K. C.
Paokai Haokip, Shri
Parmar, Shri Bhaljibhai
Partap Singh, Shri
Parthasarathy, Shri
Patel Shri, Manibhai J.
Patil, Shri A. V.
Patil, Shri Deorao
Poonacha, Shri C. M.
Pramanik, Shri J. N.
Qureshi, Shri Mohd. Shaffi
Radhabai, Shrimati B.

* Wrongly voted for 'Ayes'

Raghu Ramaiah, Shri	Reddi, Shri G. S.	Sethuraman, Shri N.
Raj Deo Singh, Shri	Reddy, Shri Ganga	Shambhu Nath, Shri
Rajasekharan, Shri	Reddy, Shri P. Antony	Sharma, Shri Naval Kishore
Ram, Shri T.	Reddy, Shri R. D.	Sheo Narain, Shri
Ram Dhan, Shri	Reddy, Shrimati Sudha V.	Shinde, Shri Annasahib
Ram Dhani Das, Shri	Roy, Shri Bishwanath	Shiv Chandika Prasad Shri
Ram Sewak, Shri Chowdhary	Roy, Shrimati Uma	Shukla, Shri S. N.
Ram Subhag Singh, Dr.	Sadhu Ram, Shri	Siddheshwar Prasad, Shri
Ram Swarup, Shri	Saha, Dr. S. K.	Singh, Shri D. N.
Ramshekhar Prasad Singh, Shri	Saleem, Shri M. Yunus	Sinha, Shri Satya Narayan
Rana, Shri M. B.	Salve, Shri Narendra Kumar	Snatak, Shri Nar Deo
Randhir Singh, Shri	Sambasivam, Shri	Tiwary, Shri D. N.
Rao, Shri K. Narayana	Sapre, Shrimati Tara	Tiwary, Shri K. N.
Rao, Shri Muthyal	Savitri Shyam, Shrimati	Verma, Shri Balgovind
Rao, Shri J. Ramapathi	Sayyad Ali, Shri	Virbhadra Singh, Shri
Raut, Shri Bhola	Sen, Shri Dwaipayan	Vyas, Shri Ramesh Chandra
	Sen, Shri P.-G.	Yadav, Shri Chandra Jeet

MR. SPEAKER : The Result* of the division is :

Ayes : 41; *Noes* : 129.

The motion was negatived

MR. SPEAKER: I shall now put all the other amendments to the vote of the House.

Amendments Nos. 19, 20, 21, 23 to 26, 220 to 223, 225, 267, 271, 281, 283 to 286, 290, 295, 296, 303 and 304 were put and negatived.

MR. SPEAKER: The question is:

"That clause 30 stand part of the Bill."

The motion was adopted.

Clause 30 was added to the Bill.

Clauses 31 and 32 were added to the Bill

Clause 33—(Amendment of Act 58 of 1957)

MR. SPEAKER: We take up Clause 33. Before we discuss it, I want to make a statement. There is a meeting at 6.30 P. M. It is a memorial meeting and I think we should enable the Members of Parliament to attend that meeting. Therefore, we should finish the third reading also. We can do that if

hon. Members cooperate. There will be no difficulty because only the First Schedule and a few other clauses are there. If the hon. Members do not insist on their right, the third reading stage also be over, so that we can go. But if they want to speak, I shall sit and they shall sit but there will be no use like that because the others will go.

Now, there are amendments to clause 33.

SHRI S. S. KOTHARI: I move:†

Page 24,—

omit lines 24 and 25 (27)

I do not want to speak on this amendment.

SHRI K. LAKKAPPA (Tumkur): I beg to move:†

Pages 24 and 25,—

for lines 29 to 43 and 1 to 13

respectively, substitute—

"I. All varieties of cotton fabrics whose tariff values are rupee one and below per square metre. 10 per cent. *ad valorem.*"

*The following Members also recorded their votes for *Noes* : Sarvshri Shashi Bhushan and K. Suryanarayana.

†Moved with the recommendation of the President.

IA. All varieties of cotton fabrics whose tariff values are over rupee one but below rupees two per square metre.	12½ per cent. <i>ad valorem.</i>
IB. All varieties of cotton fabrics whose tariff values are over rupees two but below rupees four per square metre.	15 per cent. <i>ad valorem.</i>
IC. All varieties of cotton fabrics whose tariff values are above rupees four per square metre.	20 per cent. <i>ad valorem.</i>

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SHRI S. M. BANERJEE: I beg to move: *	Page 26, line 42,—
Page 25,—	for "Rs. 5,000" substitute "Rs. 7,500" (30)
omit lines 6 to 13 (291)	Page 29, line 24,—
MR. SPEAKER: I put all amendments to clause 33 to the vote of the House.	for "Rs. 5,000" substitute "Rs. 7,500." (32)
<i>Amendments Nos. 27, 268 and 291 were put and negatived.</i>	Page 29, line 26.—
MR. SPEAKER: The question is:	for "Rs. 5,000" substitute "Rs. 7,500." (33)
"That clause 33 stand part of the Bill."	Page 29, line 27,—
<i>The motion was adopted.</i>	for "Rs. 5,000" substitute "Rs. 7,500" (34)
<i>Clause 33 was added to the Bill.</i>	
<i>Clause 34 was added to the Bill.</i>	Page 31,—
The first Schedule	omit lines 1 to 4. (37)
MR. SPEAKER: We take up the First Schedule now. There are a number of amendments.	Page 34, line 41,—
	for "Rs. 5,000" substitute "Rs. 7,500" (39)
SHRI M. R. MASANI: I want to move all the amendments in my name except 31, 35 and 42.	Page 34, line 43,—
	for "Rs. 5,000" substitute "Rs. 7,500" (40)
I beg to move: *	Page 34, line 44,—
Page 26, line 39,—	for "Rs. 5,000" substitute "Rs. 7,500" (41)
for "Rs. 5,000" substitute "Rs. 7,500" (28)	Page 37,—
Page 26, line 41,—	omit lines 44 to 47. (44)
for "Rs. 5,000" substitute "Rs. 7,500" (29)	Page 38,—
	omit lines 41 to 44. (47)

* Moved with the recommendation of the President.

