

THE  
PARLIAMENTARY DEBATES

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(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Thursday, 6th November, 1952

The House met at a Quarter to Eleven  
of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

PAPERS LAID ON THE TABLE

STATEMENT re: AVIATION SHARE OF PETROL TAX FUND

**Mr. Speaker:** The House will proceed to the next business now, papers to be laid on the Table. Shri Jagjivan Ram.

**The Minister of Communications (Shri Jagjivan Ram):** I beg to lay on the Table a statement showing the objects on which the aviation share of the Petrol Tax Fund was expended during the years 1950-51. [Placed in Library. See No. P-64/52]

PROCEEDINGS OF ELEVENTH SESSION OF INDIAN LABOUR CONFERENCE

**The Minister of Labour (Shri V. V. Giri):** I beg to lay on the Table, a copy of the Summary of Proceedings of the Eleventh Session of the Indian Labour Conference held at New Delhi in August, 1951. [Placed in Library. See No. IV. R.O. (38)]

INDIAN TARIFF (FOURTH AMENDMENT) BILL.

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** I beg to move for leave to introduce a Bill\* further to amend the Indian Tariff Act, 1934.

\* Introduced with the previous sanction of the President.

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**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934."

The motion was adopted.

**Shri T. T. Krishnamachari:** I introduce the Bill.

FOOD ADULTERATION BILL

**The Minister of Health (Rajkumari Amrit Kaur):** I beg to move for leave to introduce a Bill to make provision for the prevention of adulteration of food.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill to make provision for the prevention of adulteration of food."

The motion was adopted.

**Rajkumari Amrit Kaur:** I introduce the Bill.

ESTATE DUTY BILL

**Mr. Speaker:** Now, the House will proceed with the further consideration of the following motion moved by Shri C. D. Deshmukh yesterday:

"That the Bill to provide for the levy and collection of an estate duty, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Shri Khandubhai Desai, Shri N. V. Gadgil, Shri D. K. Borooah, Shri R. Venkataraman, Shri Nitinand Kanungo, Shri Feroz Gandhi, Shri T. N. Singh, Shri B. K. Das, Shri Balwantrao Mehta, Shri S. N. Agarwal, Shri-mati Anasuyabai Kale, Shri P. T. Chacko, Shri N. Keshavalingar, Shri U. S. Malliah, Shri S. Sinha, Shri C. D. Pande, Shri Tek Chand, Shri Hariharnath Shastri, Shri

[Mr. Speaker]

Munishwardutt Upadhyaya, Shri Sadath Ali Khan, Shri Radheysyam Morarka, Shri K. P. Tripathy, Shri N. C. Chatterji, Shri B. Ramachandra Reddi, Shri K. A. Damodara Menon, Shri K. S. Raghavachari, Shri Tulsidas Kilachand, His highness Maharaja Shri Karni Singhji Bahadur, Shri V. P. Nayar, Shri K. K. Basu, Dr. Lanka Sundaram, Shri B. R. Bhagat, Shri Mahavir Tyagi and the mover with instructions to report by the last day of the first week of the next Session."

**Shri Gidwani (Thana):** I rise to support the Bill, but I must frankly state that I was disappointed at the speech made by the hon. Finance Minister. He stated two reasons for bringing forward the Bill. One was economic, and the other was social. As regards the economic aspect of the Bill, he did not give us any exact figures, or any approximate idea as to what will be the yield from the levy. As regards the social aspect, from the way in which he expressed his opinion on the Bill, it appeared to me that it was apologetic, hesitating and as if he had no heart in the business. I would not blame him personally because, after all, he did not belong originally to the Congress. Therefore, he was not expected to fulfil the promises given by the Congress representatives. I may remind here that in the Jaipur session after independence, the Congress stated its new objective. The objective of the Congress was the establishment of a classless and casteless society. I do not find any stress or any step towards that direction in the proposed Bill. Not only that. I find that it is so halting, that even after it is passed, one does not know how far it will bring any benefit, or the amount of money that will be available to the various States for carrying on their planning schemes.

There are two blocs in the world today—the Russian or the Communist bloc, or the countries dominated by Communist ideology; and the capitalistic bloc. In Russia and other communist countries, there is no question of any such Bill because property has been abolished, as they say, in the individual sense. As regards the other bloc. I find in the United Kingdom this tax has been levied as early as 1894, and in France it was in 1796, in New Zealand in 1881, in Canada it was in 1892, in Japan it was in 1905, in Ceylon it was in 1919, in South Africa it was in 1892, and in Pakistan in 1950. So, our Government has, after all, brought this measure with great reluctance, so that the duty may contribute some-

thing to the total revenue. In Great Britain death duties contributed 10·7 per cent. of the total revenue and in the U.S.A. they formed 5 per cent. of the federal taxation and 4 per cent. of the State revenue during pre-war years. Therefore, I wanted to know exactly how much revenue will this levy bring. About that we have been given no information. It is in the limbo of oblivion. We do not know how much it will bring, and the personnel of the Committee also shows to me that it is a very, very mild affair, and it is not going to bring us to a socialist state for which the Congress has been fighting for so many years—whether we call it socialist state or Ram Rajya. Gandhiji used to call it Ram Rajya. I do not find any signs of Ram Rajya in this Bill.

It is, after all, a good step in the right direction, but I expected a more forward step, a more progressive step, a more revolutionary step; I expected a Bill by which there would be complete liquidation of property in India. But even after 5 years, 2 months and 20 days of the attainment of freedom, this measure has been brought which even psychologically will not enthuse the country. I was trying to listen to Shri Deshmukh's speech yesterday very carefully, attentively and patiently, and I wanted his speech to create the psychological effect which he wanted. I am told the Planning Commission or he has said that it is not from the economic point of view so much that they have brought this Bill, but it is from the point of view of producing a psychological feeling in the people that our Government is moving towards a socialist state. I am afraid his speech and the measure that he has moved are not going to create that atmosphere.

However, it is in the right direction; something is being done to eliminate the disparity in the ownership of property in the country. Ours is a poor country, and millions are still suffering. They have not felt the glow of freedom. Their meagre wants have not been satisfied. Probably in some States some people are suffering more than what they were suffering previously. I would not go into this matter.

I welcome this measure, but I again warn about one thing, i.e., if we hand over the money to the States, we must be careful that the States spend the money properly. I belonged to a State which is at present in the hands of the enemy. Today, I belong to Bombay State. And in Bombay State there is a person called Shri Morarji Dessai who is experimenting on the revenues of the country. He has

some fads. His Government's policy regarding prohibition has proved a complete failure. I belong to a constituency called Thana District constituency and Mr. Deshmukh's constituency is adjoining to it. I have toured in the constituency during my election campaign for one month and a half. Even after the election, I have visited the constituency, and I know that as a result of this prohibition, the only village industry which is flourishing in that area is the illicit distillation of liquor. Therefore, I say let Bombay State not be given a pie till they scrap this wretched scheme which is doing no good to the people. Similarly, I was surprised to read only the day before yesterday, that the Punjab Government have postponed the sessions of their Assembly and Council for a fortnight to engage themselves in Congress delegates' elections. Twentyfive thousand rupees of the public exchequer are wasted as a result of this.

**Mr. Speaker:** Order, order. It would not be proper to bring in here the administration of the provinces, because the persons whose administration is being criticised have no chance of having their say in this House. I waited to know as to how far the hon. Member was carrying his argument, but when he began to cite instances, I thought I must invite his attention to the irrelevancy of this, and also the impropriety of carrying on that kind of thing in this House.

**Shri Gidwani:** I bow down to your ruling, Sir, but I want to submit that I thought it was relevant because it has been provided that the revenues derived from this levy will be handed over to the states.

**The Minister of Revenue and Expenditure (Shri Tyagi):** It has been provided so, because it is enjoined in the Constitution that one of the duties which shall be assigned to the States is the estate duty in respect of property other than agricultural land.

**Shri Gidwani:** It is therefore that I thought it was relevant.

**Shri Syamnandan Sahaya (Muzaffarpur Central):** The hon. Member's point is now further strengthened.

[MR. DEPUTY-SPEAKER in the Chair]

**Shri Gidwani:** I said that there might be some people who may be opposed to this tax. It is a good tax, a just tax, and that any one who will have to pay this tax will not feel any pain, anxiety or misery because the levy is made after his death. From that point of view, I do not think that any person who has got surplus money need worry about it.

There is a belief among orthodox Hindus. Even when a person is on his deathbed, if his relations bring all or some portion of his property and he touches it with his hand, and that property is given in charity, he was supposed to go to Heaven after his death. As regards the Mussalmans also, the same thing is there.

As regards the other points of the Bill, we shall deal with them when the Bill returns from the Select Committee. We are living in the revolutionary age, we are living in an age when capitalism is going, and when every person demands equality and fair deals.

**Shri Syamnandan Sahaya:** What does the hon. Member suggest?

**Shri Gidwani:** We are living in an age of great changes and revolutions. Let us not be backward, but go forward. I hope the Select Committee will remember the changing times in which we are living, and make recommendations which will be worthy of the Government that claims to be a Congress Government.

With these words, I support the motion.

**Pandit K. C. Sharma (Meerut Distt.-South):** I support this Bill because it is in consonance with the prevalent system of duties all over the world. Much has been expressed in the Press against this Bill, and the point has been made that it would be a novel experience in the field of taxation. It is far from the fact that even as far back as 700 B. C. the death duty existed in Egypt, and as far back as 169 B. C. this was prevalent in Rome. Here in India at the time of the Moghuls, there was a tax on the transfer of property after a person's death to the successor. Even now, before freedom was attained, in the Rajputana States, there were death duties in existence. So, it is not a new experiment in the field of taxation, and as the hon. Minister told us yesterday almost all the big countries—the only exception among the major countries being India—have got this duty. It has not affected, as so many people say, the capital formation or the development of the industries in any way whatsoever.

12 Noon

Then the question arises whether as a tax, the estate duty is a good or a bad tax. From all canons of public finance and good taxation, I venture to submit that it is a good tax. From the point of view of ability to pay or from the point of view of certainty of finance or that of economy, the money is available, and the property is worth a certain amount, and so it is convenient to pay when the property passes

[Pandit K. C. Sharma]

on to the successor, and there is no difficulty whatsoever. Much has been made out about whether it is against the fundamentals of the Hindu Law, or the fundamentals of the Muslim Law, but I beg to submit that it is not against anybody's fundamentals when it is a question of the country's development or the maintenance of its freedom. Freedom cannot be maintained unless there is abundance, and freedom without abundance is a meaningless conception. In order to produce more, we have to subsidise the major plans for greater production, and for that money is necessary. If money is necessary, taxation is the inevitable corollary.

The third question is whether the estate duty is leviable after the death of the owner of a property, because as the property was being created, the owner of the property was paying taxation on the income; the tax having been paid in the course of the acquisition of the property, there remains no right of the State to further taxation after death of the owner. To this I beg to submit in the words of Sir William Harcourt in 1894,

"Nature gives man no power over his earthly goods beyond the term of his life. What power he possesses to prolong his will after his death. The right of a dead hand to dispose of property is a pure creation of the law, and the State has a right to prescribe the conditions and the limitations under which that power will be exercised."

I hope no further argument is needed, so far as the right of the State to levy a duty on the property after the death of its owner, is concerned.

The next question is whether such a duty should be levied at this time. As I said before, ours is a very big country with a great future. With vigour and vision, the people are eager to develop a great future for this land of ours. Now it is a simple rule of life that if you do not move forward, you are bound to recede, and therefore a country with 360 million people with a glorious past and an expectant future cannot remain standstill. If it cannot remain standstill, it has to grow; and if it has to grow, investment is necessary for the development plans, and it is urgently necessary because the time is running against us. It is therefore in the fitness of things that this duty should be levied at the present time so that the Planning Commission may get more money, and things may be facilitated to grow and develop.

Then, Sir, as the previous speaker said, there is one great advantage as in so many other countries but much more in this country; because for the last century and a half this has been a static affair. There is a class of traditional idlers doing nothing, because they are safe and secure, with no danger, no fear either of famine or of war or any catastrophe whatsoever. Therefore, this class which is doing nothing, knowing nothing and caring nothing must be made to do something and this class, I believe, would exert itself and it will also eliminate a sort of class bitterness and class conflict. For production and for the building up of the country, peace and security are necessary factors. Already there are some signs of uneasiness and the proof is there in the House; after the great leadership, and a well-organised and well-spread organisation with vast resources and a huge propaganda machine, the next best element in the House is the Communist Party. This is a proof that things are not so easy; they are not so simple as they look to be. Therefore, it is time for us to move and eliminate what is called the unacceptable inequality in the stature of the People, in their status, in their income, in their way of life and in their way of work. So from the viewpoint of the future and from the viewpoint of peace and prosperity, this levy is necessary because it tends, though in a very small degree, to equalise the income of the people. Now in this country, as the Finance Minister in his speech said, only a small number of people have got a lot of wealth; the majority of the people are poor. By this Act this is not going to be equalised, but there are tendencies. There is something to be done in that direction. There is a movement, there is a step and that step will have a great psychological effect on the minds of the majority of the people as well as on the minds of the traditional idlers, that it is time to move and work and contribute to the common benefit.

With these remarks I support the Bill.

श्री बी० बी० बेसपांडे (गुना) : में

इस विधेयक का पूर्णतया समर्थन नहीं कर सकता हूँ। बात यह है कि इस सभाग्रह में जितने दल हैं सब दल सम्पत्ति के विकेन्द्रीकरण के पक्ष में हैं, परन्तु मेरी समझ में जिस प्रकार से यह विकेन्द्रीकरण हो रहा है, उस रास्ते से मैं नहीं समझता कि ज्यादा लोगों को फायदा होगा। यह सच्चे



रास्ते पर गलत क़दम उठाया जा रहा है। पहली बात तो यह है कि मेरे एक मित्र ने कहा कि यह समाजवादी रास्ते पर एक क़दम है। मैं समझता हूँ कि सम्पत्ति को क़ायम रखना और सम्पत्ति के मालिक के मरने के पश्चात् उस के पास से कुछ लेना समाजवाद के रास्ते पर क़दम नहीं है, आज सरकार इस प्रस्ताव द्वारा यही तो कर रही है, जो सोने का अंडा चाहता है वह मुर्गी को मारता नहीं है। आज हमारी सरकार चाहती है कि वह निजी सम्पत्ति को ले ले, मैं नहीं समझता कि यह समाजवाद के रास्ते पर एक क़दम होगा। यह बिल्कुल ग़लत है। अमरीका, इंग्लैंड आदि जो पूंजीवादी राष्ट्र हैं वहाँ बहुत समय से यह कर है। पूंजीपति और पूंजीवादी सरकार अपनी पूंजी आपस में बांटते हैं। यह समझ कर कि यह समाजवाद के रास्ते पर एक क़दम है, अपने को बघाई देने की आवश्यकता नहीं है।

दूसरी बात यह है कि सम्पत्ति का विकेन्द्रीकरण आप को करना है और आप यदि समझते हैं कि सम्पत्ति बहुत थोड़े हाथों में गई है तो आप सम्पत्ति पर जीवित अवस्था में कर लगा सकते हैं न कि सम्पत्ति कमाने वाले के मरने के पश्चात्। उस के मरने का दुःख तो है ही, उस की सम्पत्ति के जाने का भी दुःख देना ठीक नहीं है। मैं समझता हूँ कि जो सम्पत्ति है उस पर कर बढ़ा सकते हैं, इन्कम टैक्स बढ़ा सकते हैं, प्रापर्टी टैक्स (Property tax) बढ़ा सकते हैं, मेरा विरोध पूरी डैथ ड्यूटी (Death Duty) पर नहीं है, परन्तु जिस प्रकार से आप डैथ ड्यूटी लगा रहे हैं और खास तौर से इस बिल में जो मृत्यु कर है उस के तय करने का परिणाम क्या होगा उस तरफ मैं आप का ध्यान दिलाना चाहता हूँ। हिन्दुस्तान में जो उत्तराधिकार विधान है

उस कानून से अपने आप हमारे यहाँ सम्पत्ति का विकेन्द्रीकरण होता है। आप जानते होंगे कि इंग्लैंड में खाली बड़े लड़के को सम्पत्ति मिलती है, लेकिन यहाँ सभी लड़कों को मिलने के कारण दो या तीन पीढ़ियों में जितनी सम्पत्ति होती है उस का विकेन्द्रीकरण हो जाता है, लेकिन इस के साथ ही आप किसी की सम्पत्ति को जल्दी खत्म करना चाहते हैं तो मैं कहूँगा कि आप का रास्ता गलत है। इंग्लैंड और हिन्दुस्तान की परिस्थिति भिन्न है। इंग्लैंड में यह नहीं होता कि सम्पत्ति वाले का लड़का मर गया तो उस से सम्पत्ति कर कोई नहीं लेता। आप का जो उसूल उस में जो संयुक्त कुटुम्ब है उस में ज्वाइंट फ़ैमिली का हर एक आदमी मिताक्षर पद्धति से कोपासंनर होता है। उस की सम्पत्ति है। हमारे जो अर्थ मंत्री हैं उन्होंने ने कृपावन्त हो कर यह कर दिया है कि जो १८ साल का बच्चा है उस पर यह कर नहीं लागू होगा, लेकिन जो १९-२० साल का लड़का है उस के मरने के पश्चात् यह कर लग सकता है। उसके पिता को जवान लड़के के मृत्यु का तो शोक होगा ही परन्तु उसी के साथ साथ उस की सम्पत्ति भी इस कर से चली जायेगी। केवल बाहर से मिलने वाली सम्पत्ति पर यह कर नहीं है, अपने जीवन में ही सम्पत्ति खत्म करने का तरीका इस में दिया गया है। इसलिये मैं प्रार्थना करूँगा कि मिताक्षर के साथ आप ने हिन्दू कोड बिल के द्वारा काफी खेल करने का प्रयोग किया, लेकिन उस प्रयोग में आप सफल नहीं हुए। अब उस के पश्चात् आप इस कर द्वारा संयुक्त कुटुम्ब पद्धति पर आघात कर रहे हैं। जो कृषि विषयक सम्पत्ति है, जो पदतों से चली आती है किसी ने कमाई है, वह दूसरों के पास जा रही हो ऐसी बात नहीं है। मेरे पिता ने, मेरे दादा ने, परदादा ने ज़मीन ली

[श्री बी० जी० देशपांडे]

