

ferred to anybody; no unless that transfer takes place, we do not come into the picture.

MR. SPEAKER: You have mentioned that.

Tax incidence on Farming Community

*289. SHRI A. BALA PAJANOR:
SHRI C. N. VISVANATHAN:

Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether it is a fact that the tax incidence on the well-to-do sections of the farming community is much less than on their urban counterparts;

(b) if so, whether Government have made an in-depth study of raising more resources from that sector consistent with its ability to pay; and

(c) the concrete steps taken for raising resources for development as a result of such studies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) The farming community in India, it is often argued, is relatively lightly taxed, as the proportion of land revenue and agricultural income-tax—the two main direct taxes on agriculture in relation to the national income generated from agriculture is less than the proportion of personal income-tax to the national income derived from non-agricultural activities. However, as observed by the Committee on Taxation of Agricultural Wealth and Income (known as the Raj Committee) which submitted its report in October 1972, the policy conclusion drawn from such comparisons are open to question, as they take no account of the level of per capita incomes or of their distribution in the respective sectors. Nor do they allow for the differences in the scope for raising

high incomes and the consumption opportunities in the two sectors. Comparison of inter-class tax burden as between different sectors also gives rise to many conceptual as well as practical problems.

(b) and (c). While drawing up the Draft Five Plan for 1978—83, the scope for raising resources from all sectors including agriculture was examined. However, under the Constitution, taxation of agricultural income and agricultural land is a State subject.

SHRI A. BALA PAJANOR: The answer given by the Finance Minister is not in a complete form. I had asked about the tax incidence on the rich class and the agricultural community.

In regard to the last sentence in the answer given, I would like to know the difficulties he is facing, practically and conceptually, according to him, and whether the difficulties are due to the rich class of farmers who are not only looting the small farmers but are growing much richer than the middle-class industrialists and other small-scale industrialists.

SHRI SATISH AGARWAL: So far as taxation of the agriculture sector is concerned under the constitution it is the State Government which has to do this. There are certain State Governments which have levied agricultural income-tax and the Raj committee Report also recommended tax on agricultural land holdings. That particular Report has been circulated to all the State Governments and I am told now that the West Bengal Government has introduced some legislation in the Assembly and it has gone to a select Committee. Few other Governments have taken a favourable decision on this.

So far as taxation is concerned, it is for the State Government to take a decision but so far as the raising of resources is concerned, the matter is being considered by the Planning Commission and the Cabinet sub Committee.

SHRI A. BALA PAJANOR: Will the Hon. Minister be pleased to answer this, because the policy of the Government is to bring down the gap between the haves and the have-nots. I would like to know from the Minister what is the Report he has received from the State Governments, because it is correctly stated that, Constitutionally, it is a State subject. What is the amount of tax each State is getting from them and what is the disparity between the other class and the agricultural class?

SHRI SATISH AGARWAL: For the year 1976-77, land revenue and agricultural income-tax is Rs. 221.72 crores and for the year 1977-78, Rs. 211.51 crores. Personal Income-tax for the year 1976-77 is Rs. 1194.38 crores and for the year 1977-78, it is Rs. 1002.02 crores. As percentage of national income from agriculture, it comes approximately to 1 per cent and as percentage of national income from non-agricultural sector personal income tax, it comes to about 3 per cent.

SHRI P. RAJAGOPAL NAIDU: In view of the fall in agricultural prices whether the Government knows that there is a necessity to reduce tax on agriculturists?

MR. SPEAKER: He cannot do that. The State Governments have to do that.

SHRI RAJAGOPAL NAIDU: They have to recommend to the Planning Commission.

SHRI S. K. DAMANI: In this reply, the hon. Minister has said about Raj Krishna Committee Report. May I know from the hon. Minister whether they have circulated it to the State Governments and asked them to take action so that they may increase the tax on the big farmers who are getting all the advantages? If they have not recommended yet, whether they are going to recommend expeditiously to the State Governments for taking measures immediately with regard to the taxation of big farmers?

SHRI SATISH AGARWAL: The report of the Raj Committee was received by the Central Government, and it was forwarded to the State Governments. There were two major recommendations.