Page 35,—

for lines 1 to 27, substitute—

- | | |
|---|---|
| “(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000. | Rs. 750 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000; |
| (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000. | Rs. 1,500 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000; |
| (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000. | Rs. 2,500 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000; |
| (6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000. | Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000; |
| (7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000. | Rs. 6,000 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000; |
| (8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000. | Rs. 16,000 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000; |
| (9) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000. | Rs. 28,000 plus 65 per cent. of the amount by which the total income exceeds Rs. 70,000;” (160) |

Page 35, line 42,—

for “Rs. 4,000” substitute— “7,500” (161)

Page 36, line 48,—

for “Rs. 4,000” substitute— “7,500” (162)

The First Schedule is on direct taxes. We go back again from excise duty to the income-tax provisions and the amendments I have moved seek three objectives.

The first is to raise the exemption limit from the present figure of Rs. 4,000 to Rs. 7,500. This was recommended by Mr. Bhoothalingam in his report last year which we had hoped would be given effect to by this Government. At present money values Rs. 4,000 is a fraction of what it was some

years ago. Quite rightly Mr. Bhoothalingam points out that collecting money from those very small people does not give much money but adds a great deal to the income-tax administrative expenditure and creates great hardship for people who do not earn even Rs. 7,500 a year. The first amendment that I have moved is to raise the floor from Rs. 4,000 to Rs 7,500.

The second amendment is to defeat the attempt to raise the rate of income-tax on small people with incomes between Rs. 10,000 and Rs. 20,000 per year. I have already argued this when the Budget was under discussion; and I pointed out how this class, the lower middle class people with fixed incomes, whose cost of living goes up but whose incomes have remained more or less stagnant, enjoy incomes even lower than

[Shri M. R. Masani]

the income of the industrial workers. This class, which is the back-bone of society, is being ground down between inflation and excessive taxation, and yet this is the class which the Finance Minister has selected to burden still further. We oppose additional taxation on those with incomes between Rs. 10,000 and Rs. 20,000.

The third item is the lowering of the floor of direct taxes on firms. Firms are already being taxed first as a firm and then as partners. That is a measure of double taxation which was already an injustice. Now the Finance Minister seeks to bring in smaller firms who do not make a profit of even Rs. 25,000 a year; he wants to lower

the limit from Rs. 25,000 to Rs. 10,000. A firm that makes a profit of Rs. 800 a month will have to pay double taxation, first as a firm and then as partners.

Taken together, my amendments deal with these three aspects which we want to correct.

SHRI J. MOHAMED IMAM: I move:*

Page 26,—

for lines 38 and 39, *substitute*—

“(1) Where the total income does not exceed Rs. 7,000 Nil;” (151)

Page 26,—

for lines 40 to 42, *substitute*—

“(2) where the total income exceeds Rs. 7,000 but does not exceed Rs. 10,000. Rs. 250 plus 10 per cent of the amount by which the total income exceeds Rs. 7,000 (152)

Page 27, line 29,—

for “Rs. 7000” *substitute* “Rs. 9000 (153)

Page 27, line 38,—

for “Rs. 4000” *substitute* “Rs. 7000 (154)

Page 35, line 1,—

for “17 per cent.” *substitute* “15 per cent.” (155)

Page 35, line 4,—

for “23 per cent.” *substitute* “20 per cent.” (156)

Page 35, line 42,—

for “Rs. 4,000” *substitute* “Rs. 7,000” (157)

SHRI S. S. KOTHARI: I move:*

Page 29,—

omit lines 15 to 19 (31)

Page 30,—

omit lines 19 to 37 (36)

Pages 34 and 35,—

for lines 40 to 44 and 1 to 27 respectively, *substitute*—

“The rates of income-tax shall be the same as in Part I of this Schedule” (38)

Page 37,—

omit lines 28 to 32 (43)

Page 38,—

for lines 4 to 17, *substitute*—

“The rates of income-tax shall be the same as in Part I of this Schedule” (45)

Page 38,—

omit lines 18 to 36 (46)

* Moved with the recommendation of the President.

Page 35,—

for lines 1 to 27,—*substitute*—

(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000.	Rs 750 plus 15 per cent of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000.	Rs. 1,500 plus 20 per cent of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000.	Rs. 2,500 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000.	Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000.	Rs. 6,000 plus 50 per cent of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000.	Rs. 16,000 plus 60 per cent of the amount by which the total income exceeds Rs. 50,000;
(9) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000.	Rs. 28,000 plus 65 per cent of the amount by which the total income exceeds Rs. 70,000;
(10) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,50,000.	Rs. 47,500 plus 70 per cent of the amount by which the total income exceeds Rs. 1,00,000;
(11) where the total income exceeds Rs. 2,50,000.	Rs 1,52,500 plus 75 per cent of the amount by which the total income exceeds Rs. 2,50,000;

(82)

Page 38,—

for lines 4 to 17, *substitute*—

(1) where the total income does not exceed Rs. 25,000.	Nil
(2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000.	6 per cent of the amount by which the total income exceeds Rs. 25,000;
(3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000.	Rs. 1,500 plus 8 per cent of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000.	Rs. 5,500 plus 12 per cent of the amount by which the total income exceeds Rs. 1,00,000;

(85)

Page 39 and 40,—

for lines 18 to 36 and 1 to 10, respectively, *substitute*—

"1. In the case of a domestic company.	45 per cent of the total income."	(86)
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[Shri S. S. Kothari]

Page 40,—

for lines 13 to 23, substitute—

“royalties or fees for rendering technical services received from an Indian concern in pursuance of an agreement made with the Indian concern where such agreement has been approved by the Central Government. (88)

Page 27, line 38,—
for “4,000” substitute “8,000” (275)

Page 28, line 40,—
for “4,000” substitute “8,000” (276)

Page 35, line 42,—
for “4,000” substitute “8,000” (277)

Page 36, line 48,—
for “4,000” substitute “8,000” (278)

I submit that the unkindest cut in the Budget is the increase in the tax on the middle class. I refer to persons with incomes between Rs. 10,000 and Rs. 20,000 and also firms, which belong to the middle class people, whose incomes range between Rs. 10,000 and Rs. 25,000. I am really surprised that the Finance Minister should have selected this particular group, for additional taxation, because there is no justification for it. Inflation has already eaten into the real value of money and increased taxation is a very unkind cut indeed. Even at this late stage, I would request the hon. Finance Minister to reconsider it.