हैं, ५, ५०, १०० वर्ष से मेरा कुटुम्ब इस का स्वामी है। उसका मालिक मैं हूँ, मेरा पिता भी था, दादा भी था, परदादा भी था, पता नहीं कब से यह चली आ रही है, हम लोग हमेशा इस ज़मीन के मालिक रहे हैं। आज आप इस को समाप्त कर रहे हैं। जो आदमी भरता है मिताक्षर ला के अनुसार उस के हिस्से की जो जायदाद है उस के ऊपर आप डेढ़ ड्यूटी लेंगे यह बात बड़े अन्याय की होगी। विकेन्द्रीकरण अच्छी बात है, लेकिन उस के साथ ही साथ यह मिताक्षर पद्धति को समाप्त करने का जो तरीका है वह ठीक नहीं है।

दूसरी बात यह है कि आज यह कहना कि इस देश में बहुत थोड़े लोगों के पास सम्पत्ति है यह भी गलत है। आप देहात में जा कर पूछिये ज़मीन के मालिक ज्यादा हैं या लैंडलेस लेबरर्स (Landless Labourers)। लोगों के पास थोड़े थोड़े खेत होते हैं लेकिन हर एक आदमी अपनी अपनी सम्पत्ति का मालिक होता है। कर योग्य सम्पत्ति की लघुत्तम सीमा हर बजट के समय बनाई जाएगी। लेकिन हर एक खेती करने वाले पर इस का असर पड़ने वाला है।

आगे चल कर हम देखते हैं कि मार्केट प्राइस (market price) भी बड़ी भयानक चीज है। देहातों में जो मार्केट प्राइस आप रक्खेंगे उस को निश्चित अफसर लोग ही करेंगे खेती के लिये देहातियों में विशेष भावना होती है और उस की कीमत आज दीखने को बहुत दीखती है लेकिन कर देते वक्त उसको बेचना पड़ेगा। उस के बाद में समझता हूँ कि एस्टेट (estate) के टुकड़े टुकड़े हो जायेंगे। यह बात नहीं है कि मुझे दूसरी ओर से एस्टेट मिलने वाली है मगर फिर

भी मुझे टैक्स देना पड़ेगा यह अन्याय होगा। आगे चल कर दूसरी सम्पत्ति पर भी टैक्स लगाना अन्याय हो सकता है खास करके अपने यहां शहरों में बहुत से लोग घरों के मालिक होते हैं। जिन घरों में वह रहते हैं और जिन की कीमत अर्बनप्रापर्टी (urban property) होने के कारण बहुत थोड़ी है, अगर उन घरों पर आप को टैक्स देना हुआ तो उन को बेचना तक पड़ेगा और इस के कारण लोगों पर बहुत आपत्ति आयेगी। इन सब कारणों से मैं समझता हूँ कि इस बिल को पेश करते वक्त यह जो प्रावीजन (Provision) है उस को रख कर अगर आप इस विधेयक का समर्थन कराना चाहते हैं तो कभी नहीं होगा। आगे चल कर मेरे एक मित्र बहुत दुःखित हुए कि इस कर का पैसा मुरारजी देसाई के प्रान्त को मिलेगा परन्तु बम्बई में यह कर नहीं लगेगा। बम्बई और पंजाब ने स को पास नहीं किया है और इस कारण पांच छे प्रान्तों पर ही यह कानून लगने वाला है। यूनीफारमिटी (uniformity) लाने के लिए सेंटर (centre) इस को पास कर रहा है, लेकिन यूनीफारमिटी आयेगी नहीं क्योंकि बंगाल और पंजाब में यह टैक्स नहीं लगेगा और बाकी के प्रान्तों में ही लगेगा। अभी भी बंगाल बाकी है। मैं चाहता हूँ कि बंगाल में भी पास ही जाय फिर शायद बंगाल के सदस्य इस का विरोध करेंगे। मैं समझता हूँ कि इस प्रकार के टैक्सेशन में डिस्क्रिमिनेशन (discrimination) नहीं होना चाहिये। तो मेरी यही प्रार्थना है कि इन सब बातों को ध्यान में रख कर इस को पास किया जाय। आज देश में सरकारों को पैसे की जरूरत है और मालदार लोगों को गरीब करना आवश्यक है। परन्तु इस के लिये कृषिकार और मध्यम वर्ग के लोगों पर अन्याय करने की आवश्यकता नहीं है।

इस से आदमी को मरते वक्त भी शान्ति नहीं मिलेगी क्योंकि उस को मरते वक्त इस बात की चिन्ता लगी रहेगी। क्योंकि यह अनसर्टेन्टी (uncertainty) होगी और पता नहीं होगा कि कितना टैक्स लगेगा इस लिये उस को अनसर्टेन्टी में मरना पड़ेगा। क्योंकि करमर्यादा और प्रमाण फायनान्स बिल (Finance Bill) में निश्चित होंगे। स्वर्ग तो वह जायेगा ही पर पृथ्वी पर उस को बहुत कष्ट होगा। इस दृष्टि से इन सब बातों को टाल कर इस विधेयक को पास करें इतनी मेरी प्रार्थना है।

**Dr. Lanka Sundaram (Visakhapatnam):** I am grateful to you, Sir, for giving me this opportunity to intervene in the debate on this Bill at a very early stage. After listening to the eloquent speech of my friend Mr. Deshpande, whose Hindi idiom and eloquence I can appreciate but not emulate, it is rather difficult to proceed with the debate with any sense of reality. And yet, Sir, with your permission, I propose to confine myself specifically to the Bill as introduced in this hon. House and also to the speech made yesterday in introducing this Bill by my hon. friend, the Finance Minister. I believe that this particular Bill has not come a day too soon. (*An Hon. Member:* Rather late.) In fact the chequered history of this Bill during the past several years is conclusive proof that the aims and objectives of the Government are more or less defeated, and if not actually totally defeated, at least circumvented by certain classes of would-be-assesseees who might have been there at one time and who may not be there now or tomorrow.

**Shri Gadgil (Poona Central):** If they die, their successors will be assessed.

**Dr. Lanka Sundaram:** I will come to that point of my hon. friend Mr. Gadgil.

**An Hon. Member:** Sir, if I remember aright, my friend is on the Select Committee. Is it not already the convention that Members of the Select Committee...

**Mr. Deputy-Speaker:** It is not an inviolable rule. Normally, the rule is that Members who are on the Select Committee will not be allowed to discuss the matter here. But in exceptional cases, like an Estate Duty Bill or this magnitude—it is a very important Bill and not only Members but

people outside are also watching it— whoever can shed light on this important Bill I am prepared to call him. And if any Member thinks that a particular point which he wants to emphasise has been overlooked by this Bill, I am prepared to allow him. Therefore I will treat this as an exception, but it does not mean that I am going to call all the Members of the Select Committee.

**Dr. Lanka Sundaram:** I thank you, Sir, for your ruling. I stood up in the confidence that on previous occasions the Chair has given permission on issues of this character to Members whose names were put on the Select Committee.

I believe that this particular Bill, that is the Estate Duty Bill, is only a logical extension of social legislation of the type represented by Zamindari abolition, in this country. I always felt that when Zamindari abolition legislation was widely taken recourse to all over the country, the absence of a Bill of this character on the Central Statute Book would indeed be a most unfortunate thing. I was rather heartened yesterday when I listened to the Finance Minister as he referred to the social objective involved in this Bill. Now the entire legislation of all the years of the past quarter of a century does not give me an illustration of a measure with a specific social objective behind it; and to this extent I welcome this Bill in principle wholeheartedly.

As I have said I propose to limit myself to the provisions of the Bill without going much into the ideological or other considerations referred to so eloquently by some of the speakers who have preceded me. Item 87 in the Central List of the Seventh Schedule, Mr. Deputy-Speaker, makes "estate duty on property other than agricultural land" a central subject. Item 48 of the State List of the Seventh Schedule makes estate duty in respect of succession to agricultural land a State subject, with the result that as the Finance Minister said yesterday, a sort of procedure has been taken recourse to so that the Centre can legislate on a uniform basis. The Finance Minister was good enough to say yesterday that all the States constituting the Republic of India, barring West Bengal, Travancore-Cochin and Saurashtra have passed necessary resolutions through their legislatures asking the Government of India to undertake this legislation. Article 252 is very clear on this point. It shall be lawful for Parliament to pass an Act for regulating that matter accordingly, and any Act so passed shall apply to such

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States and to any other State by which it is adopted afterwards by resolution.

I have got some little worry here. I do not take such a tragic view as my hon. friend Mr. Deshpande has taken a few minutes ago, that West Bengal, Travancore-Cochin and Saurashtra may not after all come into the picture. But I do say in the same breath that, knowing as we do the enormous controversy which is now raging all over the country as regards multiple point tax or single point tax—I am referring to the Sales Tax Legislation and also the Bill passed in the last session—it occurs to me, that something more than this permissible consent will satisfy the needs of the country. Because I have got a feeling that if by any chance any of the States, namely West Bengal, Travancore-Cochin and Saurashtra, actually stays out, there will be black patches in this country as far as the enforcement of the legislation now before this hon. House is concerned. Having said this I would like to refer to clause (2) of section 1, that this particular legislation extends to the whole of India except the State of Jammu and Kashmir. I recognise that we in this country have got to be extremely careful in referring to any action relating to the affairs of Jammu and Kashmir. I have got here the Constitution Act, Section 370. I think there is a possibility for this hon. House to arrive at some sort of arrangement whereby the proposed legislation for the enforcement of the Estate Duty can be extended to Jammu and Kashmir. I am here to say freely that I am not asking for, nor intending to press for, the deletion of Clause (2) of Section I of the Bill before this House. Article 370(b) (1) runs as follow:

“those matters in the Union List and the Concurrent List which, in consultation with the Government of the State are declared by the President to correspond to matters etc.....”

Here we have as colleagues in this hon. House six representatives of Jammu and Kashmir. I make a suggestion to them, that on the floor of this House they should come forward with some sort of assurance that the permissible provision contained in Article 370 (b) (1) would be availed of. Because if something like that is not done then there will be two distinct categories of territories in this country, which will be a most unfortunate thing indeed. I quite see that Article 370 is a transitory provision, but still we cannot allow it to continue for ever even in the case of very innocuous non-

political measures like the Bill before us. I believe there are a number of precedents in British parliamentary history which will be of assistance to us. The Members from Ireland when they took part in the old days in the debates of the House of Commons never did so in respect of legislation affecting the whole of the British Isles, but took part in the divisions etc. only concerning Ireland. I am making a suggestion here, with due deference to the Constitution, namely, that our friends from Kashmir should give us an assurance that they will press their Government to come forward with reciprocal legislation based on consultations with the Government of India at Government level in order that Section 1(2), namely, the exemption of Jammu and Kashmir, will not become a stumbling block to the implementation of such a very important measure like the present one, from an economic and fiscal point of view.

Having said this, I propose with your permission to discuss one or two very important points raised in the speech of my hon. friend the Finance Minister. He made a very broad statement yesterday, namely, that as regards capital formation, incentives to production etc., there will not be many difficulties when this Bill is passed into law. Statistical data in this country is extremely nebulous, and there is not much precision about it. Still, such of the statistics as are available at the moment on this aspect of the question which I am raising in this debate are very clear. The public sector of fixed assets excluding transportation are estimated to be of the order of Rs. 1236 crores and the private sector is estimated to be of the order of Rs. 1472 crores. I am making a reference to these estimates for the very valid reason that yesterday in his speech the Finance Minister said that the possible transference of private property to joint stock companies etc. will not be much of a bother for us. In fact, he said that he would welcome such conversion of private property into joint stock companies. I hope I am quoting correctly.

**The Minister of Finance (Shri C. D. Deshmukh):** Yes.

**Dr. Lanka Sundaram:** The problem is this. With nearly Rs. 1500 crores of private property stated to be in private hands, there is a distinct possibility of this property being converted into joint stock companies, trusts etc.

**Shri C. D. Deshmukh:** May I know where these figures are from?

**Dr. Lanka Sundaram:** Estimates, newspaper reports, etc.

**Shri Gadgil:** After all they are "guess-estimates"!

**Shri C. D. Deshmukh:** I was anxious to look them up comprehensively. That is why I asked.

**Mr. Deputy-Speaker:** I thought they were taken from the National Income Committee Report.

**Shri C. D. Deshmukh:** That is what I thought also, and I had hoped that he was going to say so, but apparently that is not so.

**Dr. Lanka Sundaram:** But I believe I have made an attempt to make them as reliable as possible, because any estimate is as good as the other. In fact, I shall be grateful to my hon. friend if he can give the proper estimates, because he is in a better position to give them than a non-official Member. Yesterday, he said that the fiscal and psychological effects of this duty are not damaging to savings and capital formation. I agree with him that everything depends upon the exemption limits and the rates of taxation, and I have no quarrel with him in this respect and propose to say nothing about it on this occasion, because these are matters for the annual Finance Act and I am sure this House will have an opportunity to discuss them at the time of the next Budget, provided this Bill goes through.

I have got here a book written by my hon. and esteemed friend, Shri Gadgil, when he was Minister, in conjunction with Shri Vittal Babu, on death duties. I consider that there is a very important statement in it which, with your permission, I should like to read for the benefit of this honourable House. It runs thus:—

"Moreover, it has been the experience of many countries in the world that if the minimum exemption is kept at a sufficiently high level, the revenue-yielding capacity of the duty is great. The main consideration that weighed in the matter of raising the exemption limit from £100 to £2,000 in 1946 in U.K. was that as many as 150,000 out of 200,000 estates which were previously liable, ceased to pay estate duty. The result was that the cost of the exchequer was only £2 million compared with the total yield of estate duty which was over £100 million. The new exemption limit relieved the exchequer of bothersome and costly inquiries and investigations into a large number of small estates. It was estimated that out of the 50,000 estates, which would be still liable for, more than 30,000 would have their liability reduced, and the

imposition on some 7,000 would remain unaltered. The total yield, despite the exemptions and reductions went up to nearly £22 million."

I quoted this passage because unfortunately in his speech my hon. friend yesterday made a reference to the previous Bill in the previous House. I was not quite clear as to what he meant to convey, but this is what he said, and I am quoting from yesterday's debate:—

"Hon. Members will observe that unlike the last Bill the present Bill does not itself contain a provision regarding the minimum exemption limit. Why the last Bill contained such a provision, I am unable to say now... unless it be that it was felt that prescribing a minimum limit in the body of the charging Act itself gives sanctity to it."

I have quoted these two passages in order to bring to the notice of this hon. House the need for some sort of minimum exemption limit being incorporated into the body of the present legislation itself, because to my mind it will give satisfaction to almost every section of the community which is likely to be affected by the legislation.

**Mr. Deputy-Speaker:** Is there no difference between income-tax and estate duty? A man goes on earning income, but he does not die every year.

**Dr. Lanka Sundaram:** That is why I said that some sort of fixation of minimum limit that was attempted in the last Bill has been dropped in the Bill, and I would like to have a cogent answer from my hon. friend why this is so.

Yesterday, the Finance Minister said that this particular Bill need not wait till the completion of the enquiry which is likely to be undertaken by the Taxation Enquiry Committee. Last month on the 14th and 15th the Finance Ministers of the country met and I have no possibility of knowing exactly what has happened in that Conference, but such of the Press reports as are available clearly show that the question of incentives to production, capital formation etc. are matters for investigation by the proposed Taxation Enquiry Committee, with the result that anything done in this Bill will have far-reaching effects, and the Government have got to remember this in the context of the work which is to be turned out by that Committee. That is why I was rather surprised to hear the Finance Minister say yesterday that the Taxation Enquiry Committee can go on

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with its work without any reference to the passage of this Bill in this House.

I do not know how much the Finance Minister hopes to get through the implementation of this Bill when it is passed into law. At the moment the total taxation imposed by the Government of India and the State Governments is of the order of Rs. 600 crores—I am talking of the 1950-51 estimates.

**Shri Bogawat (Ahmednagar South):** Your estimate is too low. It is Rs. 950 crores.

**Dr. Lanka Sundaram:** I am talking of taxation proper.

This morning I read a report that this particular Bill when implemented would bring Rs. 30 crores a year.

**Shri Gadgil:** That is a lobby estimate.

**Dr. Lanka Sundaram:** I do not know what the lobby is and where the estimate came from. I had expected that this particular Bill would bring in certainly a large windfall in order to enable the country to go ahead with planning and development programmes. If it is only Rs. 30 crores, I do not know in what way it is going to be of importance to us in the financial sense to enable us to carry on the programme of development and reconstruction which is estimated to cost about Rs. 2,000 crores in five years.

**Shri C. D. Deshmukh:** I do not think any estimates can be made in the absence of age limit and exemption limit. It will be dangerous to estimate the yield from the passing of the present charging Act.

**Dr. Lanka Sundaram:** I am grateful to the Finance Minister. I am aware of that complication.

**Mr. Deputy-Speaker:** Was not an estimate made by the previous Finance Minister?

**Shri C. D. Deshmukh:** He made certain assumptions, which assumptions I am not making in advance of the Finance Act.

**पंडित जलमू राय शास्त्री : (आजूम-गढ जिला-पूर्व तथा बलिया जिला-पश्चिम) :**  
मगर जब उस का कोई उपयोग ही न मालूम हो कि क्या कम्पेन्सनी होगी, किराने बचत होगी तो ऐसे बिल पास करने से भी क्या होगा ?

**श्री गडगिल (पूना मध्य) :** यह तो आग्ने बन्दूक दे दी है रेंज (range) भी आगे समयानुसार निश्चित किया जायेगा ।

**Dr. Lanka Sundaram:** I quite realise the difficulties of the Finance Minister. That is why I said earlier that it is a matter for the Finance Act. But when piloting a Bill of this character, which has given such a tremendous hope to the country that moneys would become available as a result of its implementation, there must be some sort of an idea behind the mind of the Finance Minister as to what is expected to accrue from this particular tax, as it would be of substantial interest to planning and development which is expected to cost Rs. 2,000 crores in five years. That is the only point I made, Sir.

