

[Shri R. Barua]

vantage of the super profits tax, why they attack the public sector in their propaganda? I do not know why this vested interest or vested class is pleading for a reduction in the super profits tax, and go to the extent of discrediting the entire public sector. They have got the press behind them. All the papers are criticising the entire public sector and they try to make out a case that if the public sector's attempt is given up or scrapped the entire private sector will come to the rescue of the nation. But in the present set-up of things, will the private sector in India be able to finance projects like Durgapur, Bhilai, or for the matter of that, Bakoro? Nobody has got finance to that extent. Even in the private sector, it is the Government finance which goes a long way to make up the deficiency. We know how much they borrow from the different Finance Corporations. After that, it is not proper to assume that the capital formation will seriously suffer.

In view of the emergency, we hear that the corporate sector is patriotic and is prepared to sacrifice all for the country. If that be so, why do they object to this tax? In England, for instance, during the last world War II, the excess profits tax went up from 60 per cent in 1941 to 95 per cent in 1943. In America, the excess profits yielded 32.7 per cent of the total taxes. But our super-profits tax hardly amounts to 8 per cent of the additional tax. So to say that the super-profits tax is completely taking away the incentive for capital formation is absolutely wrong.

From the recent amendment brought forward by the Finance Minister we find that he has given a very liberal concession to them. Of the chargeable profits, 10 per cent would be left out for making payments for loans, for formation of reserve fund and also for formation of

assets. Besides that, he has also provided for protection to the smaller industries, because non-taxable limit is raised to Rs. 50,000 or 6 per cent whichever is higher. There are other provisions also for formation of capital and to meet the immediate demands and formation of new assets. Therefore, there should have been no quarrel on this score.

Such measures are also necessary in order to curb down the excessive profits to which the private enterprises are very much prone. It may be said that the question of profits and prices is normally determined by the rule of demand and supply. But I submit nowadays the theory of demand and supply is not always at work. Very often the prices are determined not only by the rule of demand and supply, but also by various other factors.

Mr. Deputy-Speaker: His time is up; he should wind up.

Shri R. Barua: Sir, I also appeal to the corporate sector to see that the socialist approach is not a theory to be preached from the pulpit, but it is a philosophy to live in, to help the nation and to see that an atmosphere is created in the country in which the people are not left in the lurch.

BUSINESS ADVISORY COMMITTEE
SIXTEENTH REPORT

Shri Kane (Buldana): Sir, I beg to present the Sixteenth Report of the Business Advisory Committee.

18.56 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, the April 22, 1963/Vaisakha 2, 1885 (Saka).