Secondly, may I submit that in the last year's budget, the tax on unearned income had been reduced. To reduce tax on that and to increase tax on earned income, particularly of the middle-classes is, in my opinion, a highly retrograde step. There is no justification whatsoever for this. So, with all the emphasis at my command, I oppose this measure.

I would submit that with regard to earned income, there should be a straight

SHRI SRINIBAS MISRA : I move :

Page 29,—
for lines 23 to 39, substitute—

(1) where the total income does not exceed Rs. 25,000. Nil

50 per cent

deduction of eight per cent out of the earned income, because the people who work, save and invest should not be treated on a par with those who obtain income from house and other properties. Therefore, I strongly plead for it.

May I point out that direct tax constitutes what I would call surgery without anaesthesia. The direct taxes not only hurt the people but also adversely affect the capacity of the people to work, to save and to invest. It is hardly a coincidence that India, which is the highest taxed country in the world, also has the lowest growth rate. Countries like West Germany and Japan have advanced considerably because their taxation levels are reasonable. If there is a high level of evasion in this country, that also is directly connected with the high level of taxation. I would like to emphasise that.

Finally, may I point out that the tax on registered firms has also been going up considerably? In Bombay and Calcutta, wherever I have been, I have been approached by professional people like solicitors and accountants and others saying that the surcharge on professional income should be reduced. I would submit to the Finance Minister that he should consider this proposal favourably this year or next year. The professional people are a class of intellectuals and they should be given fair treatment. They pay their taxes properly, and they assist the Finance Minister by bringing assesseees to the right path. If they do not do their job properly, you may penalise them. I submit that they should be given better treatment.

*Moved with the recommendation of the President.

- | | |
|---|---|
| (2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000. | 5 per cent of the amount by which the total income exceeds Rs. 25, 000; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000. | Rs. 1,250 plus 10 per cent of the amount by which the total income exceeds Rs. 50, 000; |
| (4) where the total income exceeds Rs. 1,00,000. | Rs. 6,250 plus 15 per cent. of the amount by which the total exceeds Rs. 1,00,000;
(263) |

Page 37,—

for lines 36 to 47, substitute—

- | | |
|---|--|
| (1) where the total income does not exceed Rs. 10,000. | Nil; |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000. | 5 per cent. of the amount by which the total exceeds Rs. 10,000; |
| (3) where the total income exceeds Rs. 20,000. | Rs. 5000 plus 10 per cent of the amount by which the total exceeds Rs. 20,000.”
(265) |

SHRI SEZHIYAN : Sir, all my amendments deal with, and seek to raise the exemption limit for individual direct taxation to Rs. 7,500. Here, I would invite the kind attention of the Finance Minister to the categorical recommendation made by the Boothalingam Report, wherein it is stated :

“For both economy and on practical administrative grounds, I would, therefore, strongly recommend a substantial raising of the exemption limit and would suggest that the limit be fixed at Rs. 7,500 for individuals and.....”

“This would be justifiable merely on the increase in prices ignoring all other considerations. By doing so, the number of tax-payers in the register will be reduced by about 1.7 million (on the assumption that to the 700,000 in this class in 1963-64 would have been added one million out of the increase of 1.2 million since then.)”

He says that the “loss of revenue” will be only of the order of Rs. 7 to 8 crores. He says that the efficiency of tax collection would increase, because,

“Some Revenue officials have estimated that if work on petty assessments is cut out, the improvement in the quality and speed with which the remaining work can be done, e.g., by expeditious disposal of appeals, better investigation, e’c., will lead to increase of tax collections by Rs. 100 crores for some years besides an immediate increase of about Rs. 200 crores merely by finalisation of pending assessments.”

So, the Boothalingam Report has given a categorical recommendation to the above effect in this regard.

There is one argument that everybody should contribute to the national development by paying taxes. Direct tax is not the

[Shri Sezhiyan]

only source of income because even if a man just earns Rs. 100 a month, he has to pay indirect taxes on many articles and that goes for development. So, there is no basis for saying that only by direct taxation, the people could pay for the development of the nation, and contribute to the welfare of the country. When there is an abnormal increase in the prices, and there is an inflationary tendency, when the rupee value has fallen so much, there is all the more reason why an increase in the exemption limit to Rs. 7,500 as recommended by Mr. Bhoothalingam should not be given effect.

SHRI S.M. BANERJEE : I move* :

Page 26, omit lines 40 to 42. (292)

Page 26, line 43,

for "15 per cent." substitute "5 per cent." (293)

In my amendment No. 292, I want to omit lines 40 to 42, and in my amendment No. 293, I want to change 15 per cent to five per cent.

In supporting these amendments, I would only like to bring to the notice of the hon. Finance Minister that after all the prices of commodities have increased so much today that the middle-classes suffer the most, and this income-range of Rs. 5,000 to Rs. 10,000 absolutely belongs to the middle-class cadre.

Either the exemption limit should be raised or the rate of tax should be reduced to 5 per cent. I hope the Deputy Prime Minister will consider this.