While on this question I would like with your permission to read another small excerpt from the speeches of one of the predecessors of my hon. friend the Finance Minister—I refer to Mr. Shanmukham Chetty—who in his budget statement in 1948-49 said as follows:

“The United Kingdom budget for 1947-48 discloses that in that country the percentage of direct taxes to the total tax revenue is only 52. This compares very favourably with our tax structure in which with a comparatively poor industrial economy we collect about 51 percent. of our taxes from direct taxes. Another interesting feature of our economy is that as compared with 1937-38 the direct taxes would have increased 8½ times in 1948-49 while indirect taxes would have increased by a little over twice. Considering the relatively undeveloped state of our country, I do not think that anyone could say that the burden of direct taxation is unduly light or there has been any shifting of the burden on the shoulders of the ordinary man.”

The purpose for which I have quoted the statement of one of the predecessors of my hon. friend is a simple one. In the debate on the Finance Bill, I had occasion to say that in the two years preceding those during which my hon. friend occupied the seat of Finance Minister, incentives were given through reduction of taxation for developing production and industry. I believe I estimated them to be about Rs. 23 crores in the two financial years preceding the one during which Mr. Deshmukh took over. I agree there were additional over-all taxes to neutralise partly the incidence of the burden. The



point I am making is this. While agreeing that there is still scope for direct taxation in this country, I am most anxious that we should proceed carefully in this respect. I dare say that the Select Committee and the House at appropriate stages will go into most of the points involved in this matter. Here I would like to make only one or two small points.

I am rather nervous about the rule-making powers vested with the bodies to be created under this legislation. Clause 17(4) of the Bill before us this morning gives powers to make rules which must however be placed before Parliament. Clause 74 makes provision only for pre-publication, with a proviso that the rules so made will not be inconsistent with the legislation as such. What is worrying me is this. Under one clause the rules are to be laid before the House; under the other section pre-publication is enough so long as rules are not inconsistent with the main body of the legislation. I think this is a matter which has got to be looked into very carefully indeed.

The other important point I would like to make before I sit down is this. The powers vested with the Controllers particularly with regard to valuation, frighten me in a certain way. Sections 39 and 56 give very wide powers to the officers of the Government for implementation or enforcement of this proposed legislation.

**Mr. Deputy-Speaker:** Are there no assessors? There is a provision for assessors, I think.

**Dr. Lanka Sundaram:** There is. There is also a provision for appeals. For example, section 39 reads:

"Subject to the provisions of this Act, the value of any property for the purpose of estate duty shall be ascertained by the Controller in such manner and by such means as he thinks fit and if he authorises a person to inspect any property and to report the value thereof for the purposes of this Act, that person may enter upon the property and inspect it at such reasonable times as the Controller considers necessary."

I only raise this point for one reason, namely that the administration of the Act is something which has got to be looked into very carefully, because I believe that more depends upon the spirit in which this Act is administered, for otherwise, as I said earlier, it will become an engine of repression.

I welcome the principle of the Bill, on which, I am sure, there will not be

much difficulty in this hon. House. But I am most anxious that this attempt at securing social justice and the levelling of inequalities of income must be so proceeded with that the maximum results imaginable are obtained. I quite agree the Finance Minister cannot make an estimate of our probable revenue, but if we are only moving a mountain to find a mouse, and the collections are going to be only Rs. 10 or 15 crores, I do not know in what way it is going to be of advantage to the nation as a whole. I do support the principle of the Bill. I thank you once again for giving me an opportunity, and I think such of the points I have made will merit the attention of the House.

**श्री० रामनारायण सिंह (हजारीबाग पश्चिम) :** उपसभापति महोदय, आप को बहुत बहुत धन्यवाद है कि आप ने मुझे इस बिल पर बोलने के लिये आज्ञा दे दी। मैं यहां यह वायुमंडल देख रहा हूं कि सब लोग इस बिल के समर्थन में बोल रहे हैं। लेकिन मैं इस बिल का घोर विरोध करता हूं। मैं यह भी बता देना चाहता हूं कि मैं कोई पूंजीपति नहीं हूं और मैं पूंजीपतियों के पक्ष में एक बात भी बोलने को तैयार नहीं हूं। किन्तु जैसी हमारी सरकार बनी हुई है इस के पक्ष में भी मैं कुछ कहने को तैयार नहीं हूं।

सभापति महोदय, इस बिल के स्टेटमेंट आफ औबजेक्ट्स और रीजन्स (Statement of objects and reasons) में यह लिखा हुआ है कि यह बिल इस गरज से लाया गया है कि जो बहुत बहुत धनी हैं उन के धन को कुछ कम कर दिया जाय और जिन के पास धन नहीं है उन को दिया जाये।

मेरे जो कम्युनिस्ट भाई हैं उन का तो यह कहना है कि सब को खाना और कपड़ा मिलना चाहिये और रहने के लिये घर और जमीन मिलनी चाहिये।

**श्री० रणबीर सिंह (रोहतक) :** हम भी चाहते हैं।

**बाबू रामनारायण सिंह :** आप चाहते हैं, ठीक है, ईमानदार आदमी हैं, लेकिन मेरा तो कहना यह है कि आप की सरकार तो ईमानदार नहीं है। ठीक है, आप ने इतना कहने का साहस तो किया कि आप भी चाहते हैं, लेकिन अगर आप की सरकार भी यही चाहती है तो वह ऐसा बिल या बिबेदक क्यों नहीं लाती कि जिस से देश में जितनी सम्पत्ति है या तो सब एक कर दी जाय और जो पैदावार हो सब को खाने और पहनने को दी जाय या एक ऐसा बिल लायें कि जिस से सारी जमीन अथवा सम्पत्ति-घर बार सब को बांट दिया जाय, सारी सम्पत्ति का समान बंटवारा हो जाये और अगर सरकार की ऐसा करने की नीयत हो तो फिर इस तरह का एक सीधा सादा बिल लावे। अभी जब हमारे देशमुख भाई से पूछा जाता है कि इस बिल के जरिये कितना पैसा सरकार के पास आयेगा तो उसका जवाब देने में हमारे भाई को कठिनता होती है, उन को पता नहीं लगा है कि हर साल कितने घनी आदमी मरते हैं।

**पंडित मुनीश्वर दत्त (उपाध्याय (प्रताप गढ़ जिला-पूर्व) :** आप को पता है।

**बाबू रामनारायण सिंह :** न मुझे पता है और न इस का पता रखने की जरूरत है।

अभी उस रोज जब हमारे देशमुख साहब बजट स्पीच दे रहे थे तो उन्होंने ने कहा था कि उन को एक ऐसा आदमी मिल गया है जो सरकार की मदद के लिये हर साल पांच रुपया भेजता है। मैं यह अच्छी तरह जानता हूँ कि जैसी सरकार है और जिस तरह से सरकार का खर्चा होता है, उस को देखते हुए, कोई भी आदमी खुशी से सरकार को एक पैसा भी देने के लिये तैयार नहीं होगा, यह बात दूसरी है कि देशमुख साहब ने एक

आदमी ऐसा खोज लिया है जो उन की हर साल पांच रुपया देता रहेगा।

आप जानते हैं कि हम लोगों ने महात्मा गांधी की रहनुमाई में किस तरह आजादी की लड़ाई लड़ी और महात्मा जी ने एक करोड़ रुपया जनता से जमा किया और हर साल हम लोग रुपया जमा करते थे और जिन लोगों के बारे में कहा जाता है कि उन्होंने ने इनकम टैक्स नहीं अदा किया और इनकम टैक्स से बचने के लिये अपनी सही सही आमदनी का हिसाब छुपाया, ऐसे लोग जो सरकार को पैसा नहीं देना चाहते, उन लोगों से भी हम लोग रुपया कांग्रेस का काम करने के लिये लेते थे, और वह खुशी से हम को देते थे। मैं चाहता हूँ कि सरकार और हमारे देशमुख साहब इस बात पर विचार करें कि वह लोग देश की आजादी की लड़ाई में तो चन्दा देने के लिये तैयार होते थे और हम को रुपया देते थे, लेकिन वही लोग आज क्यों ब्लैक मार्केट (Black Market) करते हैं, और इनकम टैक्स से बचते हैं। जैसा मैं ने पहले कहा वजह यह है कि आज टैक्सों की भरमार है और टैक्सों के मारे देश के नाकों दम हो रहा है, एक टैक्स हो तो बतलाया जाय उदाहरण के लिये अभी ऐग्री-कल्चर इनकम टैक्स को लीजिये। पूंजीपति और व्यापारी लोगों पर यह कह कन् कि यह बहुत रुपया पैदा करते हैं, उन पर टैक्स लगा दिया और अब तो किसानों पर भी सरकार ने टैक्स लगा दिया है। मैं भी एक किसान हूँ मुझ पर भी गलती से टैक्स लगाया गया था। इन टैक्सों के अलावा सरकार ने सेल्स टैक्स (Sales Tax) भी लगाया है। क्या कहा जाय पब्लिक का टैक्सों के मारे नाक में दम है। जहां देखिये वहीं टैक्स लगा हुआ है। अगर भली और ईमानदार सरकार हो तो किसी को

उस को टैक्स देने में दिक्कत और हिचकिचाहट नहीं होगी। क्योंकि वह पैसा तो देश के हित में खर्च किया जायेगा, लेकिन इस सरकार का तो पेशा बस मिनिस्टर, डिप्टी मिनिस्टर और पार्लियामेंटरी सेक्रेटरी बनादन बढ़ाते जाना ही गया है और अब उन की तादाद ३९ तक पहुंच गई है और अगर यही रफ्तार जारी रहे तो वह दिन दूर नहीं है जब जितने कांग्रेस के सदस्य हैं, वह सब के सब मिनिस्टर हो जायें। उपसभापति महोदय, यह तरीका देश का पैसा खर्च करने का नहीं है और इसी कारण आज सरकार को पब्लिक से पैसा मिलने में दिक्कत हो रही है, अगर सरकार में तनिक भी ईमानदारी होती तो यह हालत न होती। हम को ऐसा वायुमंडल इस देश में पैदा करना होगा कि जिस से लोग यह समझने लगे कि सरकार को पैसा देना धर्म है और कर्तव्य है। ऐसा वायुमंडल इस देश में लाना होगा जिस से पब्लिक सरकार को टैक्स ठीक अदा करे और यह तभी होगा जब वह यह समझेगी कि वह पैसा देश के हित में सरकार द्वारा खर्च किया जायेगा। आज जिस तरह से सरकार पैसा खर्च कर रही है, उस को देखते हुए मैं यह प्रचार करने के लिये तैयार हूँ कि इस गवर्नमेंट को एक पैसा देना भी पाप है। उपसभापति महोदय आप भी कराची कांग्रेस के अवसर पर मौजूद थे, टंडन जी और हम सब लोग भी थे, शब्द हमारे देशमुख भाई नहीं थे, वहाँ पर हम ने यह निश्चय किया था कि आजाद भारत में ज्यादा से ज्यादा वेतन पांच सौ रुपये होगा, ऐसा कांग्रेस का ऐलान था। मैं पूछना चाहता हूँ कि वह कांग्रेस का ऐलान कहाँ गया और हमारे टंडन जी क्या कर रहे हैं? आज क्या हो रहा है? किसी की दस हजार और किसी की पांच हजार रुपये मासिक दिया जा रहा है और इस देश को लूटा जा रहा है। उपसभापति

महोदय, मुझे माफ़ करें, लेकिन मुझे यह कहते हुए बड़ा दुख होता है कि आज की सरकार देश को लूट रही है, मैं यह किसी को व्यर्थ में बदनाम करने अथवा उस की निन्दा करने के लिये नहीं कहता लेकिन मुझे ऐसा लगता है कि जिस तरह से अंग्रेजी सरकार लुटेरी थी, उसी तरह यह आज की सरकार भी बिल्कुल लुटेरी सरकार साबित हो रही है ऐसा मैं दिल से कहता हूँ। कोई गुस्से में आकर नहीं कह रहा हूँ कि यह सरकार बिल्कुल लुटेरों की सरकार बनी हुई है, लूटें, बांटे और खायें, बस यही उस के सामने रहता है।

**Shri Altekar (North Satara):** Sir, I rise to a point of order. What has this discussion to do with the Estate Duty Bill as such which is before the House?

**Mr. Deputy-Speaker:** He evidently wants to say that if the expenditure is cut down there may be no need for an estate duty. But we are not entering into a general discussion of the Finance Bill and I suggest that as far as possible the hon. Member may be a little more relevant.

**बाबू रामनारायण सिंह :** उपसभापति महोदय, जैसी आप लोगों की राय होगी और जैसी आप की आज्ञा होगी, उस को तो मैं मान लूंगा, लेकिन मैं भी यह जानता हूँ कि जब यहाँ पर टैक्सेशन की बात चल रही है, सरकार की तरफ से एक नया टैक्स लगाने की बात आती है, तो मैं इस पर बोल सकता हूँ कि इस सरकार को टैक्स देना ही नहीं चाहिये। और मैं समझता हूँ कि मैं ने जितनी बातें अब तक कही हैं, सब ठीक और समयानुकूल हैं, लेकिन अगर आप कहेंगे कि न बोलो तो मैं नहीं बोलूंगा।

**उपाध्यक्ष महोदय :** बोलिये, बोलिये, लेकिन इतने धीरे धीरे नहीं।

**बाबू रामनारायण सिंह :** अभी इस बिल के समर्थन में बोलते हुए कुछ भाइयों ने बताया कि इस बिल के पास हो जान से कितनी आमदनी होगी । मैं उस के बारे में नहीं कह सकता हूँ, कुछ लोगों ने बताया कि इस प्रकार का कानून कनाडा व इंग्लैंड में पान हो गया है, मैं उन से कहूँ कि यहाँ की सरकारें ईमानदार हैं और वह देश का भला चाहने वाली हैं, इसलिये ऐसी सरकार को जितना पैसा मिले, ठीक है ।

**श्री० रणबीर सिंह :** उस सरकार के खिलाफ आप लड़े क्यों थे ?

**बाबू रामनारायण सिंह :** उसे तो खत्म कर दिया ।

**श्री० रणबीर सिंह :** उसे तो आप ईमानदार मानते हैं ।

**बाबू रामनारायण सिंह :** हम लड़े थे अपने देश के लिये लेकिन दुर्भाग्यवश ऐसी सरकार आ गई तो क्या करें । लेकिन जिस सरकार के खिलाफ लड़े थे उस को तो खत्म कर दिया और आगे चल कर इस सरकार को भी खत्म कर देंगे । वह तो दूसरी बात है । लेकिन मैं इतना कहूँगा कि अगर्षे यह लोग बिल्कुल गलत रास्ते पर हैं लेकिन अपने ही तो हैं ।

उपसभापति महोदय, हमारे देश में एक त है, शायद इधर भी होगी, जिस को कंटहा या महाब्राह्मण कहते हैं । उस महा ब्राह्मण को कभी खाने पीने के लिये निमन्त्रण नहीं मिलता । हिन्दू समाज में किसी उत्सव के अक्षर पर भी उस को नहीं बुलाया जाता ।

**श्री इन्द्रप्रसाद मुखर्जी :** मगर आते जरूर हैं ।

**बाबू रामनारायण सिंह :** उन को थोड़ा बहुत दे दिया जाता है पर उन को बुलाया नहीं जाता क्योंकि उन का किसी के यहाँ जाना अपशुभ माना जाता है । तो उन को जरूरत उस समय होती है जब कोई हिन्दू मर जाता है और श्राद्ध आदि होता है । उस समय कंटहा आता है ।

अब यह कहा जा सकता है कि इस का साइकालॉजिकल इफैक्ट (Psychological effect) बहुत बुरा होगा । जब एक धनी आदमी मरेगा तो सरकार के आदमी उस के यहाँ पहुँचेंगे ।

**वित्त राज्य-मंत्री (श्री श्यामी) :** मरने के बहुत दिन बाद पहुँचते हैं ।

**बाबू रामनारायण सिंह :** तो जिस तरह कंटहा बिना काम नहीं चलता उसी तरह किसी किसी परिस्थिति में सरकार भी कंटहा की तरह पहुँच जाना करेगी । तो मैं अपने भाई लोगों से कहना चाहता हूँ कि जब सरकार को और अन्य तरह से रुपये नहीं मिलने वाले हैं तो रुकना लेने के लिये कंटहा का काम नहीं करना चाहिये और कंटहा की सरकार बनने का अभिलाषा नहीं करनी चाहिये । यह बात अच्छी नहीं है ।

उस के बाद मैं आप से कहूँगा कि जब सरकार कोई टैक्स लगाती है तो सब से पहली बात यह होनी चाहिये कि सरकार को अपना खर्चा भी तो कम करना चाहिये । अगर सरकार खर्चा कम करेगी तो उस के पास अपने काम के लिये काफ़ी टैक्स हैं । अभी सरकार को लगभग चार अरब रुपये मिलते हैं । अगर अन्दाज़ से खर्च किया जाये तो आज आधा खर्च ही संभव है । तो अगर खर्च कम किया जाय तो सरकार के पास काफ़ी रुपया ही जायेगा और इस प्रकार के घणित बिल को लाने की आवश्यकता नहीं रहेगी ।

इसी के साथ साथ मैं यह भी कहूंगा, जैसा कि मैं ने पहले भी कहा था, कि अगर सरकार देश के हित का काम करे तो लोगों को उसे पैसा देना चाहिये। लेकिन मेरा असली विरोध इसीलिये है कि इस सरकार के व्यवहार और खर्च से तो यही मालूम होता है कि यह सरकार जनता के लिए नहीं है। मैं ने पहले पूछा था कि प्रदेशों को कितने रुपये मिलेंगे तो कहा गया कि यहां पर प्रादेशिक सरकारों की बात क्या करते हैं। उपसभापति महोदय, यह कहा जाता है कि यह टैक्स लगा कर बंगाल को रुपया देंगे। लेकिन बंगाल में रुपया कैसे खर्च होता है यह कहना यहां पर आवश्यक भी है और प्रासंगिक भी है। शायद बंगाल में केवल १२ या १३ जिले हैं और मिनिस्टर कितने हैं? ३२। उपसभापति महोदय, तो यह किस तरह से खर्च किया जा रहा है। एक एक जिले पर तीन तीन मिनिस्टर हैं। उपसभापति महोदय, आप भी पहले से हैं और हम भी हैं। हम देखते थे कि अंग्रेजों के समय में ६ मंत्री होते थे और उन के ६ सेक्रेटरी होते थे और काम बहुत सुन्दर चलता था। इसलिये वह लोग अगर ज़ादा लेते थे तो वह अखरता भी नहीं था।

**Mr. Deputy-Speaker:** Are we going into the entire administration now and say that there are so many departments and so many Ministers.....? The Hon'ble Member may indicate that this taxation measure is unnecessary and then say that there are other means of providing income to the Government. That is only the basis but he may also refer to the other thing, social equalisation, not allowing one man to aggrandise or to have so much property. For bringing this Bill therefore we cannot go into various details. I think enough has been said on this. If the Hon'ble Member has any other things to refer to so far as the Bill is concerned, the principle or the provisions of the Bill, he may do so.

