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**THE
PARLIAMENTARY DEBATES**

(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

2585

HOUSE OF THE PEOPLE

Monday, 7th September, 1953

*The House met at a Quarter Past
Eight of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

9-32 A.M.

PAPERS LAID ON THE TABLE

STATEMENTS SHOWING ACTION TAKEN BY
GOVERNMENT ON VARIOUS ASSURANCES
ETC.

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): I beg to lay on the Table the following statements showing the action taken by the Government on various assurances, promises and undertakings given during the various sessions shown against each:—

- (1) Supplementary Statement No. IV—Third Session, 1953 of the House of the People [See Appendix VIII, Annexure No. 1]
- (2) Supplementary Statement No. V—Second Session, 1952 of House of the People. [See Appendix VIII, Annexure No. 2]
- (3) Supplementary Statement No. VI—First Session, 1952 of the House of the People. [See Appendix VIII, Annexure No. 3]
- (4) Supplementary Statement No. VI—Third Session (First

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Part), 1950 of the Provisional Parliament. [See Appendix VIII, Annexure No. 4]

- (5) Supplementary Statement No. IX—First Session, 1950 of the Provisional Parliament. [See Appendix VIII, Annexure No. 5]

ESTATE DUTY BILL—Contd.

Clause 30.—(Allowance for quick succession etc.)

Mr. Deputy-Speaker: The House will now take up further consideration of the Bill to provide for the levy and collection of an estate duty. The House has disposed of clauses 2 to 29. We will now take up clause 30. But before the House starts discussing, let me say we have done one stage, namely, the group of clauses from 2 to 29. The first group having been disposed of, we shall take up clauses 30 to 34 which the Sub-Committee of the Business Advisory Committee has recommended as the second group. This is for three days plus two afternoon sittings, the afternoon sitting on the second day being compulsory and on the third day, if necessary.

Shri S. S. More (Sholapur): May I know whether the Schedule under Clause 34 will be included?

Mr. Deputy-Speaker: Clauses 30 to 34 and the Schedule all go together. Now hon. Members will indicate if they want to move their amendments on clause 30.

The Minister of Finance (Shri C. D. Deshmukh): I beg to move:

In page 18, line 40, for "ten" substitute "thirty".

Shri G. D. Somani (Nagaur-Pali):
I beg to move:

In pages 18 and 19, for clause 30, substitute—

"30. Allowance for quick succession.—Where the Board is satisfied that the estate duty has become payable on any property passing upon the death of any person and that subsequently estate duty has again become payable on the same property or any part thereof passing on the death of the person to whom the property passed on the first death, the amount of estate duty payable on the second death in respect of the property so passing, shall be reduced as follows:

Where the second death occurs within five years of the first death, by hundred per cent;

Where the second death occurs within six years of the 1st death, by fifty per cent;

Where the second death occurs within seven years of the first death, by fifty per cent;

Where the second death occurs within eight years of the first death, by thirty per cent;

Where the second death occurs within nine years of the first death, by twenty per cent;

Where the second death occurs within ten years of the first death, by ten per cent;

Provided that where the value on which the duty is payable on the second death exceeds the value of the property on which the duty was payable on the first death, the latter value shall be substituted for the former for the purpose of calculating the amount of duty on which the reduction under this section is to be calculated.

Explanation—For the purpose of this section every death shall be deemed to be a second death in relation to the death immediately preceding."

Shri V. P. Nayar (Chirayinkil):
Sir, I beg to move:

In page 18, line 27,—

for "Where" substitute "During a national emergency when".

Shri Mulchand Dube (Farrukhabad Distt.—North): I beg to move:

(1) In page 18, line 29,—

after "passing" insert "or deemed to pass".

(2) In page 18, line 31,—

after "passing" insert "or deemed to pass".

Shri Shobha Ram (Alwar): I beg to move:

In page 18, for lines 35 to 44, substitute—

"Where the second death occurs within two years of the first death, by fifty per cent;

Where the second death occurs within three years of the first death, by thirty-seven and a half per cent;

Where the second death occurs within four years of the first death, by twenty-five per cent;

Where the second death occurs within five years of the first death, by twelve and a half per cent".

Shri S. V. Ramaswamy (Salem): I beg to move:

In page 18, omit lines 35 to 38.

Shri U. M. Trivedi (Chittor): I beg to move:

In page 18,—

(i) line 35, for "one year" substitute "three years"

(ii) line 36, for "by fifty per cent" substitute "no duty shall be levied"

(iii) omit lines 37 to 40.

Shri H. G. Vaishnav (Ambad): I beg to move:

(1) In page 18, line 36, for "by fifty per cent" substitute "no estate duty shall be payable".

(2) In page 18, line 38, for "forty per cent" substitute "fifty per cent".

(3) In page 18, line 40, for "ten per cent" substitute "forty per cent".

(4) In page 18, line 42, for "twenty per cent" substitute "thirty per cent".

(5) In page 18, line 44, for "ten per cent" substitute "twenty per cent".

Shri Jhulan Sinha (Saran North): I beg to move:

(1) In page 18, line 40, for "ten per cent" substitute "thirty per cent".

(2) In page 18, omit lines 39 and 40.

Shri Krishna Chandra (Mathura Distt.—West): I beg to move:

In page 18, line 40, for "ten per cent" substitute "thirty per cent".

Shri S. V. Ramaswamy: I beg to move:

In page 18, line 40, for "ten" substitute "fifty".

Shri Krishna Chandra: I beg to move:

In page 18, line 40, for "ten" substitute "thirty".

Shri Sinhasan Singh (Gorakhpur Distt.—South): I beg to move:

In page 18, line 40, for "ten" substitute "thirty".