SHRI SHIVA CHANDRA JHA : I beg to move* :

Page 26, lines 40 to 42,—

for "Rs. 250 plus 10 per cent. of the amount by which the total income exceeds Rs. 5,000,"

substitute "Rs. 250;" (180)

Page 26, lines 43 to 45,—

for "Rs. 750 plus 15 per cent. of the

amount by which the total income exceeds Rs. 10,000;"

substitute "Rs. 750;" (181)

Page 27, line 19,—

for "70 per cent."

substitute—

"98 per cent." (182)

Page 27, line 22,—

for "75 per cent." substitute "99 per cent." (183)

इस शैड्यूल में आप पांच हजार से ज्यादा और दस हजार से कम जिनकी आमदनी है उन-पर इनकम टैक्स दस परसेंट बढ़ा रहे हैं और दस हजार से ज्यादा और पंद्रह हजार से कम जिनकी है उन पर पंद्रह परसेंट बढ़ा रहे हैं।

हम सब जानते हैं कि हिन्दुस्तान में आम जनता की आमदनी कम है। कुछ लोग हैं जिनकी आमदनी ज्यादा है। दस हजार सालाना जिनकी आमदनी है उनकी महावारी आमदनी सात-आठ सौ पड़ती है। खेतिहर मजदूर जो हैं वह तीन आने रोज़ पर गुजर बसर करता है। इसको देखा जाए तो सात-आठ सौ रुपये तनख्वाह काफी है। दस हजार से ज्यादा और पंद्रह हजार तक जिनकी सालाना आमदनी है उनकी माहवार आमदनी एक हजार से ऊपर होगी। यह कोई मामूली आमदनी नहीं है। उनको टैक्स देना चाहिये। लेकिन एक सवाल पैदा होता है। ये लोग ऐसे हैं जिनको आप एंटरप्राइजिंग लोगों की संज्ञा दे सकते हैं। विद्या के क्षेत्र में और उद्योग धंधों के क्षेत्र में इन्होंने साबित कर दिया है कि ये एंटरप्राइजिंग लोग हैं। उन पर ऐसा बोझ नहीं लादा जाना चाहिए जिससे उनका जो उत्साह है वह मंद हो जाए, एंटरप्राइजिंग स्परिट जो है, उसको घक्का पहुंचे। इन पर इनकम टैक्स नहीं लगना चाहिये, ऐसा मैं नहीं कहता हूँ। लेकिन

*Moved with the recommendation of the President.

में चाहूंगा कि अभी जितना इनकम टैक्स वे दे रहे हैं, वही इनकम टैक्स उनसे वसूल किया जाना चाहिए। दस और पंद्रह परसेंट जो आप बढ़ा रहे हैं वह नहीं बढ़ना चाहिए।

हां, जिनकी आमदनी एक लाख है लेकिन ढाई लाख से कम है उन पर आप सत्तर परसेंट बढ़ाना चाहते हैं और जिनकी ढाई लाख से अधिक है उन पर 75 परसेंट आप बढ़ाना चाहते हैं। मैं चाहूंगा कि जिनकी आमदनी एक लाख से अधिक और ढाई लाख से कम है उन पर 98 परसेंट लगना चाहिये न कि 70 परसेंट और जिनकी ढाई लाख से अधिक है, उन पर 99 परसेंट आप लगायें। ये लोग ज्यादा बोझा बरदास्त करने की स्थिति में हैं। इसलिए उनसे अधिक वसूल किया जाना चाहिये। एंटरप्राइजिंग जिनको मैं कहता हूं उस तबके से भी ये लोग नहीं आते हैं। वे पैरासिटिक लोगों में आ जाते हैं और क्लिपिंग कूपज़ में आ जाते हैं। इनसे सख्ती से टैक्स वसूल होना चाहिए और इन पर 98 और 99 परसेंट टैक्स लगना चाहिये।

SHRI SRINIBAS MISRA : By this Finance Bill, two of the very serious assurances given by the Food Minister to this House have become casualties. Just now we have seen the fate of levy on fertilisers.

Regarding the taxation on cooperative societies, a look at the calculation will show that for an income of Rs. 50,000, a cooperative society will pay Rs. 13,750 whereas a registered firm will pay only Rs. 1500 as tax on an income of Rs. 50,000. I know the answer will be that cooperative societies are getting so many remissions and advantages in other directions. May be true, but that does not mean that whichever cooperative societies come within your taxable powers, they should be taxed at these higher rates.

Then, it is said, "Where the total income does not exceed Rs. 5,000—5 per cent". If you want to say chargeable income, say chargeable income. Why say total income and mislead like this? Even after giving

exemptions, in consonance with their principles and the encomiums showered by them on the cooperative movement, they should say that co-operative societies should be treated on a par with private registered firms even in addition to advantages given elsewhere. I hope the hon. Finance Minister will consider this and bring the level of taxation on co-operative societies down.

SHRI BENI SHANKER SHARMA : Sir, I move my amendments to the First Schedule. I beg to move* :

Page 26, line 38,—

for "5 per cent", substitute—

"2 per cent". (229)

Page 26, line 40,—

for "Rs. 250 plus 10 per cent."

substitute—

"Rs. 100 plus 5 per cent." (230)

Page 26, line 43,—

for "Rs. 750 plus 15 per cent."

substitute—

"Rs. 350 plus 10 per cent." (231)

Page 27, line 38,—

for "Rs. 4,000" substitute—

"Rs. 5,000." (232)

Page 29,—

omit lines 16 to 19. (233)

Page 30,—

omit lines 1 to 4. (234)

Page 31, line 35,—

for "55 per cent." substitute—

"50 per cent." (235)

Page 31, line 37,—

for "Rs. 10,00,000" substitute—

"Rs. 5,00,000". (236)

* Moved with the recommendation of the President.

Page 31,—

for line 40 substitute—

“(ii) in any other case—

- | | |
|---|----------------------|
| (a) where the total income does not exceed Rs. 2,50,000 | 50 per cent. |
| (b) on the balance of the total income. | 60 per cent
(237) |

Page 38,—

for lines 4 to 17, substitute—

- | | |
|---|--|
| “(1) where the total income does not exceed Rs. 25,000 | Nil; |
| (2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000. | 5 per cent of the amount by which the total income exceeds Rs. 25,000; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000. | Rs. 1,250 plus 10 per cent of the amount by which the total income exceeds Rs. 50,000; |
| (4) where the total income exceeds Rs. 1,00,000. | Rs. 6,250 plus 15 per cent of the amount by which the total income exceeds Rs. 1,00,000. (238) |

My amendments fall into three categories. The first category relates to the rates of tax between Rs. 5000 and Rs. 15,000. I know the hon'ble Deputy Prime Minister and Finance Minister and his pack of advisers are very allergic to the reduction of slabs of tenable income. Therefore I have suggested another method. I have suggested that where the total income does not exceed Rs. 5000 instead of 5 per cent this tax should be 2 per cent and when the income exceeds Rs. 5000 but does not exceed Rs. 10,000 the tax should be Rs. 100 plus 5 per cent and so on. The group earning between Rs. 5000 and Rs. 15,000 mostly represent middle class and salaried persons. Sir, they are the most hard-hit persons in this taxation scheme. If you analyse the number of assesses falling in this group you will find that the majority of them are salaried persons and with their fixed incomes it is very difficult for them in these days of rising prices to maintain their soul and body

together. Therefore, this is an amendment which deserves a little sympathy at the hands of our Finance Minister and I hope he would be good enough to give at least to this class some concession.