**बाबू रामनारायण सिंह :** उपसभापति महोदय, यह तो विषय ऐसा है कि इस पर

बहुत बातें कही जानी हैं लेकिन अगर आप कहेंगे तो मैं वैसा नहीं कहूंगा लेकिन इस पर बहुत बोलना है और बोलना चाहिये। उपसभापति महोदय, यह लोग तो मौज करते हैं। क्या हम लोगों को बोलने भी नहीं दीजियेगा। मैं थोड़ा समय और लूंगा।

**Mr. Deputy-Speaker:** The Hon'ble Member may resume after lunch.

*The House then adjourned for Lunch till Half Past Two of the Clock.*

*The House re-assembled after Lunch at Half Past Two of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

**बाबू रामनारायण सिंह :** उपाध्यक्ष महोदय, अब मैं अधिक समय तो नहीं लूंगा लेकिन थोड़ा और भी कह देना आवश्यक है। एक बात यह है कि अभी हमारे अर्थ मंत्री जी तो हैं नहीं, इसलिये उन की जगह हमारी बात कौन सुनेगा।

**एक माननीय सदस्य :** श्री कृष्णमाचारी हैं।

**पंडित ठाकुर दास भार्गव (गुडगांव) :** ऐसी बात तो आप रोज ही कहते हैं, इस में क्या है ?

**उपाध्यक्ष महोदय :** यह लोग हैं, सुनते हैं। आप की बात सुन भी रहे हैं और लिख भी रहे हैं।

**बाबू रामनारायण सिंह :** ठाकुर दास जी कहते हैं कि ऐसी बात तो मैं रोज ही कहता हूँ, लेकिन उस से होता क्या है। तो होता हो या नहीं होता हो, लेकिन जब ऐसी घटना होती है तो कहना ही पड़ता है।

[बाबू रामनारायण सिंह]

उपाध्यक्ष महोदय, मैं कह रहा था और मेरे कहने का मतलब था कि इस तरह का बिल सरकार को नहीं लाना चाहिये। मैं यह भी कहे देता हूँ कि इस तरह का बिल, इस तरह का विधेयक इस सरकार को लाने का कोई हक भी नहीं है। यहां अभी इस तरह का बिल लाया गया है कि जिस से सरकार को आमदनी होगी। तो सरकार की तरफ से यह कहना भी बहुत जरूरी है कि कितने आदमियों पर यह टैक्स लगेगा। यह तो हो सकता है कि ठीक ठीक संख्या तो यह नहीं दे सकते लेकिन अन्दाज़न संख्या तो इन को देनी चाहिये। फिर इस के साथ साथ यह भी कहना चाहिये था कि इस से कितनी आमदनी होगी। फिर जो आमदनी इस बिल से होगी वह किस मद में खर्च होगी यह बात अगर वह कह देते तो उन का कुछ हक इस बिल को लाने का हो सकता था।

उपाध्यक्ष महोदय, इस बिल के संकशन ३ या ४ में है कि एक डिपार्टमेंट बनेगा, फिर बोर्ड बनेगा, कंट्रोलर आफ एस्टेट्स ड्यूटी (Controller of Estates Duty) होगा, वैल्युअर्स (Valuers) होंगे, इस तरह से यह सब लगे हो जावेंगे। तो जो रुपये लोगों से बसूल होंगे, जो डिपार्टमेंट बनेगा उसी पर सब रुपया खर्च हो जायेगा तो मैं पूछ सकता हूँ और हर एक व्यक्ति पूछ सकता है कि उस दशा में इस तरह के टैक्स लगाने की क्या जरूरत है? सरकार का स्थान हमारे देश में क्या है? वह हमारे देश की मनेजर है, हमारे मुल्क की मनेजर है। जो हमारे देश की सम्मिलित शक्ति है, सम्पत्ति है, इस का उस को प्रबन्ध करना है। फिर यह प्रबन्ध किस के हक में, किस के हित में, करना है? तो यह प्रबन्ध समाज के हित में, लोक हित में करना है। अगर ऐसा नहीं हो तो फिर जिस तरह से अभी तक

चल रहा है, मुझे यह कहने में दुःख मालूम होता है और लज्जा मालूम होती है, और उन को शायद सुनने में भी बुरा मालूम होता है, उस प्रबन्ध से तो ऐसा मालूम होता है कि वह प्रबन्ध अपने हित में कर रहे हैं। तो मेरे कहने का मतलब यह है कि कम से कम यह तो पक्का हो जाना चाहिये कि कितना रुपया होगा और किस मद में खर्च होगा। यह तो इन को बताना चाहिये और अगर यह ऐसा नहीं बताते या नहीं बताना चाहते तो इस तरह का बिल भी इन को नहीं लाना चाहिये।

सब कोई जानते हैं कि स्विट्ज़रलैंड में यह नियम है कि जितने महत्वपूर्ण कानून होते हैं तो वहां प्लीबीसाइट की तरह हर एक आदमी से वोट ले लिया जाता है। तो मैं तो दावे के साथ कह सकता हूँ कि स्विट्ज़रलैंड की तरह अगर यह बिल प्रकाशित किया जाय और जितने इस देश के बाशिन्दे हैं सब से पूछा जाय तो शायद दस आदमी भी इस के पक्ष में वोट नहीं देंगे। कांग्रेस वालों को छोड़ दीजिये, क्योंकि यह लोग तो हुक्म के ऊपर चलते हैं इसलिये इनके वारे में तो ज्यादा शक नहीं है कि यह किधर वोट देंगे। लेकिन इन लोगों के अलावा जो कांग्रेस पार्टी में हैं या नेहरू जी के हुक्म में हैं इन लोगों के अलावा अगर दूसरों से पूछा जाय तो शायद उन में से दस वोट भी उन को नहीं मिलेंगे।

पंडित ठाकुर दास भागंब : आप शायद उधर की पार्टी के लिये कह रहे हैं, वह तो बहुत ज्यादा इस बिल के हक में हैं।

बाबू रामनारायण सिंह : यह तो मेरे कहने का मतलब नहीं है कि खाली कांग्रेस या नेहरू जी ही शलती करते हैं, इधर के नहीं करते हैं। ये भी शलती करते हैं। तो मेरा कहना यह है कि इस के लिये एक वायुमंडल



होना चाहिये, इस के लिये प्रचार किया जाय और प्रचार करने के बाद जैसी देश की राय हो वैसे देश के हित में काम किया जाय। यह सब को याद रखना चाहिये कि यह देश के हित में हो, खाली सरकार के ही हित में न हो।

अब यह सवाल है कि यह टैक्स किस रेट (rate) से लगेगा, तो सैक्शन ३४ में कहा जाता है कि इस के लिये भी पार्लियामेंट कानून बनावेगी। यह कानून तो बन ही रहा है। तो फिर आज क्यों नहीं कह देते कि इस रेट से आप लगावेंगे। यह कह देना तो बिल्कुल जरूरी था। फिर उस के साथ यह भी बात है कि किस को आप छूट देंगे, या यह कि किसी को छूट देंगे भी या नहीं। हर एक आदमी पर टैक्स लगेगा या जो बहुत धनी लोग हैं, दस बीस लाख जिन की पूंजी है केवल उन पर ही यह टैक्स लगेगा, या हर एक आदमी पर यह टैक्स लगेगा, यह भी तो निश्चित कर देना चाहिये। इस के बारे में शायद ऐसी बात है कि हर साल फायनेन्स बिल में यह बातें तय की जायेंगी। तो इस से हर साल जो फायनेन्स बिल पेश होगा, जब वह समय आवेगा तो उस समय सारा देश ताकता रहेगा, कि इस साल देशमुख साहब या जो इन के उत्तराधिकारी होंगे, किन को वह छूट देते हैं या किन को नहीं देते हैं। सारा देश एक दम से सस्पेंस (suspense) में रहेगा। जरूरत होने पर तो देश को हर तरह का कष्ट उठाना पड़ता है और उठाना चाहिये। लेकिन बिना जरूरत कष्ट उठाना या देश को कष्ट देने का क्या मतलब है। इस तरह के काम करने की क्या जरूरत है। बहुत से काम हैं जिन को करना जरूरी है, फिर ऐसे बेकार कानून बनाना और देश के लोगों को तकलीफ देना, यह काम नहीं करना चाहिये।

उपाध्यक्ष महोदय, यह सब कोई जानते हैं कि सरकार का मतलब यह है कि वह देश के हित के लिये, देश की रक्षा के लिये होनी चाहिये। कानून भी इसी मतलब से बनाये जाते हैं। लेकिन यह इस तरह जैसे एक भाई ने कहा कि इस को इंजिन आफ ऑप्रेसन (engine of oppression) नहीं होना चाहिये। ऐसी कोई चीज दुनिया में नहीं है कि जिस में दोनों पक्ष न हों, भला और बुरा। भर्तृहरि ने किसी स्थान पर कहा है :

“न जाने संसारः किऽमृतमयः किं विषमयः

यदि दोनों पक्षों को देखा जाय तो उल्टी बातें मालूम होती हैं। एक तरफ भलाई देखते हैं तो ऐसा मालूम होता है कि ऐसा होना चाहिये। अगर बुराई की तरफ देखते हैं तो पता लगता है कि इतनी बुराई भी इस में हो सकती है। तो कानून के बारे में यथासम्भव यह तो कोशिश करनी चाहिये कि बुरे से बुरे आदमी के हाथ में पड़ करके भी इस से किसी का बुरा न हो सके, किसी पर दबाव न डाल सके, किसी पर जुल्म न कर सके। लेकिन इतनी बड़ी उम्र हो गई, अभी तक तो उपाध्यक्ष महोदय, शायद ऐसा न कोई कानून में देख रहा हूँ और न ऐसी कोई सरकार देख रहा हूँ कि जिस के जरिए लाभ हो या लाभ के लिए च्छेष्टा की गई हो। कोशिश ऐसी करनी चाहिये कि कानून इस ढंग का बने जिस के जरिये किसी को धक्का न पहुंचाया जा सके, लेकिन वह नभी मुमकिन हो सकता है कि जब सरकार ईमानदार व सच्ची हो और देश तथा जनता का भला चाहने वाली हो। तलवार अगर आप किसी भले आदमी के हाथ में दे देते हैं, तो उस के जरिये बहुतों की रक्षा होगी, लेकिन अगर ही तलवार किसी पाजी आदमी के हाथ में

[बाबू रामनारायण सिंह]

रक्ष दें तो यही तलवार बहुतों का घात करने वाली सिद्ध होगी। इसी तरीके से कानून की बात है, अगर कानून को चलाने वाले भले आदमी हुए तो बहुतों को लाभ भी हो सकता है और अगर बुरे आदमियों के हाथ में कानून चलाने का काम चला गया तो सिवाय जुल्म और ज्यादाती के उस कानून से कोई लाभ होने की आशा नहीं है। मैं चाहता हूँ कि देशमुख साहब इस पर अच्छी तरह से विचार करेंगे और जब सिलेक्ट कमेटी में यह बिल जा रहा है तो उस पर साफ़ साफ़ विचार होना चाहिये और फायनेंस बिल अथवा बोर्ड पर छोड़ देना उचित न होगा और मैं आप को यह सलाह दूंगा कि यह बहुत महत्वपूर्ण कानून टैक्स के बारे में आप बनाने जा रहे हैं इस से भला भी हो सकता है बुरा भी हो सकता है। जब तक आदमी जीता है, उस से कितने ही टैक्स लिये जाते हैं, चलने पर टैक्स, पीने पर टैक्स और खाने पर टैक्स, गरज हर चीज पर उस से टैक्स लिया जाता है। अब उस से मरने पर भी टैक्स लिया जायेगा, लेकिन अगर वह मरेगा नहीं तो टैक्स कहां से मिलेगा ?

**उपाध्यक्ष महोदय :** मरने वालों के साथ उन की जो ज़मीन और प्रापरटी आदि होती है, वह तो उन के साथ नहीं उठ जाती है।

**बाबू रामनारायण सिंह :** नहीं, वह तो पीछे रह ही जाती है, लेकिन कहने को तो रह ही जाता है कि मरने पर डैथ ड्यूटी टैक्स लगेगी, आदमी जब मरेगा, तब टैक्स लगेगा, जिन्दा रहने पर तो टैक्स का कोई हिसाब ही नहीं।

**Mr. Deputy-Speaker:** There are a number of other hon. Members wishing to speak. If there is any new argument, it may be mentioned.

**बाबू रामनारायण सिंह :** मैं यही चाहता हूँ कि इस बिल पर खूब ठीक तरह से विचार किया जाय और अगर इस को मुलतवी करने के लिये सब लोग राजी हो जायें तो इस को अभी र गित कर दिया जाये। मेरी अपनी समझ में तो न इस तरह के बिल की ज़रूरत है और न ऐसा बिल लाने का सरकार को कोई हक़ ही है, लेकिन अगर यह बिल सरकार को पास ही करना हो, तो इस को ऐसा सुन्दर और ठीक बनाय जिस से किसी को दुःख न पहुँचे और इस तरह जो पसा मिले, वह खाली सरकार ही न खा जाये, बल्कि वह शरीबों को भी पहुँचे। अगर रुपया अप किसी धनिक आदमी से लेते हैं तो वह शरीबों को भी पहुँचाया जाय, यह नहीं कि सरकार सब हड़प कर जाय। यह नहीं कि सरकार जो काफ़ी मोटी है वह शरीब और अमीर दोनों से रुपया वसूल करे और अकेली उस को हड़प कर और ज्यादा मोटी हो जाये। इससे देश को कोई लाभ नहीं पहुँचने वाला है। बस मैं इतना ही कह कर अपनी बात को खत्म करता हूँ और आप से मेरी यही निम्नत है कि इस को पास करने में जल्दी न करें, वरन् इस पर पहले खूब सोच विचार कर लें, तब पास करें।

**Shri Ramachandra Reddi (Nellore):**  
At the outset, I would like to examine the constitutional propriety of bringing a Bill of this type into this House. In the Statement of Objects and Reasons, in Clause 2(1) it is stated that:

"When the earlier Bill was drafted, the Centre had no jurisdiction to legislate in respect of agricultural land, but now some States have passed the necessary resolutions under article 252 of the Constitution, and the Bill therefore applies also to agricultural lands in such States."

But, I am sure, Sir, that article 252(1) of the Constitution does not cover

agricultural property. Article 252(1) says:

"If it appears to the Legislatures of two or more States to be desirable that any of the matters with respect to which Parliament has no power to make laws for the States except as provided in articles 249 and 250 should be regulated in such States by Parliament by law, and if resolutions to that effect are passed by all the Houses of the Legislatures of those States, it shall be lawful for Parliament to pass an Act....."

But the subject matter of article 252 is restricted and modified by article 269. Article 269 (1) says:

"The following duties and taxes shall be levied and collected by the Government of India but shall be assigned to the States in the manner provided in clause (2), namely:—

(a) duties in respect of succession to property other than agricultural land;

(b) estate duty in respect of property other than agricultural land."

Any legislation regarding agricultural land or duties thereon can be undertaken only by State Legislatures: It is provided neither in the Union List nor in the Concurrent List. Even in the Union, List, it is specifically noted under Item No. 87,

"Estate duty in respect of property other than agricultural land."

So, Parliament can bring in a measure about estate duty in respect of property other than agricultural land. So, I think even though the State Legislatures have passed resolutions under article 252, such resolutions can cover only such properties which are not agricultural, and therefore, I think, Sir, this matter has to be further examined.

**Mr. Deputy-Speaker:** Then, what is the object of article 252 there? If it relates only to any properties in the Union or Concurrent List, article 252 is unnecessary. Under article 269, it is the normal power of the Parliament to levy estate duty, to be assigned to various provinces, other than duty on agricultural land—that is specifically provided for in the State List. Even with respect to those matters in the State List, special powers are given in case of an emergency under article 250, and under article 249 with respect to those matters in the State List in the national interest. This is a residuary one under article 252 that if the States want, as the agent of the States, this legislation may be passed by Parliament for the purpose of uniformity.

**Shri Ramachandra Reddi:** My contention, Sir, is that article 252 does not cover agricultural land.

**Mr. Deputy-Speaker:** What does it cover?

**Shri Ramachandra Reddi:** Any property other than agricultural land.

**Mr. Deputy-Speaker:** That is so under article 269.

**Shri Ramachandra Reddi:** In article 269, it is specifically stated that the Central Legislature cannot take up anything in relation to agricultural land.

**Mr. Deputy-Speaker:** Leaving that alone, we will assume.....

**Shri Ramachandra Reddi:** I am just dwelling upon agricultural land only. That is why I am putting it in that form. I am only suggesting that this matter may be further examined by the Legal Department, if it has not been already examined.

**Mr. Deputy-Speaker:** Very good.

**Shri Ramachandra Reddi:** On that account, I am not opposing.....

**Shri V. P. Nayar (Chirayinkil):** On a point of information, is there any definition of agricultural land anywhere?

**Shri Ramachandra Reddi:** There seems to be.

**Mr. Deputy-Speaker:** The hon. Member may go on. I am not here to find out various things.

**Shri Ramachandra Reddi:** Though there might be no statutory definition of agricultural land, everyone knows that land in which agricultural operations are carried on, is agricultural land.

**Shri S. S. More (Sholapur):** What are agricultural operations?

**Shri Ramachandra Reddi:** I therefore feel that if the Bill had been brought forward in the shape that it had assumed when it emerged out of the Select Committee in 1948, there would have been absolutely no difficulty. Yesterday while introducing the subject for discussion in this House, the hon. Finance Minister has tried to clear several of the doubts that have been raised in the Press about this Bill. Though he has tried to cover several of them, there are still several more that have to be properly examined. This Act might be a good Act, but I am doubtful about the fruitfulness of this Act, because all over the States, there is an immense activity going on for the reduction of agricultural property by way of additional taxation, by way of the threat of re-distribution of

[Shri Ramachandra Reddi]

land, and so on and so forth. As a result of that, in several States, the agricultural property is getting disintegrated. Property is being divided, and the so-called immovable property is trying to move itself out from certain hands. It is therefore futile, I should think, that an Act of this type should be brought before this Legislature at this stage. You are also aware of the fact that in several States, the estates' abolition has taken place. Zamindaries have been abolished, and Inamdaris also are likely to be abolished very soon; with the threat of further taxation on land and the question of redistribution of land, several people are separating their properties. So, when the property is getting dwindled, there is no possibility of raising that amount of taxation or duty over them as is expected by the hon. Finance Minister. It would have been desirable if the Government had waited until the Taxation Inquiry Committee and the Finance Commission had reported and given their findings. In the new changes that have taken place recently in the agricultural sector, perhaps the Taxation Inquiry Committee and the Finance Commission might hold a different view, different from what is being held by the Government today.