Shri U. M. Trivedi: Sir, I beg to move:

In page 18, line 42, for "twenty per cent" substitute "fifty per cent".

Shri S. V. Ramaswamy: Sir, I beg to move:

In page 18, line 42, for "twenty" substitute "forty".

Shri U. M. Trivedi: Sir, I beg to move:

In page 18, line 44, for "ten per cent" substitute "thirty per cent".

Shri S. V. Ramaswamy: Sir, I beg to move:

In page 18, line 44, for "ten" substitute "twenty".

Shri Shobha Ram: I beg to move:

In page 19,

(i) line 5, for "three months" substitute "one year"; and

(ii) line 9, for "three months" substitute "one year".

Shri C. E. Iyyanai (Trichur): Sir, I beg to move:

In page 19, line 5, for "three months" substitute "one year".

Shri Telkikar (Nanded): Sir, I beg to move:

In page 19, lines 5 and 9, for "three months" substitute "six months".

Shri U. M. Trivedi: Sir, I beg to say:

In page 19, lines 7 to 9 omit—

"and no estate duty shall again be payable on the same property by reason of the subsequent deaths occurring within the said period of three months".

Shri C. E. Iyyanai: Sir, I beg to move:

In page 19, line 9, for "three months" substitute "one year".

Shri K. K. Basu (Diamond Harbour): Sir, I beg to move:

In page 19, after line 9, insert—

"Explanation 3—Notwithstanding any provision in any other section of the Act, the property for the purpose of this section

[Shri K. K. Basu]

includes agricultural land and implements, one family dwelling house and such industry as Parliament may by law prescribe."

Mr. Deputy-Speaker: I will first call upon the Finance Minister to speak upon his amendment, and then the other hon. Members.

Shri C. D. Deshmukh: Sir, my amendment No. 528 is to this effect that—

In page 18, line 40, for "ten" substitute "thirty".

It should have been fifty, forty, thirty, twenty and ten. But somehow by a typing mistake this has crept in originally and it has been perpetuated in subsequent versions of the Bill. We are very sorry we did not spot it at an earlier stage.

Shri U. M. Trivedi: In view of that I would withdraw my amendment No. 83.

Mr. Deputy-Speaker: I would come to the withdrawals later on.

The question is:

In page 18, line 40, for "ten" substitute "thirty".

The motion was adopted.

Shri Sinhasan Singh: In view of this I would also like to withdraw my amendment No. 529.

Mr. Deputy-Speaker: I will come to withdrawals later. Mr. Somani. Does the hon. Member want to speak on his amendment? Instead of my asking hon. Members—I am not very much interested!—any hon. Member who wants to speak on his amendment may get up.

Shri G. D. Somani: Mr. Deputy-Speaker, Sir, I do not want to take very long. My amendment is quite obvious. Conditions in our country are different from those in U.K. from whose Act this clause has been taken.

The rate of mortality is quite high in our country and it is quite essential that the relief in quick succession should be adequate. I therefore commend my amendment for the acceptance of the House.

Shri Krishna Chandra: Mr. Deputy-Speaker, concessions have been allowed in this clause on the basis of quick successions. It is alleged that as the concessions embodied in this clause are on the lines of the U. K. Act they would not serve the purpose in this country where the mortality rate is higher. Sir, I feel this argument can lead us the other way. If the mortality rate in England is lower then it is clear that death succeeds death than at a longer interval in the normal course. Therefore, if the concessions allowed in England are to prevail,—and they have been prevailing—the exchequer there is not put to so much loss because, there it is not a normal factor. It is an abnormal factor. Mostly, the concessions there remain a dead letter. But, as has been said, the mortality rate in this country is much higher and normally deaths will occur here more quickly. Therefore, the concessions allowed in this clause will be substantial and will mean a substantial loss to the revenue. I therefore urge that none of these amendments should be accepted.

Secondly, these arguments of mortality rate do not lead us anywhere. If the mortality is higher in this country, than in England, it does not mean that deaths will succeed here much quicker. If the mortality rate is higher, it will be higher for all deaths. If the interval between one birth and another birth in England is higher, than, the interval between one birth and another birth in this country, it is clear that deaths in England normally will follow each other at longer intervals and in this country they will follow at shorter intervals. Sons here are born at an interval of 1½ years or 2 years generally. In England, they are born at longer intervals. So, in England,

deaths follow each other at longer intervals. There is a gap of more than 2 or 3 years normally in England. Here, in this country, the gap will be not more than 1½ years. If we allow these concessions, which are allowed in England, in this country, then, I am afraid we will lose much more revenue than England is losing because here, in the course of 5 years, there are bound to be successive deaths and in the case of almost each family, this concession will be availed of, and we will be losing a good deal. Therefore, the logic that as the mortality rate in this country is higher, the concessions allowed here must be larger, and that if in England, concessions have been allowed for deaths within 5 years, in this country concessions should be allowed for deaths within ten years, leads us nowhere and therefore, this argument is of no use.

Shri C. D. Pande (Naini Tal Distt. cum Almora Distt.—South West cum Bareilly Distt.—North): I think, Sir, Mr. Krishna Chandra has totally misunderstood the position in this country. There is no joint family system there as it is in India. If there are 4 or 5 sons in one family, it is likely that there will be more deaths. Though they have property in their own names, the properties are joint and if this concession is not allowed, there will be a great hardship on account of quick deaths. In England, deaths from father to son, generation to generation is counted. Here, even in one generation of 4 brothers, deaths will occur more quickly than in England.