The second category of amendments relates to the rates for companies. I have suggested some rates for those companies which have got smaller incomes as against those which have bigger incomes. In India we have still to learn to carry on our business through corporate bodies like companies and it is still in a nebulous stage. I would therefore suggest that in order to give a boost to company formation some leniency should be shown to those companies which have got lower incomes.

As regards the much raised question of registered firms many hon. friends have pointed out that Shri Bhoothalingam and

other experts have suggested that this is a double tax on income. If four persons having an income of Rs. 2500 each join together they will be assessed for Rs. 10,000 and taxed whereas they would not be assessable if they got that much income individually. This is a great hardship and I submit that the *status quo* so far as registered firms are concerned should be maintained.

SHRI MORARJI DESAI : Sir, as can be appreciated, there is bound to be opposition to all increases in taxation. The taxation on Rs. 10,000 and above has been objected to. The increase in taxation is not very much. On an income of Rs. 12,000 you will pay only Rs. 44 more per year. Therefore, it is not such an increase as my hon. friends have tried to point out. The increase is on the higher incomes. After Rs. 20,000 it will be Rs. 275. The full effect of it will be on the higher incomes and not on small incomes.

In the matter of cooperatives it is very fallacious to argue that cooperative societies pay more. Cooperative societies will not pay more up to Rs. 30,000 according to the present proposal. They are going to pay less up to Rs. 24,000, from Rs. 24,000 to Rs. 30,000 they will pay the same and from Rs. 31,000 they go on paying somewhat more—from Rs. 55 to Rs. 275 more. What is happening in the slab above Rs. 20,000, the same thing happens in the case of co-operative societies. As I said, to compare the co-operative societies with registered firms is fallacious. In registered firms the partners pay their taxes whereas in co-operative societies nobody pay anything afterwards. Therefore, what is the use of saying that co-operative societies are paying more? Then, these are only business co-operative societies and so they are taxed; other co-operative societies are not taxed. If work is going to be done through co-operative societies, does it mean that we should take no taxes from them? Then how is the government going to be run? Therefore, when they do business, they are charged at a particular rate. That is all what is done. I repeat it is fallacious to compare them with registered firms, because the registered firms pay in addition to what their partners pay. If they are individuals, they

would have paid less. But if they want to join together, they have to pay somewhat more. That is what I am taking from them. In fact, the argument of some hon. Members is the other way round, that they should not be taxed more when they join together. I do not say that both balance each other but this will always happen.

SHRI SRINIBAS MISRA : Will you please look at line 23 on page 29 where you say "where the total income does not exceed Rs. 5,000". Why do you not say "total chargeable income"?

SHRI MORARJI DESAI : I do not want to make any change now.

MR. SPEAKER : I will put all the amendments to the vote together.

Amendments Nos. 28 to 34, 36 to 41, 43 to 47, 82, 85, 86, 88, 151 to 157, 160 to 162, 180 to 183, 229 to 238, 263, 265, 275 to 278, 292 and 293 were put and negatived.

MR. SPEAKER : The question is:

"That the First Schedule stand part of the Bill."

The motion was adopted.

The First Schedule was added to the Bill.

The Second Schedule was added to the Bill.

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

SHRI MORARJI DESAI : I beg to move:

"That the Bill, as amended, be passed"

MR. SPEAKER : Motion moved:

"That the Bill, as amended, be passed".

श्री तुलशीदास जाधव (बारामती) : अध्यक्ष महोदय, इस समय बोलने का अवसर देने के लिए मैं आपका धन्यवाद करता हूँ। मैं आपसे यह क्लैरिफिकेशन चाहता हूँ कि क्या किसी क्लाइंट पर वोटिंग करने से पहले हर एक मेम्बर को उस पर बोलने का अधिकार नहीं होता है।

MR. SPEAKER : I would like to make it clear once and for all that every hon. Member has the right to speak. All the 523 hon. Members have equal rights to speak. But the Speaker has also the duty to control them; otherwise, there is no need for the Speaker. Therefore, while he has the right to speak the Speaker has also the right to prevent him from speaking.

श्री तुलसीदास जाधव : लैंड पर जो वेलथ टैक्स लगाया गया है, उसके बारे में मैं ज्यादा नहीं कहना चाहता हूँ। लेकिन एटार्नी जेनेरल ने अपने वक्तव्य में कहा था कि मैं तो लेटर देखूंगा, स्पिरिट नहीं देखूंगा। गवर्नमेंट से मेरा कहना यह है कि कोई भी काम करने से पहले उसे दोनों बातें देखनी चाहिए, लेटर देखना चाहिए और उसकी स्पिरिट भी देखनी चाहिए। अगर स्पिरिट देखी जाय संविधान की तो 86, 87 और 89 इन तीनों आर्टिकल्स के अन्दर लैंड के ऊपर टैक्स नहीं बिठाना है, ऐसा क्लीयरली उस के अन्दर लिखा है। इतना ही नहीं जो स्टेट की सेकेंड लिस्ट है उसके अन्दर लैंड के ऊपर टैक्स है। ऐसा उसमें है। तो इसके माने हैं कि लैंड की जो वेलथ है उसके ऊपर टैक्स बिठाना यह कानून से और 248 (2) में जो अस्तित्थार है, उसमें भी कांस्टीट्यूशन मेकर का इन्टेंशन जो है वह यह इन्टेंशन है कि काश्तकारों की जायदाद के ऊपर टैक्स न हो। तो वह स्पिरिट गवर्नमेंट ने नहीं रखी.....