Then, we have been told that in several other progressive countries, estate duties have been levied and for decades together they are being collected, and that the Acts there are working successfully. But we have to take into consideration the social as well as the legal structure of our society here before we adopt the laws of other nations or countries. In India properties are mainly partible. When the properties are partible easily, there is every possibility of properties being divided very quickly with the result that a measure of this type would be of no use. One could have easily waited until the Hindu Code Bill had been introduced, and passed by this House. There are certain institutions which hold a large agricultural property like religious endowments or other endowments. There is no death to Divinity, and as such, such properties cannot pass hands, and therefore no duties can be levied in that sector. In a State like Madras, nearly one-third of the bigger estates are in endowments. The number of other bigger estates—by bigger I mean estates having an assessment of Rs. 1,000 or more—was only about 500 or 600 in 1947. Between 1947 and 1952, most of these estates have been already separated. As I have already mentioned, the Zamindaries have been abolished. I wonder why this great solicitude on the part of the Central Government

should be there towards the State Governments. This legislation is intended to help the finances of the State Governments primarily, and for that purpose they want to have a uniform taxation measure on estates. The States can naturally look after themselves, and they can know also what exactly the position is, as they are better equipped with the necessary information and statistics as regards the utility or futility of a measure like this. So this solicitude on the part of the Central Government seems to be understandable.

There are several other details that have to be closely discussed in the Select Committee, and I therefore do not want to cover them at this stage.

श्री० रणवीर सिंह : उपाध्यक्ष महोदय, मैं इस विधेयक का समर्थन करने के लिये खड़ा हुआ हूँ। इस लिये नहीं कि मुझे शौक है कि मरने वालों के ऊपर कोई टैक्स लगा दिया जाये, या इसलिये कि टैक्स लगाने का हमें शौक है। टैक्स लगाना किसी सरकार के लिये भी बड़ी दुःखदायक बात होती है, खास तौर पर जहाँ पंचायती राज्य हो वहाँ तो इस के खिलाफ काफी आवाज उठने का डर होता है। लेकिन इस के साथ साथ हमें इस देश को आगे ले जाना है। मैं बहुत ज्यादा बातें इस सिलसिले में नहीं कहना चाहता। लेकिन बाबू रामनारायण सिंह ने एक बात शुरू में कही थी कि वह किसान हैं, मैं भी उसी नाते से एक बात कहना चाहता हूँ, और वह यह कि यहाँ पर इस देश के अन्दर १०० साल से विदेशियों का राज्य रहा। इस असें में जो खेती की तरक्की के लिये पानी बढ़ाने का खर्च किया गया वह अन्दाजन १५० करोड़ है, और आज की कीमत में वह ५०० करोड़ के करीब पहुँचता है। लेकिन इन आने वाले पांच सालों में खेती के लिये पानी बढ़ाने की जो स्कीम है उस के ऊपर जो खर्च किया जाने वाला है वह ६०० करोड़ से भी ऊपर होगा। तो १०० साल का जो काम है उस को हम पांच साल में

करना चाहते हैं। मगर हमारी सरकार के पास कोई ऐसा जादू का डंडा तो है नहीं जो इस काम को पूरा कर दे। उस काम के लिये कुदरती बात है कि रुपया चाहिये और रुपये के लिये हमें ज़राय तलाश करने हैं। तो जहां और कोई तरीके हो सकते हैं वहां यह भी एक तरीका है।

[MR. SPEAKER in the Chair]

इस बिल का जहां में समर्थन कर रहा हूँ, उस के साथ साथ मैं एक दो सुझाव भी देना चाहता हूँ सेलेक्ट कमेटी के लिये ताकि वह इस पर गौर करे। पहली बात तो यह है कि जहां आप मरने वालों पर टैक्स लगा रहे हैं वहां अगर आप चाहते हैं कि इस टैक्स की चोरी न की जाये तो जायदाद के ट्रान्सफर (transfer) पर भी टैक्स होना चाहिये क्योंकि प्रापर्टी दो ही कामों के लिये ट्रान्सफर की जायेगी। या तो इस लिये कि लोग टैक्स की चोरी करना चाहते हैं या इस लिये कि वह लैविशली (lavishly) खर्च करना चाहते हैं। तो हम जब एक तरफ़ उन भाइयों को टैक्स कर रहे हैं जो अपना रुपया बचा करके और देश के दूसरे उत्पादन में लगा कर देश की तरक्की करना चाहते हैं, तब जो अपनी जिन्दगी में फुज़ूलखर्ची करके सारा रुपया खराब कर रहे हैं उन के ऊपर टैक्स लगाना तो बहुत ज्यादा ज़रूरी है। जहां तक चोरी का ताल्लुक है इस देश के सम्पत्ति के मालिकों के लिये यह कोई नई चीज़ नहीं है। हमारे त्यागी जी जब से वज़ीर बने हैं उन्होंने ने इन्कम टैक्स का करोड़ों रुपया उन लोगों से बरामद किया है और कर रहे हैं जिन्होंने ने इस की चोरी की थी।

अगर फिर आप एक कमीशन बनाना चाहें या फिर एक त्यागी जी जैसा वज़ीर बनाना चाहें तो बात दूसरी है कि आप

उन की सम्पत्ति ट्रान्सफर करने पर टैक्स न करें। वरना टैक्स तो आप को लगाना ही होगा।

एक और बात में बाबू रामनारायण सिंह जी के सिलसिले में कहना चाहता हूँ। हमारे यहां तो उस को चार्ज कहते हैं पता नहीं उन्होंने ने क्या कहा था : . . . . .

**बाबू रामनारायण सिंह :** कंटहा ब्राह्मण।

**चौ० रणवीर सिंह :** एक बात में उन से कहना चाहता हूँ कि हमारी सरकार के एक मंत्री त्यागी हैं चाहे वह उन को कंटहा ही क्यों न कहें। इस लिये कंटहा न्यायी के होते हुए हमें डर की ज़रूरत नहीं है।

3 P. M.

दूसरी चीज जो मैं अर्ज करना चाहता था वह यह है कि पहले जो सिलैक्ट कमेटी की रिपोर्ट और इस बिल में एक फर्क है और वह यह कि इस में मैक्सिमम एग्ज़ेम्पशन (maximum exemption) की लिमिट (limit) नहीं रखी गई है और रेट (rate) प्रेस्क़ाइब (prescribe) नहीं की गई है। इस के कई कारण हो सकते हैं। लेकिन मैं मंत्री महोदय से और सिलैक्ट कमेटी से एक नम्र निवेदन करना चाहता हूँ कि आज देश एक बहुत नाजुक हालत में से हो कर गुज़र रहा है और पिछले पांच साल में जिन्हें पैट्टी बर्ज़ुआ या इंटेलीजेंशिया (intelligentia) कह सकते हैं उनके ऊपर खासी सक्ती हुई है। वह ऐसे तरीके इस्तेमाल कर सकते हैं जिन से आम लोगों को भड़का सकें। अगर हम लिमिट मुकर्रर नहीं करेंगे तो उन के हाथ में यह और एक हथियार होगा। इस सिलसिले में मैं आप को अपने प्रदेश की एक छोटी सी बात बताना चाहता हूँ। उत्तर प्रदेश में और दूसरी जगह जमींदारी ऐबोलीशन (abolition) का

## [श्री० रणवीर सिंह]

कानून बना। हमारे इलाके में जिस आदमी के पास एक बटे पांच एकड़ जमीन भी है वह अपने को जमींदार कहता है। इधर पांच साल से रेडियों का भी प्रचार था, अखबारों का भी प्रचार था और सरकार के पब्लिसिटी मुहकमे का भी प्रचार था कि जमींदारी खत्म हो रही है। हमारे इलाके के लोगों ने यह समझ कर कि जो कायदे कानून आगे बनने वाले हैं इस से उन की भी जमींदारी खत्म हो जायेगी [इसलिये बहुत से छोटे छोटे किसान मालिकों ने भी कांग्रेस को मत नहीं दिया। मैं मानता हूँ कि आगे चल कर मंत्री महोदय को या सिलेक्ट कमेटी को या सरकार को और इस हाउस की अधिकार है कि जो कानून बने उस में तबदीली कर लें लेकिन फिलहाल जब हम एक नया काम कर रहे हैं उस को ठीक से करें। कानून बना रहे हैं तो ऐसा कानून बनायें जिस की कम से कम मुखालफत हो। आज ही एक भाई ने यह कहा कि इस कानून से जो जमीन के मालिक हैं उन पर भी टैक्स लगेगा, इस लिये वह इस का समर्थन नहीं करना चाहते। तो हमारे इलाके का वह आदमी जिस के पास एक बटे पांच एकड़ जमीन है वह भी यह समझेगा कि उस के ऊपर भी टैक्स लगेगा क्योंकि आप ने कोई लिमिट नहीं मुकर्रर की है। मैं तो इस चीज में श्री का सुन्दरम जी से मुत्तफिक हूँ। यह कायदा और कानून बनाना जरूरी था इस लिये कि एक तरफ जो जमीन के मालिक थे उन के लिये जमींदारी एंबोलीशन का कानून बनाया गया है, पर दूसरी तरफ जो भाई कारखानेदार हैं उन की सम्पत्ति को बांटने या टैक्स करने का हमारे पास कोई कायदा कानून नहीं था। ताकि पोलिटिकल और सोशल जस्टिस (political and Social Justice) हो इस लिये यह कानून का मसविदा हाउस के सामने लाया

गया है। इस कानून का कोई बुरा असर न पड़े और कुछ लोगों को आम जनता को भड़काने के लिये एक साधन न मिल जाये इस लिये मैं सिलेक्ट कमेटी से प्रार्थना करता हूँ कि वह छूट की कोई लिमिट मुकर्रर कर दे।

इस के अलावा एक और बात है। आप इस कानून को इनकम टैक्स की तरह नहीं मान सकते, कम से कम जहां तक उस की दर का वास्ता है। इनकम टैक्स का कानून साल में सब के लिये एक सा होता है पर मरने वाले तो एक साल में नहीं मरते, कुछ पहले मरते हैं कुछ पीछे मरते हैं, इसलिये सब के लिये यह एक सा नहीं रहेगा। फर्ज कीजिये कि कोई बड़ा सेठ एक साल में मरता है और दूसरा छोटा आदमी दूसरे साल में मरता है। बड़ा सेठ जिस साल मरे अगर उस साल 'क्स कम होगा तो इस सरकार को बदनाम करने के लिये बहुत से भाई कहेंगे कि फलां सेठ ने टैक्स कम कराया था। वह कहेंगे कि यह समझ कर कि वह सेठ बीमार रहते हैं और गालिबन गुजर जायेंगे यह टैक्स कम किया गया है। तो इस लिये भी कि सरकार की बेमतलब टीका टिप्पणी न हो यह जरूरी है कि लिमिट भी रखें और टैक्स की दर भी रखें।

**Sardar Lal Singh** (Ferozepur-Ludhiana): Men of progressive outlook cannot but support this Bill, at least in principle. It is a step in the right direction. In fact, it is long overdue. It is necessary from every point of view—not only to level down the differences between the 'haves' and 'have-nots' or to minimise financial inequalities between different sections, but also to find or tap new resources that are very badly needed to finance our developmental schemes. It will also go a long way to get rid, partly at least, of that parasitical class of people who generally depend upon the hoarded earnings of their forefathers. So I have great



pleasure in associating myself and in supporting this Bill, at least in principle.

I know that the Select Committee will have to face many serious complications but I also know that they will not be beyond the ingenuity of our capable Minister, Mr. Deshmukh, and other Members of the Select Committee. For instance, they will have to see that the Act does not lead to the dissolution or the disintegration of our joint family system which in general has proved a blessing in this country; they will have to find some ways and means to prevent disintegration. Secondly, because the Act is going to be applied to agricultural lands also, they will have to see that this does not lead to fragmentation of holdings which is already the greatest curse in this country and which is partly responsible for abnormally low yields of crops. In the case of agricultural lands, I am afraid they will have to fix a fairly high limit for the purpose of exemption if serious complications are to be avoided. Further, in assessing the value of land, they will have to take into consideration not only the market value but also the earning or productive value of land, because in many places the value is based more on sentimental ground than productive capacity. If the value of such lands is taken as it stands they will be found yielding not even one per cent. dividend. So it is essential to take into consideration that fact.

Secondly, they will also have to formulate the Act in a manner as not to thwart our attempts to increase food production, which is the greatest problem before us at present. Because if it does, it will prove a great calamity. We already know that, in spite of the huge amount of money being spent at present on Grow More Food Schemes, we are not getting the desired results. In fact, if the yield statistics can be relied upon, the production at present is less than what it was before the Grow More Food Schemes started; not that the "Grow More Food Schemes" have not yielded results; they have yielded results and positive results, but the increased outturn has been more than nullified by many other factors and one of those factors is that investment is being withdrawn from the agricultural profession. Private enterprise which should have brought about wonderful results, is diminishing and people are withdrawing more and more money from the agricultural profession.

The Select Committee will have to bear in mind that yields of crops in India are already the lowest in the world. I had, in one of my talks, compared the yields of crops in India with

other countries and in some instances they amounted to only 15—25 per cent. of those of other countries. Although, there are several causes responsible for that but one of the chief causes which is not denied by anybody, is the paucity of funds—paucity of funds on the part of the agriculturists in general. Whether an agriculturist owns 5 acres or he owns 100 acres of land he is suffering from paucity of funds. A man owning 5 acres of land is not able to sink percolation wells, he is not able to buy a pair of good bullocks, nor good agricultural machinery, and a man owning 100 acres of land is not able to sink a tube-well, nor buy a tractor with which to remove the *kans* grass or free his land from weed infestation. In short all authorities on Indian agriculture agree that one of the chief reasons for the low yields in India is the paucity of funds in the case of almost every agriculturist. This being so, the Select Committee will have to see how, the amount due, as death duty, is to be realised from the agriculturist in case agricultural land cannot be exempted altogether. The agriculturist is already suffering for want of funds and on this account our yields are going lower and lower. If he is to pay a very heavy sum as death duty I am certain it will financially cripple him altogether, with the result that the land improvement may come to a standstill. So the Select Committee will have to find ways and means, to ensure that the agriculturist owning 50 acres or 100 acres or 200 acres, or whatever limit is fixed is not financially crippled and is able to pay. It may be necessary for the Government to give him a sort of loan just as is given at present to meet his various needs and which can be recovered in the course of several years. This is one way but the Select Committee may be able to suggest some better ways to help the agriculturist.

I also feel that apart from the fact that in the case of agricultural lands a fairly high limit will have to be fixed for exemption, houses also in rural areas will have to be exempted, for two reasons. Firstly, they can never yield any income as rent as is the case in urban areas. In cities a man may be living in his own house and not getting any income or rent but there is no doubt that he can get it whenever he wants to. In the case of villages there is no such possibility of getting any sort of rent so that the houses will have to be exempted. Secondly, in pursuance of "Back to the Village" movement, Governments in progressive countries are trying to induce people to settle in rural areas for obvious reasons, and to achieve this end, they are

[Sardar Lal Singh]

offering all sorts of facilities. In India life in the rural area is not worth living, as we all know. Government must make life in the rural areas fairly attractive which can be done if we induce the people to make reasonably good houses in the villages and provide other facilities so that life is worth living there. Select Committee must see that well-to-do people after retirement are encouraged to settle in rural areas. They will be a great asset to the village people. Exemption of houses from death duty will be greatly helpful.

Then again the Select Committee will have to ensure that land improvement is not discouraged by this Act. There are people who are keeping their lands without any improvement. There are others who are spending every pie of their income on the improvement of their land—digging percolation wells, installing tube-wells, freeing lands from kuns or other pernicious weeds and bringing about many other kinds of improvements. The Select Committee will have to pay special attention to ensure that land improvement is not adversely affected. I do not want to take more time of the House as the matter is going before the Select Committee for fuller discussion and most of the Members have already expressed views, which need not be repeated.

**Shri M. S. Gurupadaswamy** (Mysore): At the very outset I fully endorse the Bill that has been brought forward before this House. This Bill should have been introduced long back. Various attempts were made in the past to bring about this legislation. But for some reason or other this measure could not see the light of day. The Congress Ministers during the last 4 years I know have made frantic efforts to introduce a Bill of such a nature. When Dr. Shanmukham Chetty was the Finance Minister he made an attempt but he could not succeed. Then the proposal was to levy death duty only on non-agricultural property. But later the Government seems to have reversed their view and thought it wise to include all property, whether agricultural or non-agricultural, under the operation of this Act. This is a progressive sign. This Bill is definitely much better than the Bill which was considered by the previous Select Committee. But in one respect, the previous Select Committee did a useful service and that was pointed out by Dr. Lanka Sundaram. The minimum exemption limit was fixed by the previous Select Committee at one lakh of rupees. And previously, the Taxation Enquiry Committee of 1933, the House is aware, had fixed

five thousand rupees as the exemption limit. But this five thousand rupees is a very small amount in view of the fact that the economic and financial conditions have changed after the war. We are living in a society where still inflationary conditions are prevailing. So the exemption limit should be naturally at a higher level. But it may not be so high as the previous Select Committee had suggested. One lakh of rupees is too much to allow. It may be brought down still further. According to the Finance Minister's statement the exemption limits and the rates of duty will be fixed by the Finance Act every year. I think it is not a correct procedure. Therefore I say this Bill is crippled. It is incomplete. It does not give the full picture. We do not know what will be the total amount of income that we shall get out of this Act. We do not know for which specific purposes the yield will be utilised. As the House may be aware, in the United Kingdom when this Estate Duty Bill was first introduced they thought it wise to earmark the yield from this duty to purely old age pensions. Previously also, some of the old legislators suggested to the Government that the yield from estate duty should go to a particular purpose which is social in nature.