Shri U. M. Trivedi: The amendments which have been moved to this clause 30 are quite reasonable;—I say all the amendments—practically every one has thought on reasonable lines. The hon. Finance Minister by his amendment has agreed to change this 10 per cent. in line 40 where the second death occurs within three years of the first death, (*An hon. Member*: A mistake)—mistake or no mistake. We must not say that it is a mistake;

twice it has occurred, in the Bill; in the Select Committee's report it is there. It was deliberate. Anyhow, he has considered and he has agreed to take it 30 per cent.

Similarly, in the Select Committee also, a great majority of the Members, I do not say, an absolute majority, but a big majority had suggested that where the second death occurs within 3 years there should be no duty. The period of one year is very small. So far as the second death is concerned, the argument that has been advanced by the various dissenting notes is that we have simply copied the Act as it stood in the U.K. We have not seen our own local conditions. We have not studied our local conditions. The mortality rate is very high in India and the way of living of the people is entirely of a different type. We know that generally it is the Mitakshara school which is going to be affected by this quick succession clause. I must say that I do not agree.—I must be honest about it—that if this provision is applied to those governed by the Dayabhaga system it will affect them or those who do not belong to the Hindu religion. We have already made a great concession in favour of the Dayabhaga system. A great majority of the people living in this country follow the Mitakshara system. When the question of giving some relief to the Mitakshara system was considered, we ruled it out. At least, we were hard hearted enough not to pay any attention to the demand. My contention then was, and even today is, that we are unnecessarily taxing a Mitakshara young boy of 18 when he dies. At the same time, we go to that very family again if another boy of 19 dies. Just one year later, we go again and tax him. Then a third boy dies at the age of 21 within another one year. We are going to tax him again. This sort of thing must be stopped. We have been very kind to the Dayabhaga system; we have been very kind to Mohammendans, Christians, Parsis and Jews. What wrong have the Mitakshara people done? We are concentrating all our efforts some-

[Shri U. M. Trivedi]

how or other to do injury to those, if I may say so, for whose benefit, this whole State has been established. We are going to do greater harm to them by putting in this quick succession clause 30. We will be taxing them even if the death occurs within one year of the first death. The only relief that we are going to grant is 50 per cent. My suggestion is that where the second death occurs within three years of the first death, there should be no duty levied. For three years at least, there must be a solatium to those who are losing the earning members of their families. It is not going to be so in the case of the Dayabhaga system. Let us take a small example. There is no question of quick succession in the same family. It will not be the same type of family as we have under the Mitakshara school. There all the families are divided and separate. The same thing will happen with Mohammedans and Christians and Jews. In the case of a Dayabhaga family, if the father dies, his whole estate is assessed and the duty is paid. After that, if there are five sons, all the five sons are separate and the deaths that may occur may occur in the family of one of the five sons. In the case of the Mitakshara joint family, the deaths will occur in the family itself. Therefore, it will be doing greater injustice to the greater majority of the people in this country.

My suggestion, therefore, is that the question of quick succession may be considered from this angle, and there should not be any duty levied where a death occurs in the same family within three years of the first death. And if that position is accepted, I have suggested that the question of giving a relief of 40 per cent. in the case of a death occurring within two years should be omitted entirely. There should be no duty. If these two things are there, then there is the third proposition. That amendment of mine, as I have already said, has been accepted by the Finance Minister by putting in his own amendment, Amendment No. 528. Once you

accept my first proposition that no duty should be charged, that no duty should be levied, in case death occurs within three years, the other things follow as reasonable consequences of the acceptance of the first proposal, viz., that where the second death occurs within four years of the first death, then the relief given shall be 50 per cent.; if it is within five years, it would be 30 per cent.

Now, in the dissenting notes, it has been very clearly pointed out that even in a rich country like the U.S.A. the exemption for quick succession is for five years. However there is no question of quick succession there, but let us assume it for the moment—i.e., death occurring in the same family does arise there in the U.S.A. This particular position does not come before us in Japan also, but in the U.S.A. specifically we must apply our mind to the position that there also the exemption limit, i.e., the exemption period for quick succession is put down at five years. With a very low mortality and a greater longevity that is obtaining there, they have still got an exemption for five years. What can be the grounds for making any suggestion in our country for succession immediately opening up after one year of another death? We know that we have no question of succession. We have got a right of survivorship. We have cut at the very root of this survivorship and after having cut at the root of survivorship, we are bringing in another theory of this quick succession, and thereby, the result would be this. On the one hand, there would be a good deal of grief in the whole family by the death of one member of the family, another member of the family and a third member of the family. The whole family will be grieved on account of this attachment of life that is there for a family member. On the top of it, the Government would be there to pounce upon the very family, attaching the estate on every succession and taking out more money from it, and making the life of the whole family more miserable. Looked at from

this humanitarian point of view, it is not advisable for Government to do this. It is not that Government are going to get very much by this method. I do not think the Government has computed how much it would get by this method of quick succession, and how much it is going to lose. It might be losing in a whole year about one or two or five lakhs of rupees. It is immaterial in our country, in a vast country like ours where the resources are very vast, to put down this clause and cause unnecessary misery to a big number of people, whosoever may be affected thereby.

I, therefore, request the hon. Finance Minister to look into this from this angle, and not be obsessed with the things obtaining in England. It is not necessary that we should follow the method obtaining in the U. K. We have got the examples of the U.S.A. and Japan before us, and I think wherever Estate Duty is obtaining in other countries—I have not got data before me, nor am I aware of it—but I think everywhere people are reasonable enough to accept this proposition, that wherever the question of succession arises, whosoever in a family suffers by these quick deaths following in the same family should not be so much harassed by its own Government. I therefore, submit that my amendments may be accepted.

10 A.M.

Shri S. S. More: Sir, regarding the first part of Clause 30, I have got some doubts about the interpretation, and I think the Finance Minister will be pleased to clarify these doubts. I will read the particular clause and point out the place where the doubt creeps in.