DR. RANEN SEN (Barasat) : After having voted for taxation, now he makes a speech like this. What is this ? He should have voted against it.

श्री तुलसीदास जाधव : वोट किया हो तो उसके बाद भी सरकार री-कंसिडर कर सकती है। उसको अस्तित्थार है। वह कर सकती है। हाउस के सामने वह आ जायगा।

श्री मोरारजी देसाई : अब कुछ नहीं हो सकता।

श्री तुलसीदास जाधव : तो मेरा यह कहना है कि इस बाबत में सरकार ने यह बलती की है। यह मेरा कहना है।

दूसरी बात यह है कि काश्तकारों पर फाटिलाइजर के बारे में भी जो टैक्स बिठाया वह भी ठीक नहीं था। जो आग्यूमेंट फाइनेंस मिनिस्टर ने दिए उसके बारे में यह कहना है कि कहीं अपवादात्मक, एक्सेप्शन में कोई किसी ने एक एकड़ में ग्रेप्स पैदा किए और उसको हजार दो हजार रुपया फायदा हो गया। तो उसके माने यह नहीं है कि देश के सब काश्तकार ऐसे हो गये। यह आग्यूमेंट देना बिल्कुल ठीक नहीं है और मेरा यह कहना है कि इन दो बातों के लिये सारे हाउस का विरोध होते हुए भी यह चीज करना देश के लिये और काश्तकारों के लिए ठीक नहीं है।... (ध्यवधान)... देखिये, मैं इस फाइनेंस बिल पर बोला नहीं, इसलिये मुझे अपनी बात रखने दीजिए।

तीसरी बात यह कि वेलथ टैक्स के बारे में कम्पनी हो तो उसका वेलथ टैक्स माफ है। कोई मां बाप औरत सब मिला कर एक कम्पनी बना दे तो उसके ऊपर टैक्स नहीं है ..

श्री मोरारजी देसाई : कम्पनी 65 परसेंट टैक्स देती है, क्या बोल रहे हैं आप ?

श्री तुलसीदास जाधव : दूसरी बात यह है कि इस खेती के ऊपर हर प्रान्त में सीलिंग है। तो सीलिंग होते हुए और 85 परसेंट काश्तकारों के गरीब होते हुए भी खेती के ऊपर और इसके ऊपर टैक्स बिठाना यह मेरी दृष्टि से तो उचित नहीं है। इतना ही मेरा कहना है।

SHRI R. K. AMIN (Dhandhuka) : Mr. Speaker, Sir, at this late hour, I would like to bring out two important points on the Budget which have not been brought out so far in so far as two readings of the Finance Bill are concerned.

Firstly, I would like to bring to the notice of the Finance Minister that this Budget is more inflationary than what he supposes it to be or even others suppose it to be. He has already provided for Rs. 250 crores of deficit financing which itself is an increase in the quantity of money and,

therefore, inflationary. When a revival of industry is taking place, as he himself claims that the revival of industry has already taken place, if he injects this amount of money into the economy, it is bound to be doubly inflationary. Moreover, you have also increased taxation worth more than Rs. 100 crores and even the State Governments have taken away more than Rs. 50 crores from that people. This amount of about Rs. 150 crores would have been anti-inflationary had it been a case that it was withdrawn from the circulation and not spent. But it has been used by the Government in the wasteful way or in a more unproductive way. That is why it is likely to increase the cost in the economy. So, the deficit financing will lead to the demand full inflation and the workful expenditure of Rs. 150 crores from additional taxes will lead to the cost-push inflation. On these two accounts, it is likely to be more inflationary than most of us believe it to be.

17.35 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Secondly, what I would like to bring to your notice is that this Budget is not sufficiently growth-oriented.

Take the agricultural impost especially the wealth tax and the tax on fertilisers. In regard to the agricultural wealth tax, the important thing, apart from the legal aspect whether you are entitled to put the tax or not, is: do you encourage the savings to be invested in the agricultural field or not? By your wealth tax, all the savings of the people will go either in ornaments or in gold but they will not go to agriculture. By taxing it, you are preventing the formation of wealth in the agricultural field. I would like to bring to your notice that the capital in the agricultural field has already been depleted and therefore more and more capital needs to be injected into the agricultural field. It is exactly at this time that you are imposing the tax on agricultural wealth and it is not at all justified.

About fertiliser, the Finance Minister is pointing out one or two fields in which there are good deal of profits. I can always point

out in any field or in any industry one entrepreneur making more profits, but there will be a number of persons who will be making losses. In agriculture also you have this sort of difficulty that every year you cannot make profits. You have to take the average of three or four years. One year may be good and one year may be bad. If you take into account the average of three or four years, probably you will not be able to stand by your words. There is still time and I request you on the floor of this House to withdraw the agricultural impost, the fertiliser tax and the wealth tax.

I would also request you to withdraw the taxes on registered firms because there is a gross injustice done in the form of double taxation which the middle class people in the mercantile community and traders cannot bear; otherwise, you will be killing the formation of partnership in the economy which is required most in order to encourage traders and the mercantile community to start small scale industries.

At this last hour, if my request has any meaning, I would like to request the hon. Finance Minister to withdraw the agricultural imposts and also withdraw the taxes on registered firms.

SHRI S. KANDAPPAN (Mettur): I am sorry, the hon. Finance Minister seems to be very adamant on the levy that he has put on fertilisers. Even after hearing him, I am not at all convinced. Though I would very much like to get convinced by him, I am unable to get myself convinced by the arguments that he has advanced. I would like to have at least the satisfaction that the Finance Minister is listening to me, if he is not going to do anything by way of concession.