Many Members are suspicious about the work of the Planning Commission. In my part, people say that it is not a Planning Commission but a Plotting Commission. The country has been kept in the dark for a long time with regard to planning, and the Commission has wasted its efforts. Nearly one and a half years have already passed and only three and a half years are left, and within this three and a half years we have to spend nearly Rs. 2,000 crores. I know the Government would spend as far as possible the entire amount. I also know they spend it badly, because the time is short to ensure economic and judicious spending.

**Shri C. D. Deshmukh:** About Rs. 800 crores have already been spent by the end of this year.

**Shri M. S. Gurupadaswamy:** But the fact remains you have not yet completed the planning. There is a great deal of doubt among certain sections that the collections under this Act may not be judiciously employed and that they may not be utilised for development projects or social schemes. That is the misgiving and suspicion that prevails among many people. It is therefore necessary that the Government should come forward and say boldly that the amounts col-

lected under this Act would be utilised not for day to day expenditure but for a particular purpose. That statement is very necessary.

As I have already said, this Bill has a long history. Previous attempts to bring in legislation of this kind did not succeed, because there were many doubting Thomases in the old Parliament who said that the Hindu Code Bill which was before the country for a long time should be passed in the first instance. They tagged on the Estate Duty Bill to the Hindu Code Bill. They said that unless the Hindu Code Bill was passed, it would be very difficult to work the Estate Duty Act. In any case, the Finance Minister has not given sufficient reasons as to how this Bill is workable in practice and how the Government propose to tackle the problem of joint Hindu family. As you know, the joint Hindu family system is peculiar to India. The property belongs to the entire joint family and there is no division of the property among the coparcenary members. I do not know how the financial administration will be able to levy the duty on members belonging to the entire joint family. This requires very serious consideration.

In the end I must submit that this legislation is welcome, because the entire country today is in a financial crisis. I am not talking of the usual crisis. I am talking of the crisis which is due mostly to the inequality of incomes and the inequitable distribution of wealth among the various classes and groups in the country. I may give you a few facts and figures from Messrs. Jather and Beri:—

“The learned professions and the bigger land-owners enjoy a very much higher income than the cultivators or industrial labourers. The petty traders and shop-keepers have incomes of a medium size. Among the urban classes probably half of the total income belongs to one-tenth of the people. Among those with incomes exceeding Rs. 2,000 a year 38 per cent. have only 17 per cent. of the total income, while about 1 per cent. possess 10 per cent. of the total income. The inequality of distribution is equally evident among the agricultural classes as is indicated among other things by the distribution of agricultural holdings. For instance, in Bombay, out of 22 lakhs of registered holders of land, 10 lakhs have each a holding below 5 acres in size i.e. 48 per cent. of the land holders possess only 9 per cent. of the cultivated land, while 1 per cent. of the land holders possess 16 per cent. of the total land, the

results of the large classes of the landless agricultural labourers whose economic position is definitely lower than that of the holders of land.

The result of this calculation is that more than a third of the wealth of the country is enjoyed by about 1 per cent. of the population, or allowing for the dependents, about 5 per cent. at the most; that slightly more than another third, about 35 per cent. of the annual wealth produced in the country, is absorbed by another third of population, allowing for dependents; while 60 per cent. of the people of British India enjoy among them about 30 per cent. of the total wealth produced in the country.”

This is the picture of distribution of wealth in the country. If this picture continues for long, I am sure there cannot be any economic justice for the masses. With this point in view, I wholeheartedly support this Bill although it has many defects which may be rectified by the Select Committee or which may be amended later. I want that Bills of this nature should come in quick succession, so that within a measurable length of time we may see real economic justice in the land. At present that justice is lacking.

In this connection, I want to submit to the House that the Government should make up its mind as to whether it should rely more on direct taxation or indirect taxation for its revenue. The tendency of all advanced countries today is to rely more upon direct taxation for obvious reasons. You must tax the able. You must tax the rich. You must tax those who can pay. The poor, ordinary people should not be touched at all. The greater burden of the taxation should not be shifted to the shoulders of the common man. And this should be the guiding policy of the Government. Today that policy is sadly missing.

In this connection I may quote from a speech of Gladstone. When he was the Chancellor of Exchequer during the reign of Queen Victoria he brought forward a new taxation proposal before the House of Commons. A member from the Opposition stood up and protested: he said, either you choose direct taxation or indirect taxation. You should rely only on one and not on two. The reply of Gladstone was like this: “I regard both direct taxation and indirect taxation as twin sisters. To me both are beautiful, and charming I want to woo them both equally impartially and simultaneously, though however, it may be bad from the point of view of morality.” The position in India is not the same as in Britain.

[Shri M. S. Gurupadaswamy]

Our moral conceptions are entirely different. We have to love only one—not two.

**Shri Tyagi:** But there are two Ministers.

**Shri M. S. Gurupadaswamy:** In England it is possible to love two simultaneously. But in India it is immoral. So I want the hon. the Finance Minister to choose only one type of taxation for revenue and that type of taxation should be direct taxation and not indirect taxation. I want Government should give more relief to the common man who has been too much over-burdened by taxation. He wants help; he has no money to pay the taxes. So my advice is: "Tax the rich, and un-tax the poor; do not sell away the Government to reactionaries, do not become a cat's paw of vested interests. If you accept this as a guiding rule of your policy, we the Opposition will always stand by you and give our constructive co-operation.

**Dr. N. B. Khare (Gwalior):** On the face of it this measure appears to be a benevolent measure, because apparently it seeks to minimise the evil of inequitable distribution of wealth and nobody can take exception to it. If the scope of this measure had been confined to millionaires and multi-millionaires, I would not have shed a single tear. They deserve it, if for nothing else, at least for their support of the Congress. But I am afraid this Bill will harm the middle classes of this country, which is the backbone of society, of any society in the world.

We know what a terrible opposition was raised against the Hindu Code Bill when it was on the anvil of this House. By introducing this Bill, Government is seeking to introduce the same Hindu Code Bill in a somewhat indirect manner. For instance, if there are four brothers in a joint family, and one of them dies, his portion of the joint family property is liable to be taxed. Now, how can you do it, unless the whole Hindu law is changed. According to me it is an illegal provision. Therefore I oppose this Bill, in view of the fact that Hindus generally are opposed to the Hindu Code Bill. They can tax, if they like, the property of a separated individual; but they cannot tax the property of an individual who is a member of a joint Hindu family. How can they do it unless they change the Hindu law?

**Shri Gadgil:** To that extent it is changed.

**Dr. N. B. Khare:** Well; that is true. But there are opinions and opinions. I will say: first you abrogate the Mitakshara law and then you bring such a

Bill. You know there was terrible opposition to the Hindu Code Bill. Therefore you want to bring that portion of the Code Bill in an indirect manner. I protest against it. This is deception—nothing else.

So far they were saying that agricultural property was not to be taxed. Now this measure includes that property also. On the one hand you want to have co-operative agriculture with tractors and all that; on the other hand you want to divide the land in this manner. I cannot understand the consistency of it.

I shall be very brief, Sir. I am not fond of long speeches. My third fundamental objection is that I am not prepared to put any additional funds in the hands of this Government, because this administration is inefficient, incompetent, impotent, imbecile and corrupt. The money will be used for what?—for tours, travels, *tamashas* and tom-toms. Therefore I oppose this Bill. I know, Sir, that my cry is a cry in the wilderness. But still cry I must, because in this House any measure, howsoever harmful it may be, is bound to be passed with the help of the 'middlesex' regiment which is operating in this House.

**Shri P. Subba Rao (Nowrangpur):** I welcome this Bill as a piece of fiscal legislation. The Statement of Objects and Reasons says:

"...the investigations undertaken by the Income-tax Investigation Commission in a number of important cases of tax evasion have, no doubt, prevented to some extent the further concentration of wealth in the hands of those who are already wealthy, yet these do not amount to positive steps in the direction of reducing the existing inequalities in the distribution of wealth. It is hoped that by the imposition of an estate duty such unequal distributions may be rectified to a large extent."

I fail to see how this piece of legislation would be a means of distributing wealth: if fear of taxation by means of death duties itself would induce people to distribute wealth by means of gifts, donations, etc. the object would be achieved. But Clauses 8, 9 and 10 place restrictions in the way of alienation of property. When the objective is said to be distribution of wealth, I cannot understand the purpose of these restrictions. This Bill would only enable the Government to take out a portion of the property by way of taxation and the rest of the property would go by inheritance to single heir or several

heirs. So, the estate duty does not in any way, in my opinion, assist the distribution of wealth.

Another objection to this measure is that Government intends to introduce the Hindu Code Bill by means of piecemeal legislation. The Estate Duty Bill by breaking up coparcenary, infringes upon the Hindu law. Coparcenary exists not only in India, but on the other side of the Himalayas, in China also. It is a unique system. An Englishman once remarked to a Chinaman that coparcenary breeds laziness, leading to want of incentive to work. To which the Chinaman replied: that if it does not induce people to work, at least it prevents people from cheating and oppressing. In English society the younger member of the family is thrown out and he has no other alternative but to cheat and oppress others. The Estate Duty Bill tries to break up the coparcenary system as it exists in India. I want that this should be left to the Hindu Code Bill.

With regard to agricultural income, most of the people depend upon agriculture for their livelihood, and some of the States, as for instance Orissa, have exempted agricultural taxation up to a limit of Rs. 5,000 income. The value of Rs. 5,000 income multiplied by fifteen or twenty would come to Rs. 75,000 or a lakh. There should be an exemption in the Bill with regard to agricultural income up to this limit.

As regards insurance policies they are intended primarily to make provision for the members of the family. They should be exempted on that account.

With regard to the *stridhan* of women it descends to the daughters. Generally the female members of the family are in need of some assistance. To tax the *stridhan* property with death duty will be a hardship to women, particularly those of poor means.

The rates of duty should not be left to Finance Bills subsequently but should have been fixed in the Bill itself. With regard to the limit, the previous Bill had fixed a lakh of rupees worth of property to be exempt from duty. I think some such provision is essential because the lancet should be directed to the parts where the blood is congested and not to those suffering from a paucity of blood. So, the exemption should be in the Act itself and not left to subsequent Finance Bills.

I do not wish to dilate on the other provisions of the Bill as other Members have touched upon them.

**Mr. Speaker:** Shri Nand Lal Sharma.

**Shri Bansal (Jhajjar-Rewari):** There are Members on this side of the House also and not one of them has had a chance.

**Mr. Speaker:** They will get their chance.

**Shri Bansal:** None has spoken from this side so far.

**Mr. Speaker:** So far as the Chair is concerned there are no sides.

**श्री नन्द लाल शर्मा (सीकर) :** माननीय अध्यक्ष महोदय, मृत्यु कर के सम्बन्ध में विरोधी दल में खड़े रहने के कारण कहीं यह स्वाभाविक न समझा जाय कि हम हर एक बात में सरकार का विरोध करते हैं। इस सम्बन्ध में कुछ कारणों से विरोध करना पड़ रहा है और वह कारण यह है कि हमारे कुछ माननीय भाइयों ने जिन में भाई लाल सिंह जी और श्री गुरुपाद स्वामी हैं यह कहा कि वह पूर्ण हृदय से इस का समर्थन करते हैं, परन्तु यदि उन के तकों को देखा जाय तो यही मालूम होगा कि उन्होंने भी इस का विरोध ही किया है। मैं उन्हीं के शब्दों में यह कहूंगा। लाल सिंह जी ने प्रारम्भ में यह कहा कि मैं इस का पूर्ण समर्थन करता हूँ, यह बहुत उन्नतिशील और प्रगतिशील विधेयक है किन्तु हिन्दू संयुक्त प्रथा का ध्यान अवश्य रखना चाहिये, ऐग्रीकल्चरल प्रापर्टी (agricultural property) का ध्यान अवश्य रखना चाहिये। यह सब बात कहने के बाद यदि कोई कहे कि मैं इस का समर्थन कर रहा हूँ तो मैं कहूंगा कि वस्तुतः विरोध करते हुए वह मुख से समर्थन कर रहा है। यह भी आज कल का एक फैशन है। मैं इस सम्बन्ध में निवेदन करूँ कि अर्थ नीति में हमारे अर्थ मंत्री समय समय पर कहा करते हैं : 'पुष्पं पुष्पं विचिन्वीत' किन्तु आज मालाकार इबारामे न इबांगारकारक को भूल कर सारे वृक्ष को आग लगा कर भस्म कर देने की तैयारी कर रहे हैं।

[श्री नन्द लाल शर्मा]

कारण यह है कि किसी व्यक्ति की इनकम पर यह टैक्स नहीं है। यह टैक्स एक ही प्रापटी पर चलेगा और जितनी ही बार उस घर में कोई मरेगा उतनी ही बार वह टैक्स चलता रहेगा और इस तरह वह सारी प्रापटी सरकार की जेब में चली जायेगी और फिर भी उस का चक्र ब्याज चलता ही रहेगा। वह कभी भी समाप्त होने नहीं आयेगा। इस के उद्देश्यों के विवरण में कहा गया है कि इस का उद्देश्य सम्पत्ति का विकेंद्रीकरण और असमानता निवारण है। इस से सम्पत्ति जनता से हट कर राष्ट्र के पास आजायगी और सम्पत्ति का राष्ट्रीयकरण होगा। परन्तु यह भी एक धोखा है। वस्तुतः सम्पत्ति का राष्ट्रीयकरण नहीं है वरन् सम्पत्ति का सरकारीकरण ही है, या आप मुझे भ्रमा करेंगे यदि मैं कहूँ कि यह सम्पत्ति का दलीकरण है। यह कानून सारी प्रापटी को एक दल के हाथ में दे देगा। परन्तु इस दलीकरण में कुछ दोष हैं। मैं मानता हूँ कि कांग्रेस पार्टी में ऐसे बहुत से महानुभाव हैं जिन के मन में सदा राष्ट्र के लिये दर्द रहता है और जो जनता के सुख दुःख का ध्यान रखते हैं। अभी सुना है कि आठ करोड़ रुपया प्लानिंग कमीशन (Planning Commission) द्वारा खर्च हुआ है। आशा है इस का अच्छा फल निकलेगा। यह ठीक है कि यह सरकार दूध की धोयी हुई है और व्यक्तियों के हित में काम करती है। परन्तु यदि यह कल दूसरों के हाथ में चली जाय तो आप समझ सकते हैं कि उस परिस्थिति में जनता के हाथ से निरन्तर इस शक्ति को खींचते जाना जनता की हत्या करना है।

दूसरे जो मैं इस का विशेष रूप से विरोध कर रहा हूँ वह हिन्दू धर्म शास्त्र के दृष्टिकोण से क्योंकि इसका प्रधान प्रभा हिन्दू धर्म शास्त्र पर पड़ना है।

पिछले आठ वर्ष या इस से भी ज्यादा समय से हिन्दू कोड बिल का विरोध जनता एक कोने से दूसरे कोने तक करती रही है। इस के दो ही प्रधान कारण थे, एक आर्थिक और दूसरा धार्मिक। उन के जन्मसिद्ध अधिकारों को नष्ट करने के लिये इस विधेयक का विशेष उद्देश्य है। कारण जन्मसिद्ध अधिकार हिन्दू शास्त्र के अनुसार और मिताक्षर के अनुसार कभी नष्ट नहीं होते हैं। हम अमरीका, कनाडा और इंग्लैंड की ओर तो ध्यान देते हैं, पर जब हम स्वराज्य मांगते थे तो हम कहते थे कि स्वराज्य हमारा जन्मसिद्ध अधिकार है, हम यह नहीं कहते थे कि यह हमारा मृत्युसिद्ध अधिकार है। जन्मसिद्ध अधिकार होने पर मृत्युसिद्ध अधिकार कैसे हो सकता है? देखा जाय तो हिन्दू शास्त्र के अनुसार सम्पत्ति का मालिक नहीं मरता है। इसी लिये हमारे यहां सन्तान शब्द आता है। सन्तान का अर्थ यह है कि तागा टूटता नहीं है, कोई ऐसी स्टेज (stage) नहीं आती कि जन्मसिद्ध अधिकार बिना अधिकारी के रह जाये। माता के गर्भ में आने के दिन से जो व्यक्ति अपने पिता और पितामह की सम्पत्ति का अधिकारी हो जाता है उस की सम्पत्ति पर आप टैक्स नहीं लगा सकते। किसी की मृत्यु के बाद उस का अधिकार नष्ट नहीं होगा जब मृत्यु के ज़रिये अधिकार नष्ट नहीं होता तो टैक्स कैसे लग सकता है। ऐसा करना हिन्दू धर्म पर कुठाराघात करना होगा।

इस के अतिरिक्त सरकार द्वारा विविध वर्गों के सम्बन्ध में विविध बातें कही जा चुकी हैं। सब से उत्तम तर्क यह था कि राजा माराजाओं ने देश को लूट लिया और खूब टैक्स लिये। लेकिन आज हम उन से सैंकड़ों गुना ज्यादा टैक्स लगाने की तैयार हो रहे हैं और अपनी सरकार का खर्चा किसी



प्रकार कम करने को तैयार नहीं हैं। वस्तुतः यह रोग का इलाज नहीं है। आप लोग इंग्लैंड, अमरीका आदि के बाह्य दिखावे की तरफ आंख लगाये उस तरफ खिंचे चले जा रहे हैं। हमारा निवेदन है कि इस से आप के जीवन की समस्यायें बढ़ जायेंगी और समस्यायें बढ़ने से आप का दुःख और कष्ट बढ़ता ही चला जायेगा। सरकार अपना खर्च कम करे और जहां तक हो सके जनता के ऊपर कम बोझ डाले, ऐसी ही सरकार का जनता स्वागत करती है।