"Where the Board is satisfied that estate duty has become payable on any property...passing upon the death of any person, and that subsequently within five years estate duty has again become payable on the same property or any part thereof passing on the death of the person to whom

the property passed on the first death, the amount....."

Now, I have to ask the Finance Minister, one or two positive, concrete questions. Take for instance, the case of a Mitakshara family. The father dies, leaving about half a dozen sons.

Shri K. K. Basu: Only?

Shri S. S. More: I am very modest in estimating.

Dr. Lanka Sundaram (Visakhapatnam): Not half a dozen madames?

Shri S. S. More: Now, the father's share will be going, by the right of survivorship, to his six sons—one-sixth to each. Now that one-sixth will be part of the property. Now, subsequently supposing one of the six sons dies, what will happen?

"...again become payable on the same property or any part thereof passing on the death of the person to whom the property passed....."

Here, on the death of the father, the property passed collectively to a bunch of six persons. But, one of them dies. Now, what is going to be the fate of the five persons?

Shri Gadgil (Poona Central): Will you kindly read the proviso?

Shri S. S. More: I will come to that later on as a matter of fact. Supposing now on the first death, that is the death of the father, the property is passed on to six persons. Out of these six persons, another person dies within the stipulated period for quick succession. Then, what about the other five persons? Shall they also be treated as deaths, or included in the second death, or will they not be? I think I have made myself sufficiently clear.

"...passing on the death of the person to whom the property passed..."

Now, here is not one person to whom the property has passed. The property has passed to six persons. Only

[Shri S. S. More]

one-sixth of the successors dies. Then, will all the six brothers or the surviving five brothers be treated as the person to whom the property has passed?

Shri Gadgil: Yes. That is, the coparcenary as such.

Shri S. S. More: Will the man who has died, one of the six who has died, be treated as the person who has passed? What will happen to the others?

Shri Gadgil: What happens in the first death will happen in the second.

Shri S. S. More: Do not rush to explanations Mr. Gadgil. Please give me a hearing. Because, what happens is this? Even after the death of the first son, some of the property passes on to the remaining five.

Shri Heda (Nizamabad): Unless he has no sons.

Shri S. S. More: I assume that. And even if he has a son, he continues to join the others.

Shri Heda: The others will not get anything.

Shri S. S. More: Supposing he dies son-less. I am taking a case which need not be confused. Supposing he dies and leaves his property in favour of the remaining five sons. How does this question of satisfaction arise? As far as the State is concerned, there is no question of satisfaction of the Board. Why should you make it dependent on the satisfaction of the Board? Death is a concrete fact on which no one need be satisfied as a matter of fact. Why that controlling, restricting clause again?

Then, there is another point which I have to bring out. It has appeared in the press, and possibly the lobbies are full of talk, that in the case of the Dayabhaga families, some conces-

sion is going to be extended, and that the exemption limit is going to be raised to a higher amount. In our effort to remove the discrimination made to the disadvantage of the Dayabhaga people, are we going to incorporate another discrimination to the disadvantage of the Mitakshara family? I have been taking a particular line all along; I am not the champion of any particular system, nor do I stand the risk of being assessed for estate duty after my death.

Mr. Deputy-Speaker: The hon. Member will be above the jurisdiction of this Act.

Shri S. S. More: Shakespeare has said that a dying man discharges all debts. I may say that a dying man may discharge all taxes also, if we can make an amendment to that effect. I have all along been stressing one point. If the discrimination is provided by the personal laws of the different sections in this country, it is the foremost and fundamental business of the Government to hold the scales even as between the various sections. In doing so, even if they are going to make some adjustment here for a particular section, it should not result in any sort of inequality in the case of another section. For this purpose, they will have to hold in their hands a very sensitive balance. If a concession is held out to one section, then it will upset the balance, and you will have to add something to the other side also to restore the balance and to remove the angularities which go to create so many discriminations. As a matter of fact, I hear that some of the sections will provoke not a united opposition from the estate-holders, but there will be some sort of sub-sectional opposition.

The Dayabhaga or the Mitakshara people will be raging their heads against some of these sections, and our Government will be between the deep sea and the devil. It is for Government to hold the scales even, and I have taken a concrete case to illustrate my point. The amendment may

be very clear to the clear thinking mind of the hon. Finance Minister, but at least we would like to be enlightened on that point.

[SHRI PATASKAR *in the Chair.*]

Now I come to the proviso which reads:

"Provided that where the value on which the duty is payable of the property on the second death exceeds the value on which the duty was payable of the property on the first death, the latter value shall be substituted for the former for the purpose of calculating the amount of duty on which the reduction under this section is to be calculated."

In other words, the lesser value shall be the basis for the purpose of levying the duty. Why this concession? When you have already taken cognizance of the fact of quick succession and given some percentage remissions, why do you again go ahead with your generous tendency, by putting in this particular proviso by which you create another fiction, that though during this period the property has increased in its value, due to the bazar conditions, by, say, 25 per cent., you are going to say, no, I am not going to take into consideration the 25 per cent. increase in value, I am going to stick to the original valuation?

Shri U. M. Trivedi: What about decrease?

Shri S. S. More: The decrease will see its own way, if there is any doubt. This relief is not confined to any decrease. This is a wholesale general relief, in a sweeping form. Not only is a percentage concession given, but another fiction is created in the interests of persons who are going to be assessed. By this fiction, even though there is an actual rise in prices, only the lesser value is taken into account. An increase in prices is possible for a property, if it happens that at that particular place, some development takes place, a big thoroughfare is chalked out and completed, or some railway station comes in the vicinity. Due to all these factors, the prices can

go up. Even this legitimate increase, which is brought about by certain actions taken by Government or by some other development projects being taken there, will not be taken into consideration by Government, and will not be made subject to estate duty. Why are you making this left-handed gift to the estate-holders, in addition to the concession in the percentage rates.