One was with regard to the integration of agricultural income and the non-agricultural income for tax purposes. That the Central Government did then and on account of that practically 69,000 persons were taxed on that basis and the extra tax collection was Rs. 14.6 crores. So far as other major recommendation was concerned, that is, tax on agricultural land holdings, few State Governments have implemented that. I have told the House earlier that it is only the West Bengal Government which has introduced some legislation on that pattern.

SHRI GEORGE MATHEW: I would like to know whether the taxes in Kerala, that is, the agricultural tax in Kerala, are higher than the Central income-tax? In regard the large land holders, the value of the land has been assessed less while working out the wealth tax. But for the small land holders, it is not done like that. The large land holders have got their land holdings as shares in large companies and the actual value of them are not taken into account for wealth tax purposes. But in the case of smaller farmers, the value of land is assessed according to the market value and it was on arbitrary basis. It is because of the inflow of large amounts from gulf countries, the small farmers are put to difficulties. Will the Government see to it that in the case of large company share-holders and small land holders value of their land is assessed properly and justly for the purposes of wealth tax? There are two questions. First, whether the Government knows about the agricultural tax rates in Kerala? Secondly, whether the Central Government will assess the land value of the

large land-holders who have also got shares in the companies correctly and equate it with small land-holders while working out the wealth tax?

SHRI SATISH AGARWAL: So far as this particular information is concerned, I require notice so that I could collect the information and give it to him.

MR SPEAKER: What he asked was about the small farmers whose lands have been valued at market price whereas the companies shareholders' lands are valued at different rates. That makes a lot of difference so far as the wealth tax is concerned.

SHRI SATISH AGARWAL: I will look into it.

SHRI DARUR PULLAIAH: The question is about the tax increase on the well-to-do sections of the farming community. I would like to know what the Government means about the well-to-do sections of the farming community. In view of the land reforms that has been introduced, the ceiling is fixed at 10 acres of agricultural land and 50 acres of dry land. Now the agriculturalists are in such an awkward position that they are not happy because agriculture is not at all economical. As such they want to migrate to towns and other urban areas for taking up other avocations, by selling their lands. They are forced to migrate to urban areas. No crop is economical for cultivation. If the gap is to be reduced between the well-to-do and the poorer sections of people, it has to be done in urban areas where through imports and exports business, people are earning a lot of money. In industrial sector people are earning more. They should be taxed.

MR. SPEAKER: What is your question?

SHRI DARUR PULLAIAH: My question is how does the Government view the well-to-do community? What is the criteria for deciding 'well-to-do community'?

MR. SPEAKER: That does not come within your port-folio, Mr. Minister.

SHRI SATISH AGARWAL: Well-to-do means, those who are well-to-do, they meet their requirements fully. They have a house. They have got a car. Those who are deprived of the minimum needs, they are not well-to-do.

SHRI DARUR PULLAIAH: Unless he says something in this regard in the case of farming community, how has the question been answered? After the land reforms where has the line been drawn in the case of well-to-do in the farming community? Government should think over whether the agricultural profession itself is economical. Should it be taken by the people? It has come to such a stage where people are thinking in terms of salary. I am ventilating the grievances of the people now. Big landlords hold 53 acres. 10 acres in agricultural community..

MR. SPEAKER: These are matters to be decided by the State Government. He cannot do it.

SHRI DARUR PULLAIAH: Let him answer about well-to-do community.

बीवरी हरी दास संस्कारर मोबारा : प्रत्यक्ष महोदय, संसद सभनेमें ने जो नया बजट रखा है, वह तो किसानों के लिए बरूदा है, लेकिन राजस्थान में जो बजट बना है, उसमें प्राधियाना 30 परसेंट से 50 परसेंट बढ़ा दिया गया है और जमीन का टैक्स 25 परसेंट से 50 परसेंट बढ़ा दिया गया है। जो धारिया बड़े हुए हैं। वह जानते हैं कि किसान के लगे, कपास और आलू के भाव बहुत गिर गये हैं, जिससे उन की मासी, हाजत बहुत बुराब हो गई है। किसानों को कुछ नहीं मिल रहा है। इसकी जगहा बिजली पर भी सरकारने सपा दिया गया है और कई दूसरे टैक्स सता दिये गये हैं। इस लिए क्या मंत्री महोदय कोई ऐसा इन्तकार करेंगे कि राजस्थान में और नये टैक्स न लगाये जायें ?