इसलिये मैं ने जैसा पहले कहा "न इवाङ्गार कारकः" के अनुसार ही सदा भारत की नीति रही है। मैं फिर अपनी सरकार से निवेदन करूंगा कि हम चाहते हैं कि यह सरकार बनी रहे। हम नहीं चाहते कि किसी प्रकार से इस का सिंहासन डोल जाये। हम यह बात निश्चित रूप से कहते हैं, चाहे इस के लिये हमारे कम्युनिस्ट भाई कुछ भी कहें। उन के मन में तो यह भावना आती है कि यह सोसायटी किसी तरह से टूट जाये और यह सरकार ऐसे भयंकर से भयंकर टैक्स लगाये जिस से कि जनता इस के विरुद्ध हो जाये और इस का तख्ता पलट जाये। हम चाहते हैं कि यदि यह सरकार सचमुच जनता की भलाई करने को तैयार है तो यह सदा अटल रहे। हमें यहां किसी शत्रु को नहीं बिठाना है। लेकिन साथ ही मैं यह भी निवेदन करूंगा कि आप जनता के हृदय को ठेस न लगायें, जनता के जीवन पर आप लात न मारें। इस बिल से यह दोनों बातें होती हैं। एक तो जो उन का जन्मसिद्ध अधिकार है उस को ठेस लगाना है और दूसरे उन के ऊपर निरन्तर आर्थिक बाधा डालना है। प्रति बार जब कोई मृत्यु हो जायेगी तो टैक्सेशन (taxation) होगा यद्यपि उस प्रापर्टी के

कोई चीज बढ़ने वाली नहीं है। इसलिये मैं इस का फिर विरोध करता हूँ।

अभी इस के अन्दर सिलैक्ट कमेटी द्वारा और परिवर्तन होंगे। अभी तो यह भी नहीं बतलाया गया कि किस के ऊपर टैक्स लगेगा, किस दर से टैक्स लगेगा। यह सब बातें जब सामने आवेंगी तब उन के विषय में मैं फिर कहूंगा। अभी तो हमें यह पता चला है कि हिन्दू कोड बिल के पीछे जो एक थैला था उसमें यह एक छिपा हुआ बिलाव था। वह तो बाहर आया। अब उस में न जाने कितने और छिपे पड़े हैं, वह धीरे धीरे सामने आवेंगे तब उन के सम्बन्ध में बोलूंगा।

श्री नामधारी (फ़ाज़िल्का-सिरसः) : माननीय अध्यक्ष जी, मैं ने जब यह बिल पढ़ा तो मैं ने सोचा कि इस को जो पेश करने वाले हैं आया वह कोई इन्सान है या फरिश्ता है, क्योंकि इस में सिर्फ समाज सुधार ही नहीं है, बल्कि इस के द्वारा मुक्ति भी प्राप्त हो सकेगी। जो बच्चे कुनैन बिल्कुल नहीं खाते उन को जब मलेरिया होता है तो मां बाप का फर्ज होता है कि जबरदस्ती उस को कुनैन पिलाई जाये। हमारे मुक्त में चूँकि इस दशत बहुत सारे कजूस भी हैं तो उन के लिये यह बिल मुक्ति का दरवाजा है। एक आदमी मुझ से कहने लगे कि एक कजूस थे। उन से एक आदमी ने कहा कि मुझे दवाई के लिये चालीस वर्ष का पुराना नीबू चाहिये। उस ने कहा कि मेरे पास है। तो उस ने कहा कि मुझे दवा के लिये दे दो। तो उस कजूस ने जवाब दिया कि अगर मैं ऐसे ही देता रहा तो फिर वह चालीस वर्ष का पुराना कैसे होगा। तो ऐसे लोग जो कभी दान पुन्य नहीं करते और नरकगामी होते हैं, उन के लिये मां बाप की तरह हमारे परम पूज्य श्री देशमुख साहब ने, जो

[ श्री नामधारी ]

देश के मुख हैं, यह उन के मुंह में जबरदस्ती कुनैन पिलाने के लिये बिल रखा है। मैं समझता हूँ कि हमारे बुजुर्ग माननीय पंडित जी को या हिन्दू महासभा के प्रेसीडेंट साहब को जो हिन्दू धर्म के हमारे वृक्ष हैं, अगर इस बात का पता होता कि इस को हमारे भाई, जिन को जबरदस्ती नरक से निकाल कर स्वर्ग में डाला जा रहा है, अपोज़ नहीं करते। मैं इस बिल के ऊपर श्रद्धा नहीं कहना चाहता, थोड़ा ही कहना चाहता हूँ।

इस बिल में दूसरी बात में यह समझता हूँ कि बहुत सारा लिटिगेशन (litigation) लड़कों में और बाप में होता है वह टल जायेगा। अगर एक आदमी दस लाख रुपये की सम्पत्ति रखता है तो कुदरती बात है कि अगर २५ फी सदी टैक्स लगाया गया तो वह टैक्स ढाई लाख रूपया हो जायेगा। ऐसे आदमी होते हैं कि जो इतनी सम्पत्ति रखते हुए भी अपने लड़कों को जायदाद नहीं देते। तो अब वह जिन्दा रहते हुए भी कम से कम अपनी जायदाद को तर्कसीम कर देंगे। तो अगर एक चौथाई हिस्सा सब को दिया तो उस के पास दस लाख का चौथाई हिस्सा ही आयेगा और उसी पर टैक्स लगेगा। तो इस बिल से एक यह भी बहुत बड़ा फायदा होगा। जितने खानदान के मेंबर हैं वह बड़ी अच्छी तरह से अपनी जिन्दगी बसर कर सकेंगे। कई कंजूस आदमी जो अपनी सारी उन्नत जायदाद पर कब्जा किये रहते हैं और बच्चों को कुछ नहीं देते, एक तरह से फिक्स्ड डिपॉजिट (fixed deposit) का तरह अपने पास ही रखते हैं, तो उन का वह सेल्फिश मोटिव (selfish motive) ठीक करने के वास्ते हमारे जो माननीय मिनिस्टर साहब हैं इन्होंने बहुत अच्छा सोचा है। इस सिलसिले को कामयाब करने के वास्ते, खास कर के जो धार्मिक

संस्थाओं के प्रतिनिधि हैं उन का तो यह फर्क है कि जो जबरदस्ती लोगों को पाप से बचा कर, नरक से निकाल कर स्वर्ग में पहुँचाने का तरीका है उस की मदद करें। अगर गलती से कोई बच्चा आग में हाथ दे देता है तो आग का धर्म है कि वह उस को जला दे और वह हाथ जल जाता है। इसी तरह से अगर गलती से भी राम का नाम निकल जाता है तो जन्मों का पाप चला जाता है। इसी तरह गलती से भी यह दान हो जायेगा तो उन की भलाई जरूर हो जायेगी और इसलिये मैं इस बिल को बड़े जोर से सपोर्ट करता हूँ।

**Shri Altekar:** I would like to explain how the right of survivorship is not in any way interfered with by the Bill that has been introduced in this House. Clause 7 of this Bill simply says:

"Subject to the provisions of this section, property in which the deceased or any other person had an interest ceasing on the death of the deceased shall be deemed to pass on the deceased's death to the extent to which a benefit accrues or arises by the cessor of such interest, including, in particular, a coparcenary interest in the joint family property of a Hindu family governed by the Mitakshara, Marumakkattayam or Aliyasantana law."

I beg to submit that by this enactment or by this particular provision the right of survivorship is not in any way interfered with. What is intended is, that the tax, which would be assessed at the rate that will be hereafter provided by the Finance Bill, will be taken out of the interest which the deceased had at the time of his death and the rest of the property will pass by way of survivorship to the other coparceners. The other coparceners' right of getting the property by survivorship and to the joint family are kept intact without in any way being affected and being disrupted. They have been kept quite sacrosanct. I have to point out that there have been legislations and enactments before whereby this right of survivorship was affected even to a greater extent than what is being done by this Act. I would like to invite the attention of this hon. House to the Women's Property Act of 1938.

[MR. DEPUTY-SPEAKER in the Chair]

Thereby the widow was given a share in the joint family to the extent to which her husband had in that particular family at that time. If there were three sons and their father, and one of the sons died leaving behind a widow, she could not in any way, before the passing of that Act, have any interest, but the Act provides that she can have one fourth share; she can claim partition also of that particular share and that right which is given to her by that Act of 1938 in a way disrupts the Hindu family. This provision which we have made here or are making here is not in any way disrupting the family but on the contrary, the right of survivorship has been kept intact and it goes to other coparceners. Therefore I would submit that the criticism that is levelled against this provision of interfering with or disrupting the Hindu family is entirely out of place and this is not in any way interfered with by the provision that we are making here.

Another point that I would like to place before the House is this. Here we are passing a legislation in regard to taxation on the people of India. We should not make any discrimination. If any particular section of society is governed by a particular law, say the Dayabhaga or Mitakshara, or Mohammedan Law or the Indian Succession Act, can it be said that when a legislation like this is being passed, a certain number of persons who are governed by their personal law should not be affected by this Bill? I think they should not be exempted. The legislation should be equal to all. In this case, there is no interference with the personal laws. As far as I am able to understand, the tenets of personal laws are not in any way infringed. Only taxation will be levied if this Bill is allowed to be passed. So, I submit, there is no disturbance with the Joint Hindu family. In fact, personal laws are not touched by this Act.

**Shri Dhulekar** (Jhansi Distt.—South): Question.

4 P.M.

**Shri Altekar**: To some of us, it may appear questionable. I would like in this connection, to request them to look into the proper interpretation of law.

**Some Hon. Members**: Give an answer.

**Shri Altekar**: I would like to say when the right of survivorship is allowed to pass, and only there is a taxation levied upon the interest of the deceased, that does not interfere with the personal laws. If some people do say like that, I would only say that the pro-

vision made in this enactment, if it is passed into law, may make some inroads upon the Joint family estate. But as I have already pointed out, this Act does not go further than the Women's Property Act of 1938. I therefore say that this Act is quite justifiable. That is my own personal opinion in this matter.

With reference to the criticism that was levelled by the hon. Member from Thana that the Finance Minister has come to this House in a rather apologetic manner, I say, that every Finance Minister who comes with a taxation measure to the House and the public, will come in an apologetic manner; in a spirit of compromise, conciliation and appeasement. Whenever a new taxation is introduced in the national interests, it does offend those who are affected by it. The first thing is, it should be done by compromise and argumentation, etc. If all that fails, the legislation has to be passed into law. It is well said:

प्रहृष्यन्प्रियं ब्रूदात्प्रहृन्नपि भारत । ;

"Speak sweet when you are required to attack, speak sweet while you are actually attacking."

We are equalising property in the national interests. In these days, the State is in possession of the key industries like Railways, and communications. This has enabled the capitalists and the rich persons to become more rich. In the case of forward contracts, it would be seen, they are in communication with commercial centres and every moment they speak on the phone and find out what the rate is; etc. These millionaires—and so also big landlords—flourish on account of the facilities given by the State. It is but natural that just as their sons share the properties left behind by them the State also should get a share therein. It is necessary that there should be such legislation as has been brought before the House. No further appeasement is necessary. It is clear that large commercial interests on the opposite side have supported this Bill. This measure is beneficial and so they have rendered their support. So, there is not much for me to say. I submit that this Bill deserves to be supported by all sections of the House.

I have to make a few observations and suggestions with respect to some of the classes of this Bill. I shall confine myself to two aspects only. I would like the Select Committee to consider these points. So far as the gifts to charitable and public institutions are concerned, I think it is not desirable to make the law applicable to them. Once a property is gifted away

[Shri Altekar ]

and the possession goes to the charitable institution this Bill should not affect it. The whole of the money is given for public utility purposes and the State should not in any way interfere with the gifts, and make the gift-properties also stand on a par with the other properties of the deceased. It is with a great deal of difficulty that these public and charitable institutions have been able to get gifts. If this law is made applicable to them, the charitable institutions will be in great difficulty. The whole of the gift property should be allowed to pass to the Public and charitable institutions. So far as the interest of the State is concerned, it will be only a fraction of the gift. But as far as the charitable institutions are concerned, it is the whole gifted property. If these gifts are also interfered with, they would not be in a position to carry on their good work. In some cases, the gifts are given at late stage. They should not be deemed to pass with the other properties of the deceased.

With respect to quick succession, the suggestion that I have to make is this. Sometimes it so happens that on account of epidemics like plague, cholera, influenza, etc., a large number of persons in one family die in the course of a short time and the property passes quickly from so many to so many persons. If this Estate Duty Act is to be enforced, 50 per cent. or more of the property may go away as a result of levy at each death.

**Shri M. C. Shah:** In the same year, only once.

**Shri Altekar:** It should be made clear and specific so that there may be no ambiguity in the interpretation of the law. Whatever enactment we make here, it should be clear and lucid. When the matter goes to court, they say that that has not been clearly stated, there is some ambiguity about it, it is clumsily drafted, vague and all that. These observations are made by various High Courts. In order to avoid that, it should be made clear in the Select Committee. There should not be any room for different interpretations. I would request the Select Committee to see that there is no ambiguity left for interpretation, and I hope when this Bill comes before the House in the next session we will have a perfect measure for consideration. That is one thing. And another point is.....

**Shri Gadgil:** rose—

**Shri Altekar:** May I go on? I will be finishing in five minutes.

**Mr. Deputy-Speaker:** The hon. Member may go on, but he ought not to give the impression that he is finishing every now and then

**Shri Altekar:** Clause 30 (Allowance for quick succession to land or a business) reads:

“... any property consisting of land or on a business (not being a business carried on by a company) or any interest in such land or business .....

I would like to suggest that this allowance for quick succession is intended so that there will be no hardship, and if that is so, I would like to suggest that houses and other property as well should also be included therein. I know of many cases, and many of us may be knowing, that there are persons whose ancestors have built very big houses and buildings, and their descendants are not in a position even to repair them properly. If estate duty is levied on such houses, the result would be that in a short course of time, these descendants would be rendered displaced persons. Therefore, even in the case of quick succession of such property, the matter should be considered and the houses and other property also should be so included. At any rate it should be included in this manner: the deceased and his descendants and spouse, his father and mother and their descendants, form a compact family. This class of persons should get the benefit of this reduction for quick succession regarding every kind of property; and if it goes outside that group of persons even the deceased would not like that it should go in whole. So, if the estate goes outside the compact group which I have suggested, then, it should be fully taxed, because it is purely a windfall to those who are distantly related. In such cases, no compunction need be shown, and it should be levied even without this rule of reduction for deaths within five years.

With these suggestions, I would like to commend this Bill to this hon. House.

**Shri Gadgil:** I have heard the speeches, and I find that the Bill has been attacked from three points of view—legal, social and economic.

So far as the legal line is concerned, I do not think even for a moment that this House is not competent to pass a legislation of this kind.

It is urged that it was unlawful, illegal, inasmuch as it affected certain provisions of the Hindu Law. Even that objection is not correct, because if the Hindu Law is affected, it is affected. It is not laid down anywhere in the Constitution that if any particular law is to be amended, it must be done by directly amending that Act. It can as well be done while amending another Act. This objection is not correct.

I find that a point was tried to be made that because the interests of a major male co-parcener in a joint Hindu family is to be made the subject matter of this duty, there is severance of interest, and there would be no passing of interest by survivorship. I agree with my friend Mr. Altekar that no such result will come out as a result of passing this legislation. Even today the undivided share of a Hindu co-parcener can be alienated either by way of mortgage, or sale, and yet it does not operate as a severance of the joint family status. It can only happen if there is a suit for partition or there is a notice of an intention of having a partition of the joint family estate. In the absence of either, I do not agree that there will be an automatic severance of the co-parcenary. Hence there is nothing illegal or unlawful that is being done by this Bill.

Now, so far as the other two points are concerned, I want to make one point clear, and that is, that this measure is to be looked upon from two aspects—one, it is a measure of finance, and the other, it is a measure of some social significance. A few days ago, when I was in Poona, certain moneyed people came to me for advice. They are so much perturbed over the introduction of this Bill that they did not know how to transfer their property intact to their sons or grandsons or relatives. And I told them that I was not a practising lawyer now, but I would venture to give them a piece of advice, and it was this, that it will be no longer possible for the ingenuity of any lawyer to give them immunity from the payment of this tax, and the only way to get out of this tax is to die and disappear from this world before the commencement of this Act is notified in the Government of India Gazette. That was an advice freely given, and I think it has been accepted in the spirit in which it was given.

**Shri C. D. Deshmukh:** Has it been agreed upon?

**Shri Gadgil:** We have to consider, as I said, this Bill from two aspects—one, that of finance, and the other, that of social justice. The modern trend of economic science is growing towards the belief that poverty is not a necessity, and there is no moral justification for it. And one cannot tolerate the scene of having palaces by the side of cottages; the scene that a few travel in the best cars in the world, and the others only get a motor lift when they meet with an accident and are taken in the ambulance car. In this atmosphere of inequality, especially when we know that this inequality is perpetuated by institutions or laws of inheritance and succession guaranteed by the State, it

is no longer valid in the context of a democracy. Democratic ideals are embodied in the Preamble of our Constitution, and some of them are embodied in the directive principles in the same; it therefore becomes not only the moral duty of the Government, but becomes the legal duty of the Government, to bring in such measures as would remove these inequalities and guarantee what has been guaranteed in the Preamble of our Constitution—equality of opportunity and social justice all round.

It is an admitted fact that the inequalities are pronounced even in this country, and reference was made by one of my friends to what was stated in the Bombay Plan. If in 1940 the position was as described by him, it must be worse after a lapse of twelve years, when values of property have gone up. It is therefore not only necessary, not only desirable, but in my humble opinion it is the duty of this Government, as a Government representing the Congress Party, to bring in a legislation of this kind. As early as 1947, the AICC passed this resolution:

“Our aim should be to evolve a political system which will combine efficiency of administration with individual liberty and an economic structure which will yield maximum production without the operation of private monopoly and concentration of wealth and which will create a proper balance between urban and rural economy. Such a social structure can provide an alternative to the acquisitive economy of private capitalism and the regimentation of a totalitarian state. The goal set before the country in short is.....democracy in modern age, necessitates, plans of central direction as well as decentralisation of political and economic power in so far as it is compatible with the safety of the state and efficient production and the cultural progress of the community as a whole.”