Arguments have been advanced on the floor of the House and also in the minutes of dissent, that our mortality rate is higher than what prevails in England. I could not get the break-up of the mortality figures for the different sections and classes in our country, such as the rich, the middle classes, and the poorer classes. We take the average when we talk about the mortality rates in India. The average in the case of the poorer classes is much higher. If you go through the mortality rates in Bombay, if you look into the health reports submitted by the officers of the Corporation regarding the persons who are residing in the slums, regarding child mortality and mortality due to other causes, among them, you will find that the rate goes up like anything. On the other hand, if you go to the Malabar Hills side, where possibly Mr. Tulaidas Kilachand may be residing—I do not know where he is residing—you will find that the mortality rate will be so low, and the longevity may be as high as in England. My submission, therefore, is that we need not be persuaded by this argument of mortality rates. The persons who are going to be taxed under this Bill are in as happy a position as the people of England are in. Possibly the mortality rate in Malabar Hill will be on a par with that in England, so far as these persons are concerned. We need not therefore be influenced by this mortality rate argument.

Shri Nand Lal Sharma (Sikar): Mr. Tulaidas Kilachand does not reside in Malabar Hill.

Shri S. S. More: Those who are going to be taxed live in the Malabar

[Shri S. S. More]

Hill side. In your Ram Rajya, there is no Malabar Hills, and therefore there is no question of people living on that side. These are the points, on which the hon. Finance Minister, not Mr. Gadgil—will have to apply his mind.

Shri Heda: I have nothing much to say, but at the outset I would like to narrate to this House an exchange of words that I happened to have with a rich man. I asked him when this Bill was first introduced, what the effect would be on the mortality rate amongst the richer classes. He seems to have been a good-humoured man, and he said that the will to live among the richer people would be rather increased, and so the richer people will try hard not to die early, and thus save the property from estate duty.

My point is that mortality or death is a solid fact, which we have to take into account. The question arises what should happen, if there is a succession of deaths. If there is a second death within the period of three months after the first death, practically there will be no estate duty levied on the property which has been taxed already.

Shri U. M. Trivedi: It will be levied. If death occurs within three months the saving is there.

Shri Heda: In the explanation, it is stated that

“..deaths occurring within a period of three months after the death of any person in respect of whose property estate duty has become payable, shall be treated as one death...”

Shri Sarmah (Goalghat-Jorhat): He does not pay within three months of the first death. You are right.

Shri Heda: I think I am right. Where is the question of a third death?

“In computing any period for the purposes of this section, deaths

occurring within a period of three months after the death of any person in respect of whose property estate duty has become payable, shall be treated as one death”.

Shri U. M. Trivedi: The whole thing is governed by “Where the second death occurs within one year of the first death...”

That is only a proviso.

Shri C. D. Fande: It includes three months also.

Shri Heda: The point is what sort of concessions we give in the case of the second and third deaths. In this regard, firstly, I would take the case of a widow. The seven years' period given to a widow seems, in one way, quite reasonable. But my own view is that widows, particularly in the Hindu families, should be treated more liberally. Moreover, I do not think that our Government would be benefiting much on her property. Therefore, if we make a good gesture and make a more liberal provision so far as the property that she gets after the death of her husband is concerned, I think that would be more reasonable.

Mr. Chairman: We are now considering only clause 30. He is referring to clause 31.

Shri Heda: It includes 31 also. I am taking deaths together and therefore I got into it.

Mr. Chairman: Clause 30 is being discussed now. The hon. Member may be better advised to refer to it when clause 30 is reached.

Shri Heda: Yes. So my own view is that Government should have some more liberal view on this point and see that the taxation in the initial stages is not felt. People should not feel that it is very acute; in course of time they become habituated and they will calculate that so much will go as the share of the sons and so much will

go as estate duty and so on. In course of time they will feel habituated and at that time it may be a bit more rigid than the rates which have been already proposed in this section. These rates may be introduced at some later stage. But in the beginning there should be some more liberal provision. That is my request.

Shri H. G. Vaishnav: As clause 30 stands; I think Government have accepted the principle of giving some relief in case of quick or successive deaths. I think the relief which has been granted by the Government in this clause is rather inadequate, and my amendments Nos. 377, 378, 379, 380 and 381 relate to the same clause requesting for greater relief.

Before going into those amendments, I think there is some force in the doubt raised by my friend, Mr. More. What is that doubt or ambiguity? I want to know whether it is clear or not. First of all, it is stated:

Where the second death occurs within one year, two years and so on. I want to know how the person will be taxed. Suppose a father dies leaving property worth Rs. 5 lakhs, and he has 5 sons. When the father dies, it being a joint family, his share to the extent of Rs. 1 lakh will be taxed.

An Hon. Member: Less than Rs. 1 lakh.