सम्बन्ध गहोबय: प्रायकी बात ठीक है, लेकिन यह स्वेचन इसरा है।

श्री सतीश ब्रजबाबु : राजस्थान में किसानों पर जो कर लगाये गये हैं, उन का तात्कुक हन्धे नहीं है। उनका तात्कुक राजस्थान सरकार से है।

श्री भारत ब्रजबाबु : इन प्रश्न में धमी किसानों की बात कही गई है। जब देश में भूमि पर सीलिय लग चुकी है, और किसान ही देश की गेसी कम्पुनिटी है, जिसकी उन्नति पर प्रतिबन्ध लगा दिया गया है, तो फिर गरीब और धमीर किसान की बात करने का कोई धर्य नहीं है। उनके उत्पादन की उन्नति कीमत, पैरिटी प्राइस, तो हम दे नहीं पाते हैं। इस सदन में इन तरह की बात करने, और यह राज्य सरकार का विषय है या केन्द्रीय सरकार का, इन झगडे को बढ़ाने का कोई मतलब नहीं है। अब देश में कोई धमीर किसान नहीं है। 18 एकड़ की सीलिय लगा दी गई है। स्टैंडर्ड एकड़ भी नहीं रह गया है। इस लिए सरकार को स्पष्ट उत्तर देना चाहिये कि किसान की जमीन पर सीलिय लगने के बाद ट्रेस्बल प्राप्तवनी का किसान होने का प्रश्न ही नहीं है।

श्री सतीश ब्रजबाबु : केन्द्रीय सरकार द्वारा टैक्स लगाने का प्रश्न नहीं है। यह जो प्रश्न पूछा गया है, उसके उत्तर में मैंने कहा कि इस का सम्बन्ध राज्य सरकारों से है—किस राज्य में किस किस का टैक्स लगाना है, यह वहाँ की राज्य सरकार को तय करना है।

Joint Ventures in Kenya

*270. SHRI JANARDHANA POOJARY: Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether there is a proposal to set up more joint ventures in Kenya; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG): (a) and (b). The Inter-Ministerial Committee on Joint Ventures Abroad has recently approved the proposal of M/s. S.E.A. Project Consultants Pvt. Ltd., Bombay and Gangappa Cables Ltd., Hyderabad to set up a joint ventures in Kenya for the manufacture of enamelled aluminium and Copper Wire. No other new proposal for setting up joint ven-

tures in Kenya has been received by Government.

SHRI JANARDHANA POOJARI: Recently, there was a conference of Industries Ministers of Commonwealth countries, held in Bangalore. In the Conference, India had offered joint ventures with Commonwealth nations. As you know, some discussions on broad outlines had taken place, I want to know whether the broad outlines of discussion which the Government of India had with Commonwealth nations including Kenya? Whether Kenya is keen on using the Indian knowhow in the field of small and medium scale industries and industrial estates? What were the steps taken up Indian Government to train the people of Kenya and also to transfer of technology and skills?

THE MINISTER OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): I was not present at the Bangalore conference. But recently, I was very much in Kenya and I had an opportunity of discussing with the hon. Minister concerned in Kenya. It is true that Kenyan Government is very much interested in having joint ventures. Particularly, they are interested in our small and cottage industries and the transfer of technology into an appropriate technology in order to give employment to many and of course, achieve production. In this direction, we are making all possible endeavours to have more and more ventures to encourage such joint ventures. This friendly symbol of cooperation with all our friendly countries is the objective and the view of the Government.

Regarding training programme, yes Sir, we have offered them various training facilities.

SHRI JANARDHANA POOJARY: In order to have effective policy of equity participation, whether Government of India is going to import minerals? Whether the Government of India has imported a large consignment of potash from the Government of Kenya?