His argument was that, in spite of the increased levy, there was increased use of fertilisers. I am not able to appreciate this kind of argument. It is true that there is increased use of fertilisers. In fact, the assessment is that, by 1970-71, we would be short of 13 lakh tonnes of fertilisers. I do not know how we are going to make up this. Still, the Finance Minister knows very well that the cost of fertilisers in this country is very much higher compared to what it is even in undeveloped countries like ours in Asia

[Shri S. Kandappan]

and the other parts of the world. The use of fertiliser per acre is also very minimum. There is every necessity that the use of fertiliser per acre should be increased, because, we all know that the per acre yield in this country—take any commodity, foodgrains or cash crops—is one of the lowest. When there is every need for using more fertilisers in the land, it is not proper for the Government to increase the levy on fertilisers. What I would like to submit to the hon. Finance Minister is that the levy on fertilisers should be totally removed. The accrued income due to the use of fertilisers is, I should say, a fallacy. The yield per acre may be increased slightly due to the use of fertilisers to some extent. But the sub-standard life that they are leading in the rural sector is well known. All that increase is going only for meeting the bare necessities of life. They are not indulging in any luxury. Even after this increased yield, we find that in many places they are not able to get any sort of luxury or a standard of living on par with that in the urban sector.

There is not much to boast of. The rural sector is placed in such a pitiable position and I think there is every case for the Finance Minister to consider that the fertiliser tax should be removed or at least reduced, if not removed.

I would like to pose this question to the hon. Finance Minister. Even for a moderate income or for a rich farmer, if there is a natural calamity, is there any manager of a Bank in this country to whom he can turn for loans in any part of the country? If I am affected by flood or by drought or by pest, is there any credit bank or commercial bank on whom I can depend for some kind of assistance or loan? That being the position, the Government should see before they try to tap the agricultural income, to create the necessary infrastructure and the facilities to the farmers so that at least he can lead a decent life. On that count also I would plead with the Minister that this is not the opportune moment.

With regard to the wealth tax, Mr. Masani suggested while speaking on the general budget that if the income-tax laws are suitably amended, this would cover agri-

cultural wealth also. I would like to suggest that if the land ceiling Act is effectively implemented and if the Government would try to see that the absentee landlordism is totally abolished, there would not be any need for this kind of measure to tap this wealth that is supposed to be there.

MR. DEPUTY-SPEAKER: Now the hon. Member must conclude. I will have to finish it within 10 minutes.

SHRI S. KANDAPPAN: I am concluding. The entire mood of the country is very well summarised in a small poem which I just recant for the benefit of the Finance Minister. It is a very fine Tamil poem. I am just going to give that in English translation. It is an old Tamil poem by Uvaiyay from Kurunthokai—No. 28:

"Shall I charge a like bull against this sleepy town,

Or try beating it with stick, or cry wolf

till it is filled with cries of Ah's and Oh's.

It knows nothing, and sleeps through all my agony, my sleeplessness, and the swirls of this swaying south wind O! what shall I do to this dump of a town!"

This is the agonising feeling the poor farmers get when they see the rigid attitude of the Finance Minister. We have got this Finance Minister who is not at all showing any sympathy or mercy towards the poor farmers in the country.

SHRI BAL RAJ MADHOK (South Delhi): It was too much to expect from the hon. Finance Minister to accept any Opposition's amendment.

MR. DEPUTY-SPEAKER: At this late hour.

SHRI BAL RAJ MADHOK: Of course, we are thankful to him for the small mercies he has shown in the matter of removal of excise duty on pumps. I would only make two points.

We have always been clamouring about improvement in agriculture and we are still importing food worth hundreds of crores of rupees from outside. Just when the cultivator or Kisan has begun to have some income, a charge on fertiliser has come. Even if I accept the arguments that Morarji Bhai has given so eloquently, I ask him: you are giving incentives to exports, you are spending so much money on food imports; if you had imposed excise duty on fertiliser after the country had become self-sufficient in food, I would not have opposed it. You yourself said by 1970-71 we will become self sufficient in food. Can't you wait for two years? After that if you had imposed it, we would have accepted it. But by doing this now it seems that you do not want the country to become self-sufficient in food. In fact you have developed vested interests in PL 480 airports which give you some money.

Secondly, you have increased the income-tax on the slab Rs. 10,000—20,000 and also increased excise duty on soap and such other things which are mainly used by the middle class. The middle class is the back bone of democracy. It is the middle class which reflects public opinion and runs the democracy. Wherever there is a communist regime, their attempt is to destroy the middle class. But the policies we are pursuing, are aimed at destroying the middle class. I think you are destroying the democratic forces and you are following policies which are contrary to the basic principles for which the country stands.

Finally hon Minister says 'What can I do? I have no money'. You can find money. As Mr Nijlingappa said the other day, why have you been wasting funds on public sector if the public sector cannot give you any return? You can scrap it. If you run the public sector profitably, you can have enough money.

You could then save small people from these hardships. But, you are not prepared to do that. You are dogmatic. You are more concerned with ideologies and you don't care for the poor people's interests. That is why the country is going to dogs. I appeal to to you: You are the Finance Minister. If you cannot change this Bill you may re-think about the economic

policies of the country so that the malaise in which this country is engulfed will be removed. Unfortunately I have to oppose this Finance Bill.

DR. RANEN SEN (Barasat): Our Finance Minister is well-known for his rigidity and the adamant attitude that he takes always in this House. Mr. Madhok has referred to this fact. Here, as usual, as in the past years, his budget is mainly a budget attacking the middle class people and the poor classes, the common man. The net result of this budget would be an all-round increase in prices of agricultural goods and of other goods, because, there will be, a sort of, a vicious circle. We find that the taxation increase in one article starts a vicious circle and it affects the all-round commodity prices. This will only come to the benefit of the merchants and the big businessmen and it will affect the middle-classes.

Therefore, I want to say this: He always says that the taxes for increasing the wealth of the country and in order to harnessing the wealth of the country, in order to develop the country. But what he has actually done is, he has adopted these means, to tax the poor man, and the common man. He has no desire to lay his hands on the black-marketeers; he has no desire to unearth the black money. He is not desirous of checking the smuggling and other things. He is only doing this in a way which will affect the commonman every year. The common man and the middle class people are affected year by year. History will decide in future as to what steps he is taking, for the development of the country, or for the destruction of the country.