Shri H. G. Vaishnav: Father with 5 sons—his share will be 1/6th. Of course, he will be taxed. Then his share amounting to some Rs. 75,000 will be vested to his sons. Each son has his own share in the joint family property when the father was alive, say, about Rs. 75,000 to Rs. 80,000. Again, when the share of the father is vested in the sons, the property of each son will be rather increased by Rs. 20,000 odd. That is to say, if the son was formerly owning property Rs. 80,000, that property plus Rs. 20,000 of the father's share will be Rs. 1,00,000 after the death of the father. Then suppose within a period of one year one son dies. What will be the value of his property to be taxed according

to the reduced rate? And what will be the position when the second death occurs for the purpose of taxation? This is very important. Now, as far as the definition of 'second death' is concerned, it will be only second death in connection with the property of Rs. 20,000 which he inherited from the share of his father. But he already owns as a co-parcener property to the extent of Rs. 80,000. Now, if the definition of 'second death' is to be taken for the purpose of this clause 30, what will be the position? I want to know this from the Finance Minister. Will the 'second death', as defined in this clause mean second death—i.e. the death of the son within a period of one year from the death of his father—so far as the whole property owned by the son i.e. his previous property of Rs. 80,000 plus Rs. 20,000 which he had inherited from his father? Will the whole property worth Rs. 1,00,000 be charged as per this reduced rate shown in the table in clause 30? If that is the position, I think the clause is ambiguous. Otherwise if it is to be taken that second death relates to the extent of the share inherited by him from his father, and first death relates to his own property of Rs. 80,000 which he owned as a co-parcener—if this split is to be made—I think the taxation will be very complicated. For this purpose, I think the objection raised by my friend, Mr. More, seems to be rather a good one and it is necessary to remove ambiguity as far as this fact is concerned, i.e. definition of second death relates to what property—second death regarding the property or second death regarding the person. If it is to be taken to be second death regarding property which he has inherited from the first death, and first death as regards the physical death of the person, of course that thing will be very complicated, and for that purpose some explanation or some definition should be there as far as this clause 30 is concerned.

Now, I come to my amendments. As I have said just now, the principle of relief has been accepted, i.e. if the second death occurs within a five year

[Shri H. G. Vaishnav]

period, the tax will be less; such as no taxation if the second death or third death occurs within three months later on 50 per cent., 40 per cent., 30 per cent. or 10 per cent. relief is provided as mentioned in the sub-clauses of clause 30.

I have submitted by my amendment that when the principle of giving relief for quick succession is accepted, it should be rather adequate and not nominal without affecting the revenue. If really relief is to be granted, it should be some good relief which in the real sense can be said as relief given for the quick succession. Therefore, what I have submitted by my first amendment is that if the second death occurs within a period of one year there should not be any tax at all and if the second death occurs after a period of two years then 50 per cent. should be taxed. If the second death occurs within three years 40 per cent. relief should be given, then 30 per cent. and later on for death occurring within five years 20 per cent. relief should be given. The purpose of my amendment is to give some adequate relief,—some relief in the real sense. If it is done, I think there will be neither hardship to the person concerned nor the Government will lose any revenue by way of quick succession.

Just as, seeing some apparent discrimination in taxation between *Dayabhaga* and *Mitakshara* families, the Finance Minister has agreed to make some changes to lessen the hardships, —if it is so done for the purpose of *Dayabhaga*, I think some relief or some concession also will have to be given to *Mitakshara* people by making some reduction; by giving some more relief in case of quick succession because the number of deaths in *Mitakshara* joint family will be many more than expected in other systems such as *Dayabhaga* or people of other religion e.g. Muslims or Christians. So if my amendment is accepted both purposes will be served i.e. giving some adequate relief in case of quick succession and lessening a

sort of discrimination which appears in case of *Mitakshara* people as far as Clause 30 is concerned.

Shri Altekar (North Satara): I would say a few words with respect to some ambiguities which, it is said, exist in the wording of this Clause. In my opinion there is no such ambiguity. So far as what share is to be taxed on the second death is concerned, the Clause is very clear and it says that the "subsequently within five years estate duty has again become payable on the same property or any part thereof passing on the death of the person to whom the property passed on the first death". If the father dies and the estate goes to his four sons and one of them dies later on what is to be taxed again for the second time is the share which has gone to that particular son of the father's interest in the property. So if the father's share was to the extent of Rs. 80,000/- the son who dies later on within a period of five years has an interest of Rs. 80,000/- of his own plus the share of the father that has come to him which is Rs. 20,000/-. According to the wording of this clause it is clear beyond any shadow of doubt that the share that has gone to him from the father's share i.e. Rs. 20,000 only is to be given that benefit of reduction; nothing more than that. The wording is very clear and in my opinion there is absolutely no doubt left as regards the particular position.

Then there was some concern expressed with respect to the Board. The matter is to be proved to the satisfaction of the Board. There are two things which are to be proved to the satisfaction of the Board: One is that when the first death occurs the property was charged and subsequently at the time of the second death whether that property is such as is within the particular sphere of being charged. The other thing is whether that particular death has occurred within that period. It is no use to say roughly that he has died within the course of

three or four years, but exact period has to be proved. These things are to be proved to the satisfaction of the Board. In my opinion this clause is quite clear in that respect and there is no ambiguity left on that point.

Shri Gadgil: Mr. Chairman, Sir, of all the points that are relevant for the consideration of any estate duty system, the most unpalatable is this part of "quick succession" and where the estate duty is never welcome the matter of quick succession is all the more repulsive, but it is unavoidable. Therefore, a system of relief has to be evolved. There cannot be any special basis for accepting any particular thing. All that can be done is only on *ad hoc* conditions.

Now whatever be the amendment that may be accepted eventually it does not in the least affect the objection raised by Mr. More. Whatever be the rates, his objection was that the difficulty in the taxation remains. Therefore, I propose, Sir, to deal with that objection. Take the example of a coparcenary where the father dies with the result that the whole property, whatever it is, after the payment of duty on that share which belonged to the father goes to the coparcenary as such. Therefore, when the second death occurs i.e. of any other coparcenary, we have to consider what is the property to be taxed and what is its relation to the first death if the second death occurs within the period stated here. Now assume the share of each coparcener while the father was alive to be X. Now on account of the death of the father it is bound to increase by Y. Then X plus Y will be the estate of the person whose death we consider to be the second death. But for the purposes of reduction the value of that property which was left by the father will be taken into consideration. That point has been made abundantly clear by Mr. Altekar. Therefore, there is no difficulty whatsoever and if my friend Mr. More understands the Clause in the light of what I have said then probably his difficulty will be removed.