I, therefore, respectfully submit, that as a Government representing a certain political party which has been returned with a tremendous majority at the last general election, it is their duty which they owe to their party and under the Constitution to the country, to bring in a Bill like this. Whatever my esteemed friend Babu Ramnarayan Singh may say, the fact remains that he was a Congressman in 1947 and therefore he has a past by which he is bound, although today he somehow or other thinks that something else ought to be done. If equality of opportunity is to be made available for every citizen in

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this world, it is necessary that inequalities of wealth must be done away with, and inequalities of wealth are the results of the institution of inheritance. On that there is no dispute absolutely. What have we inherited? The majority in the country have inherited poverty, and I am one of them. We have not inherited riches, but we have inherited along with poverty something namely the will and determination to fight against the existing order, and to put it in its proper place, so that everybody will have an opportunity to rise to the highest position in the land, irrespective of any impediment that a man-made law may impose, and hence I have for the last fifteen years been crying hoarse over this. In fact it was in 1925 when the Taxation Inquiry Committee made the report for the first time in a practical and concrete manner, that this suggestion was made. We have travelled 27 years and now it has taken shape. It may be late, all the same it has come, and it has come in the right form. In 1946 when this Bill was introduced, in the Statement of Objects and Reasons, it was stated:

"The object of the Bill is to impose an estate duty on non-agricultural property to assist the provinces in their post-war development by fortifying permanently their revenue and enabling them to improve *inter alia* the existing social services. In spite of war-time taxation enormous private fortunes have been made during the war aggravating the great inequality which already existed. Apart from providing funds for the expansion of social services, there is manifest justification for the measure which will be a first step in the process of reducing the great disparities of wealth, which are a permanent feature of Indian economy, and thereby moving towards a more equitable distribution of the national income."

In the present Statement of Objects and Reasons attached to this Bill, something more is there, because it has been accepted as a positive step, and hence I welcome the Bill in its present form. The Statement of Objects and Reasons of the present Bill reads:

"The object of the Bill is to impose an estate duty on property passing or deemed to pass on the death of a person. Though the levy and collection of income-tax at high rates since the War and the investigations undertaken by the Income-tax Investigation Commission in a number of important cases of tax evasion have, no doubt, prevented to some extent the further concentration of wealth in the hands

of those who are already wealthy, yet these do not amount to positive steps in the direction of reducing the existing inequalities in the distribution of wealth. It is hoped that by the imposition of an estate duty such unequal distributions may be rectified to a large extent. Such a measure would also assist the States towards financing their development schemes."

I read in this that this will not be the first positive step towards the removal of inequalities of distribution of national wealth and dividend. Even in 1938 there was a conference of Finance Ministers of the several provinces here in Delhi, and when this proposal was made the objections then were that this was against the spirit of Hindu Law, or Muslim Law, but the most telling objection—at least that was the objection that was considered to be very telling and effective—was that there was no national Government. Now that India has become independent, there cannot be any excuse even for the delay of one day, and although there has been a delay of five years, I am prepared to condone it, because this proposal of taxing the inheritance or whatever one gains by way of succession is coupled with another scheme of public expenditure. That is the reason why I am prepared to forget all about it. You cannot think of any taxation in isolation. Without paying due attention as to how the money is going to be spent. When we consider questions of capital formation and incentive and see what would be the effect on workers' minds etc. we must take into consideration that this is not merely a piece of taxation, but is coupled with certain development schemes which are going to raise the standard of life of this country and is going to increase the power of accumulation of capital and production in this country. From that wider point of view, I commend this to this hon. House. I do not think that there is anybody in this House in the year of Grace 1952, who will say that this piece of legislation is absolutely uncalled for, or is useless etc., or that it is novel. Actually it is nothing of that kind. I remember in 1946 certain Mohammedans Members of the Central Assembly—the predecessor of this House—wanted to oppose this on the ground that it was not sanctioned by the Holy Quran. I had some talk with those gentlemen who are no longer here, and convinced them that there was nothing in it which was against the Quran, and that in fact the system of inheritance taxation was to be found 700 years before Christ in Egypt.



**Dr. S. P. Mookerjee:** You are reading Quran also?

I am catholic to that extent. I read Quran, I read the Bhagavad Gita and I read some of your articles also. (*Interruption*).

Inheritance tax was levied in the medieval times, and it is now to be found in 40 countries to which reference was made by my friend, Mr. Deshmukh, yesterday.

**An Hon. Member:** Including Pakistan.

**Shri Gadgil:** Now, in our own country in one form or another it has been there. Only we did not understand the full significance of the same. Whenever a Sardar died when his son was to be recognised, he has to pay what we call in our province *Nazrana*. (*An Hon. Member:* Nazar). We call it *Nazrana*. The economic significance and the financial significance of that is that it is a fee or something which has to be paid before your claim ripens into a title.

Now going further in 1870, Members of the House probably know, the Court Fee Act was passed. If you want to take a probate you have to pay a certain amount of fee by way of stamp fee. If you want a succession certificate, you have to pay something. Whether you are Hindu or not makes no difference. If you want to establish your claim to a policy of insurance, if you want to draw money from the post office left by the dead and if you want to have a share certificate belonging to dead man transferred, there are Acts which lay down that a succession certificate is necessary and you have to pay some fee on the succession certificate. There is some taxable minimum—about a thousand or five hundred, I do not know. But the point that I was making is that in bringing this Bill there is nothing new, there is nothing against the genius of our people, there is nothing against Hindu religion; on the contrary, I would say, if I understand Hindu religion correctly, then nothing which a man does not require is theft—*चुरतय*. Therefore, if a man has more than two coats in winter and more than one in summer, to that extent he has more than what he requires and to that extent he is a thief. He has taken more from the society than he is justified. That is the principle of Hindu religion. (*Interruption*). Probably with some people the idea is that religion is to be preached and not to be practised.

**Dr. S. P. Mookerjee:** What about two wives in succession?

**Shri Gadgil:** They will look after themselves; they are modern wives. It is death duty also.

The point is that there is nothing against religion, against morality and therefore, we must look at this measure from the two points of view, namely, as a measure of finance and a measure of social importance.

Death duties can be collected in a variety of ways. One is estate duty; the other is legacy duty; the third is inheritance or succession levy. What my friend, Mr. Altekar, has suggested, that there should be less rate on those who are near and more on those who are further is something which the Select Committee may take into consideration. But the point is: if the estate duty is a fiscal measure, then estate duty is the only form which gives you the best result from the financial point of view, because estate duty does not take into consideration the financial position of the man or men to whom the property is to go. Before it passes, the State share has to be paid. In the case of inheritance duty or tax, the position of the heir can be taken into consideration. If he is, as stated, in Hindu law one in the compact series of heirs, then you can tax him less—the son, grandson, great grandson and so on. But if he is further, in the sense that legitimately he had no expectation to succeed or get that property, it goes not matter whether he gets hundred rupees or whether he gets ten rupees. After all, it is unearned increment; it is a windfall and he had no expectation of it. Therefore, he cannot claim that the State has taken more than it should have. (*Interruption*). But so far as the sons and nearer heirs are concerned, in society, as it is constituted today, people like to leave something for their children. It is a very natural instinct and correspondingly, there is a natural expectation that if the father dies son expects to get something. Whether that institution of inheritance should continue in the form as it is, is just the question. For we have seen the present inequality of wealth in this country and if we allow the perpetuation of that what is guaranteed in the Preamble of our Constitution, namely, equality of opportunity, will not be possible. What equality can there be? Do we not see in our Society, a man getting a first-class in the Matriculation cannot go to foreign lands for further education because he is a poor man—unless he gets a scholarship? But the son of millionaire,—a dunce, he may have passed the Matriculation after many attempts—the next year he goes abroad. What is that? Is this equality? (*Interruption*). The State cannot merely say: "Well, anybody can appear for the examination. They are not pre-



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vented entrance". No, that is not equality. Equality of opportunity means that those who start, start in an atmosphere in which there is material equality, at least equality to such an extent that it is possible for a man to go ahead.

I remember I saw the race course only once and I may see it again, since it has not yet been banned by my Bombay State Government. The horses are all kept in one line before the race starts and as soon as the signal goes, they run. The one who deserves first place goes to win; some gets the second place and so on; the rest are included in. I want that when I start or my son starts the race of life, all must be alike in the same line and one who has merit, one who has stamina, one who has perseverance will go ahead. Everything in this world, everything at least in this democratic State, should go by merit and not by patronage. Today money is the gateway to prestige, power and position and even a position in the Government.....

**Dr. S. P. Mookerjee:** Many lost the ministerial race.

**Shri Gadgil:** It is not merely self-criticism but it is a sad truth. I am not referring to any particular party in this country, but whosoever has money and a little pull with the leaders is sure to be nominated for one of the seats either for a State constituency or for a Parliamentary constituency.

**Dr. S. P. Mookerjee:** Or for the Cabinet.

**Babu Ramnarayan Singh:** What about the Ministers?

**Shri Gadgil:** Whatever be the party, the point is that money today is the gateway through which you can go to power, prestige, position, privilege—everything. Now, this gateway must be destroyed, and the greatest factor that contributes to this inequality is the institution of inheritance. Private property is the substance of inheritance and inheritance is the principal characteristic of private property.

Now, private property has got to be limited. We are now entering or are already in what we call mixed economy, that is a mixture of soda and something stronger. I think I can use this simile if not the stimulant in this House. But gradually our economy is going towards that point where private enterprise in so far as it is inconsistent with public good will be gradually filed away or eliminated. Therefore, there are two ways, one to tax while the man

is alive and the other to tax when the man leaves this world,—tax his entire property. Now, these two taxes, in my humble opinion, are complementary to one another. People may not realise this immediately. Income-tax can be avoided, and evaded and can be accumulated and that accumulation which is the result of avoided and evaded income-tax is sought to be taxed by the estate duty. (*Interruption*). If in the Select Committee greater care is taken to close the holes, well it is possible that to a substantial extent it could not be avoided. I do not claim that by merely passing this Bill you will be able to see that nothing escapes. We have got brainy lawyers in this country and clever merchants and all these things are bound to happen. But to the extent possible let us say that this is what we propose to do.

Now, what is wrong with this estate duty? It has been stated that you do not take into consideration the ability to pay, and reference was made that there may be some small estates and they will be swallowed because something will have to be paid by way of duty. Now, ability is not the purpose of the tax it is the rule of distribution. Therefore, if it does not comply with the canon of ability it does not mean that it is economically invalid or unjust. Now, estate duty is to be paid out of the estate; if the man who gets the estate is not in a position to pay, his ability is absolutely irrelevant so far as the estate duty is concerned. But if you accept the inheritance levy or the legacy tax and take into consideration that the propinquity or the consanguinity should be the consideration and the nearest heir paying less tax than the one who is further up it is a different matter. But, as I said that from the point of view of getting more money estate duty is the best form of death duty, though it might seem that in all property or other higher brackets of income you get more by way of inheritance levy, but on the whole you lose more. If you are purely actuated by financial considerations, then you may have the estate duty and not the inheritance tax or the succession tax.

It has been stated that this is a sort of capital levy. Undoubtedly it is a capital levy but this is the only form in which it can be levied without creating chaos in the country. If a regular capital levy is imposed then everybody will have to pay, no matter whether he is alive or dead. Then his shares and other things will have to be sold and there will be confusion in the market. But if it is an estate duty then it is only on the death of the person

that this comes into evidence and in operation and only his shares are sold. Nothing more than that.

Similarly it has been stated that this will—and I will consider this point later on—prevent the formation of capital. Estate taxation as any tax on capital has the peculiar advantage in that a complete offset of losses is automatically assured. This arises from the fact that an investment loss is also a capital loss and thus directly reduces the future estate tax liability. I will illustrate what I say. Suppose the property is worth Rs. 100 today and Rs. 25 go by way of taxation. You say, "Look here, this is cutting into the capital to the extent of Rs. 25". My answer to that is that in future you will have to pay tax not on Rs. 100 but on only Rs. 75. This is not my own view. If the House so desires I can quote economists of great eminence in support of what I have said. In fact, what I am saying is very little of mine and most of it is what I have read and thought over.

May I not also take this line? It is the intention to break the capital. Why not frankly say that this is our first frontal attack on private property?

**An Hon. Member:** Now, ask the Finance Minister.

**Shri Gadgil:** He agrees with me—do not worry. It is for you to make up your mind and not to speak in a half-hearted manner.

It is the first frontal attack on private property. Private property means mastery of capital which in the final analysis means the mastery of Government. Therefore we want to destroy this. Make no mistake about it. If you want this Government and if you want to have real democracy established in this country, you must give all out help to this measure and ask for further in due course, not now, because I believe in things being done gradually so that they become part of the community's life. Anything done in haste will lead us to repentance.

Now has the State a right or not in this? After all how does a man create property?

**Dr. S. P. Mookerjee:** Is it a new edition of your book?

**Shri Gadgil:** This is a new edition of my book which in due course you will buy, I know.

I call this fountain pen mine but it does not become my own because I say it. It is because you all agree that it belongs to Mr. Gadgil, because there is a social recognition backed up by the legal system. In the final analysis, in

other words, it is a social thing. Therefore, in the creation of property the Society or the State is the partner, the silent partner and as was well said by Mr. Gladstone.....

**Mr. Deputy-Speaker:** Have they not recognised private property there in all the other countries where the estate duties have been imposed? Are they all communist societies or socialistic States?

**Shri Gadgil:** I go by my own experience. The experience of other countries will undoubtedly provide a guide and, as was said by Mr. Deshmukh, so far as formation of capital was concerned, in the other countries where it was introduced there was no perceptible effect at all. What does Gladstone say? He says:

"The carrying of property in perfect security over the great barrier which death places between man and man is perhaps the very highest achievement, the most signal proof of the power of the civilized institutions... and an instance so capital of the great benefit conferred by law and civil institutions upon mankind, and of the immense enlargement that comes to natural liberty through the medium of the law, that I conceive nothing more rational than that, if taxes are to be raised at all, the state shall be at liberty to step in and take from him who is thenceforward to enjoy the whole in security that portion which may be *bona fide* necessary for the public purpose.

"The State is, therefore, a silent partner in the accumulation of the fortunes of every individual. The State .....is represented as a silent partner in the business of each citizen, without whose aid and protection it may be impossible to transact business or amass wealth; when partnership is dissolved by death, the silent partner is entitled to a share of the capital."

Now there is full justification for this. The only objection that was raised was about its effect on capital formation. In that connection, I want to state first that whatever ideas we have about capital formation relate more or less to an economy which is capitalist in its nature. Our economy has drifted from that, and it is a mixed economy. So, anything that may be relevant to the consideration of capital formation in a capitalist society is not necessarily relevant here. What is the experience of other countries? As was said by Mr. Deshmukh yesterday, there has been no effect on capital formation. The joint stock companies and corporations are not covered by this legislation. Only

[Shri Gadgil]

private limited companies are concerned. So, what has happened in other countries will happen here also and private limited companies will gradually become public limited companies and this is all to the good.

Secondly, in regard to the contention that to the extent to which the tax is collected on estates the capital structure will be affected, I would like to read to the House what the Colwyn Committee has to say:

"The Committee have posed for themselves two questions: whether the estate duty will stimulate the tax payers to work and save or whether it will discourage them from working and saving. While comparing the income tax and the estate duty, the majority report of the Committee was of the opinion that the income-tax will cut short consumption even of the most improvident man in his attempt to meet the same, while the estate duty which is a tax that the person in present enjoyment of the estate can ignore, is naturally liable to make the tax payer sanguine in view of his life expectations to ignore the psychological effects altogether."

The view of Prof. Pigou is that "death duties are rather a good form of taxation, in that people are probably not discouraged from saving by thinking of the death duties as they are by thinking of an income tax on an unearned income." As regards the consideration of public expenditure, here is what Sir Josiah Stamp said:—

"The influence of death duties upon saving is only slightly unfavourable compared with the other taxes, and that their desirable and social effects must likely counter-balance any disadvantages to capital accumulation. Apart from other economic effects, the current expenditure of tax collections by Government is liable in all probability to add more to the nation's power of accumulation than the capital, when the capital taken from individuals by inheritance taxation."

No Government can secure the best use of money unless it regulates personal and public expenditure in such a manner as to give maximum effect so far as public purposes are concerned. Therefore, as I said in the beginning, this must be considered from two points of view—one as a measure of finance and another as a measure of social significance. The point that I was making was this, that it does not affect the capital formation at all, and if it does to any extent, it is coun-

ter-balanced by the social consequences which accrue as a result of well-established and well-considered policies of public expenditure.

The effect of such a duty on work and efficiency is not bad at all. Work is ordinarily done for wages, and the best work is done for the interest that a person has in it. If a sculptor does a good piece of work, or a musician composes a good song, he does it not from purely pecuniary motives but because he has interest in the art itself. At the same time, if one knows that one is not likely to get more as an heir because of this imposition of estate duty, then right from today one will work harder. Yesterday I asked one of my friends who is a millowner what he thought about this. He said, "Do not worry. For twenty years I am not going to die. Nothing doing." I think this is the right attitude.

So, to sum up, it is the duty of the Government of the day to secure equality of opportunity which cannot be secured without elimination of inequalities of distribution of wealth. For that purpose, progressive, highgraded taxation on income and considerably high taxes on the estates left behind are absolutely necessary. Both are complementary to each other.

Now, a question was asked as to why some minimum exemption limit was not laid down. The Finance Minister is quite wise in not laying it down. After all, at the time of every Finance Bill the House gets an opportunity to consider every tax. Similarly, if this duty becomes a part of the Finance Bill the House will every year get an opportunity completely and thoroughly to review the position. What will a particular Finance Minister do at a given time will depend upon the colour of the Government, the needs of the country and the personality of the Finance Minister himself. How can we judge it beforehand?

Some people ask, "What is the good of having a Bill of this character without letting us know what the yield from it is going to be?" What I replied some time ago by way of interjection was just this. This is a rifle. We have got the range lever. If we want to shoot at a target which is 400 yards away, we can adjust it. If we want to shoot at a target which is nearer, even then we can adjust it. Therefore, it is not necessary that the rate should be stated here and now. So far as the yield is concerned, when this Bill was introduced in 1948 some of us put our heads together and I shall read a few lines from a note which was prepared by one of us for the use of the members of the Congress Party:—

"It is assumed on the basis of some hypothetical rate and some

hypothetical pattern of distribution of wealth....."

I called it "a guestimate"—

"...a guestimate can be made that the average incidence of death duties in India may come to 10 per cent. of the assessed value. Let us take it for granted that the duration of a man is thirty years. We can assume then that the probable yield per annum of the estate duty might be about 1/300th part of the total value of estates above Rs. 50,000. It is likely then that the yield may be in the neighbourhood of Rs. 9 crores."

Now that was in 1946.

5 P. M.

**Mr. Deputy-Speaker:** Is the hon. Member likely to take a long time?

**Shri Gadgil:** I would like to continue tomorrow, Sir.

**Mr. Deputy-Speaker:** The House now stands adjourned till 10-45 A.M. tomorrow.

*The House then adjourned till a Quarter to Eleven of the Clock on Friday, the 7th November, 1952.*

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