श्री शिवचन्द भा (मधुबनी) : उपाध्यक्ष महोदय, हर साल वित्त मंत्री जी ऐसा विषयक लाते हैं जो विवादग्रस्त रहता है। थोड़ी देर के लिये मान भी लें कि इनकी नीयत अच्छी है, इनका एंड अच्छा है, लेकिन इनके मीन्स हमेशा खराब होने हैं। गांधी जी ने कहा था कि एंड हाई होना चाहिये। तो मीन्स भी हाई होना चाहिए, लेकिन यह ठीक हमेशा उल्टा करते हैं हर साल। गरीब पर, साधारण

[श्री शिवचन्द्र भ्रा.]

लोगों पर बोझ नहीं देना चाहिये लेकिन यह हमेशा ऐसे ही लोगों पर बोझ लाद देते हैं और जिन पर बोझ लादना चाहिये, अर्थात् दौलत वालों पर बोझ लादना चाहिये, उनको यह छूट देते हैं। तो इनके मीन्स खराब होते हैं भले ही एंड मान लें अच्छा हो।

सुरक्षा के लिए सरकार को पैसा चाहिये। देश में पैसे हैं। मैं पूछना चाहता हूँ कि यदि आप इन्कम पर सीलिंग लगा देते हैं एक और दस की, तो आपको कितना पैसा मिलेगा क्या इसका कभी आपने हिसाब लगाया? डा० लोहिया का हिसाब था एक हजार करोड़ रु० प्रति साल आपको मिलेगा। टैक्स इवेजिन को सख्त से रोकेंगे नहीं, प्रिवी पर्सन बेकार के दे रहे हैं, उनको बन्द नहीं करेंगे, होर्डेड वैल्यू जो 10,000 करोड़ के करीब है उसको मोबिलाइज नहीं करेंगे और गरीब जनता को परेशान करेंगे जिसकी राहत मिलनी चाहिये उसको राहत देंगे नहीं और जिस पर कर लगने चाहिये उनको आप छूट देंगे। तो कितना ही इनका एंड अच्छा हो लेकिन इनके मीन्स बिल्कुल गलत होते हैं। इसलिये मैं इस विधेयक का पुर जोर विरोध करता हूँ और चाहूँगा कि वित्त मंत्री जी इस पर पुनः विचार करें ताकि कुछ अच्छाई हो।

SHRI K. NARAYANA RAO (Bobbili) : Mr. Deputy Speaker, Sir, I wish to submit a few suggestions for the consideration of the Hon. Finance Minister. First of all, I would like to say that the burden of indirect taxes shall not be more than the actual tax imposed by the Government. In practical experience, I have been seeing that invariably the tax imposed is less than the actual price increase in the market. This is one suggestion which the Hon. Finance Minister might consider.

Secondly, in the case of indirect taxes like excise duty actually at the time of imposition of the duty the commodities will be at different stages of merchandies with the result the retailer and whole-saler take advantage of the tax imposition at the cost of consumer. I trust that the Hon. Finance Minister will look into the matter.

Thirdly and lastly, each year We have been seeing that articles are picked up for enhanced duty. I wish to suggest that in to avoid lopsided strain on certain commodities in different periods; in the years to come he should broadbase the increase at smaller rates.

SHRI SRINIBAS MISRA (Cuttack): It appears that in this Bill many things that could have been done have not been done. My first objection has been that the income tax lower limit of exemption has been kept constant although the value of the rupee has gone down considerably. By this, two mischiefs have been done. One is that the income-tax organisation, the Income-tax Department itself, is being confused. More and more people with 4,000 income come under assessment. Their number increases and very little tax is realised. The Hon. Finance Minister said that they will pay only Rs. 41/-.

SHRI MORAJI DESAI: I said Rs. 44/- of additional tax on income of Rs. 12000.

SHRI SRINIBAS MISRA: Thank you. For this Rs. 44/- the Income-tax officers have to work. This is one side. The other is that the agricultural sector and rural sector should not have been assessed. The Hon. Finance Minister says that he has no other place to lay his hand and therefore he has to lay his hand on the rural sector.

Here, we have so much talked about leakage of budget. The Hon. Finance Minister has very carefully given notice to the big business as to what he is going to do in 1970-71. I raised this point, but in the Speaker's wisdom it was rejected. But this is a salient feature as far as discussion is concerned. If you want to do something for the next Finance Bill, it must be for 1969-70, but if you are giving notice of 1970-71, then you are giving notice to the business community as to how they should manage their accounts. All these things could have been avoided, but they have not been avoided.

SHRI MORARJI DESAI: I am left with very little time if the whole thing is to be finished before 6 o'clock. At any rate, I can exercise some restraint which my colleagues cannot.

I have been called adamant and rigid. Why? Because, they say that I am not amenable to their arguments. But have they been amenable to my arguments? Are they not adamant and rigid? What is the use of such arguments? When arguments fail, they always make this argument. "You are obstinate, you are adamant, you are rigid". Do they think that I will be carried away by such things? How will the Government function in that case? It is good that I am not affected by these epithets hurled at me. They have no effect on me. At any rate, I should thank God for that.

I am very happy that I have not sat at the feet of these Professors of Economics. Otherwise, I think all my budget would have gone away and what would have happened to the economic policy?

After all, we have to work in this country and to raise the living standards. We are living in a poor country. The country is poor. It has to raise itself. It has to raise, therefore, taxation from the poor.

From where else will it raise resources? My hon. friend opposite was saying that I was not raising taxation on the rich. I may tell him that it is only in this country that I have raised the company or corporation tax to 65 per cent; I am responsible for it;

nobody else is responsible for it; in no other country is it more than 50 per cent; it is less than 50 per cent in other countries. It is here only that I have raised it, and I have got to do it because if I do not take from them, I have no justification to take it from the other people who are poor or in the middle class. The middle class also has got to pay. If it is the back-bone, it must remain the backbone in giving resources also. Otherwise, how are we going to get resources? We cannot get into our heaven unless we work with our own hands and feet. This is what I request my hon. friends to do. If they not hear me in anything else, let them at any rate hear me at least in this matter.

SHRI S. S. KOTHARI: Such measures do not increase even his popularity.

SHRI MORARJI DESAI: I do not bother about my popularity.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

17.56 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, May 7, 1969/Vaisakha 17, 1891 (Saka)