Shri S. S. More: I could understand the mathematical logic of Mr. Gadgil but the point is that Clause 30 should make it specifically clear so that there is no confusion. Mr. Chairman, Sir, I would like to supplement what I said. I have taken 1 father and 6 sons in a joint family; the share of each is 1/7. After the death of the father the sons get 1/7th i.e. the father's share. Split it into six parts i.e. 1/42. That is the share which the son will now get along with the other share. Now it is the 1/42 share of the father which has come to A and as far as the charge goes, his death for the purpose of 1/7th of the property is the first death, while in the case of the other 1/42 part, it is the second death. So in order to help the assessor and remove all difficulties it will have to be brought out more clearly.

Shri Gadgil: I am glad that he accepts the logic of my mathematical formula. So far as the proviso is concerned, it is clearly stated, "for the purpose of reduction." Only that property which was left by the father could be equated with the share of the father in the joint family property. So there is no difficulty. I think there are several amendments which go up to the length of ten years and fifteen years. All these can be argued one way or the other. I honestly feel that the scheme in the clause has been evolved after very great deliberation in the Select Committee and the scheme proposed in this clause is the best. The sorrow of death is softened by the falling in of inheritance. So, whenever in our life we want something to be done very quickly, we have to pay more. Here is a proposition in which for getting things quickly, we pay less.

Shri Tulmadas (Mehsana West): I had no intention of participating in this debate. I had voiced my views already, but since I have heard the hon. Mr. More saying that mortality in the Malabar Hills is not as high as it is perhaps somewhere else. I would like to say a few words. He seems to forget that this relief will not be given

[Shri Tulsidas]

there, because mortality is not high. They will not die quick. Therefore, there is no question of relief.

Shri S. S. More: I am supporting your cause.

Shri Tulsidas: The point is.....

Shri Gadgil: At any rate, you are on the same bench today.

Shri Tulsidas: I would like to make one point clear. Somehow or other, there is a certain amount of feeling that shows how the mind runs. If I may use the word, it is perverse. Somehow or other, there is some sort of concession felt in this matter. There is no question of concession here; because, after all, nobody is going to die for getting this concession in a shorter time. I am really surprised how they think there is a concession coming here. There is a question of relief, relief to a family where there is a quick succession of death. That is the only position. Then, where is the question of concession here? In America, even though the people are much more rich than here,—this is so even in the middle class,—the people have realized that relief must be given to the extent of seven years. Perhaps in England it is not so—we do not know. But that is the fact. My hon. friend Mr. Gadgil says that it was done after great deliberation. Sir,—if I am not disclosing anything what happened in the Select Committee—there was no question of deliberation; only copying U.K. and nothing else. It is no use saying: "considered after a great deal of deliberation." It is an absolute copy of the U.K. Act. Somehow or other, I am sorry to say, whenever there is a question of any relief to be given on anything, considering the conditions of our country, then we must copy the U.K. Act! Whenever there is something in the U. K. Act which has got some little benefit to be given somewhere, or leaves something more to be done, then we forget to copy from the U.K. Act!

Let us take the example of clause 9,—normal expenditure In U.K. there

is no mention of putting any limit. But we have put a limit. It is going to create much more hardship than is imagined. I sometimes really wonder whether Mr. Gadgil's logic or somebody else's logic works. But I do feel, Sir, that in things like this, when we are framing a new legislation, when we are having an Act like this, why do we have this mind—I mean—of having a sort of loophole here, a catch there, and so on? This is a legislation which we have to evolve in this country, and we must understand that before this legislation is understood by the people, we must do something in a manner which would be reasonable, and in consonance with our conditions here. I feel very strongly about this clause. There is no question of concession, but of relief. We know that in the families where there is a quick succession of death, there is a catastrophe. Here again, on top of it, there is another question of taking whatever he has in the family. You very well realise, when there is a death in a family, what takes place. It is a complete disorganisation of the family. There is a certain amount of trouble, and it takes time before it settles down. Then there is another member in the family who dies. It again comes to the same thing. It will take two years for the property of the first person, who died, to be taxed. Therefore, it is not a question of concession. It is more to be looked upon from the administrative point of view. From the administrative point of view it would be necessary that the period should have been increased. I do not understand when Mr. Gadgil says that it has been done after great deliberations. There is no question of deliberations. I feel it is really not a question of concession. Somehow or other, there is some misunderstanding that there is a concession in this. Thank you.

Shri K. K. Basu: I have moved an amendment—No. 450—to this clause to put in an explanation defining the property which should come under the purview of this particular section which

we are discussing today. Before I come to my amendment, I would like to answer Mr. Kilachand about an expression that we have just copied from the U.K. Act. I have a very strong case for it. He tries to justify the point of view by the new proviso we have added to clause 9 wherein we have restricted or limited the gift for marriages, for normal expenditure, to Rs. 5,000. I would like to remind him that in the same clause under the U.K. Act, the period for making this gift to be left out of the purview of this particular provision is five years: whereas here we put in two years. Now, we have always tried to say that it is a new thing in our country and so we should follow from where 75 years back England began. In that event, of course if you extend the logic further, possibly Mr. Kilachand will say that even for the industrial development let us go to that period of British history when the industrial revolution first came three centuries back, with all those machines and with all that advantage of colonialism that developed there. What I feel, Sir, is that it is true our judicial system and largely our fiscal system is dependent on the British model, because of our past history and our connection with the British system. But you know our point of view about the British assets and all such things. What I feel is that it is certainly true that we want a change from many of the British institutions and British legacies that are harmful to the interests of the nation. But we are certainly willing to copy or take from the pages of their legal system, not, as I said, in the way in which we used to do in those days, not for the weight of its authority but for its weight of wisdom. But if you find from the experience of 75 years, how they do it, we might well adopt those aspects which we feel would be good for the improvement of our country and also for the purpose of achieving the ideals which our Constitution has placed before the people. Therefore, I do not find there is any harm even if we copied the British system, at least from their enactments as they are.

Whether it has been done after much deliberation or for just providing it, it is very difficult to say, because in this House, there are a large number of Members who have dealt with the matter possibly at length and which Mr. Kilachand thought should have been so. As the Finance Minister said the other day, actually the Bill was originally drafted by one of the greatest jurists of our country, and I think he did not just copy like a clerk in the office. Possibly he applied all his mind with whatever judicial training he had. Then, it was pointed out that this is a popular concession. I do not know whether it is a popular concession or not, because it will affect only the richer classes. Naturally this taxation is on those people who have enough wealth and who can afford to pay. I do not wish at this stage to go into the rate of mortality in the different social strata of our country, because we wish, whether rich or poor all should live long. Because of the peculiar economic condition of our country one class of people may be at an advantage than the other. The intention of this particular provision is to give certain concessions in the case of death in quick succession. Therefore, if the wealthy people are not so crafty as to give away their property either by way of gift or trust, possibly they can take advantage of this particular provision. About the other people nobody can say when the second death will occur after the first death. So this clause is meant for those people who will be liable to be taxed and who will have some surplus money after meeting all their expenses. Sir, I do not wish to elaborate, as my friend Mr. More did, but whoever dies in quick succession will get the benefit of this provision.

The other point raised—which has already been answered by Kakasahib Gadgil—is about the interpretation of property and also that it is harsh and discriminating to the *Mitakshara* system. Sir, property has been defined in two ways, as in the case of the coparcenary interest and as in the case of separate or other absolute interest.

[Shri K. K. Basu]

But I do not think this clause is ambiguous and I do hope the administration and the judiciary will be in a position to interpret it correctly. Of course, as Mr. More suggested possibly for extra caution or greater clarification in the last sentence we might add 'in respect of property or part of the property so passing shall be deducted as follows.' But I do not think it is necessary. But in view of the doubt that has been raised by a certain section of the House, the hon. the Finance Minister may perhaps consider whether the incorporation of this provision is necessary.

Then, Sir, I want to say a few words about my own amendment. In the original Bill that was discussed in the House and which was adapted from the United Kingdom Act, the definition of property was not so wide. It was only restricted to the agricultural land and business. Now we want to extend it to all classes of property that a person holds. In view of the peculiar economy of our country, which is essentially feudal, I am very doubtful whether this type of concession should be extended to all classes of property. We know, Sir, that in our country there are persons who possess a lot of black-market money and delight in hoarding wealth and jewellery made of gold and silver. We do not, in the interest of the nation, wish such wealth should be given any concession. We feel that the taxation policy of the Government should be framed in such a way that in the long run all this hoarded wealth of feudal lords should be ploughed back for the industrial development and advancement of the country.

The explanation which I seek to add by my amendment reads:

"Notwithstanding any provision in any other section of this Act, property for the purpose of exemption includes agricultural land and implements, one family dwelling house and such industries as Parliament may by law prescribe."

I want that concession should be extended in such a way that there is

no impediment on the creation of wealth, or there is hardship in the case of marginal cases and also on account of the sentimental value attached to family dwelling houses. Our country is essentially an agricultural country and we have to make concessions to the agricultural community for the increase of our national wealth. I do not also want to put any check on the growth of industries. That is why I have said 'such industries as Parliament may by law prescribe'. I do not want the industries which have grown up to be adversely affected by quick deaths. Therefore, I have tried to distinguish these three classes of property from other types of property. No concessions should be extended to any other kind of property. We know that on account of the peculiar economic condition of our country a large section of people take pleasure in hoarding wealth in the form of jewels or silver or gold utensils which have no value to the community and which are of no service to the nation. By giving further concessions under this clause we are positively and consciously not making efforts to bring all this hoarded wealth to the service of the community.

I want the House and the Finance Minister to give consideration to my proposal because by our taxation policy we must make a conscious effort to do away with the feudal character of our economy and see that all the hoarded wealth in the country is utilised for the development of the nation. Whatever money we get out of this measure we intend utilising for developmental purposes. It is therefore very necessary that our policy must reflect the mind which guided us in bringing forward this measure. I, therefore, request the Finance Minister to consider my proposition with a reasonable and open mind to which he is usually accustomed.

Mr. Chairman: I think the matter has been sufficiently discussed. The clause is a simple one and I think all aspects have been placed before the House.

Shri Shobha Ram: We are discussing clause 30 which deals with allowances for quick succession to property. My hon. friend Mr. Trivedi has thrown some light on this point; but I do not agree with him *in toto*. There are two fundamental things in this clause; firstly the clause deals with the allowance which is extended for a period of five years.

Secondly, the Select Committee while introducing Explanation No. 2, had pointed out that deaths occurring within a period of three months after the death of any person should be treated as one death. Therefore, there should be no double taxation on that property. The basic question comes whether the period of three months which has been given under Explanation No. 2 is quite sufficient or not. When deaths take place in quick succession and it is demanded that some concession should be made in the case of immediate succession, then we ought to see the propriety on the basis of judgment, equity and fairness to the people. So far as the question of finances is concerned, I don't know if the period of three months is raised to one year it is going to naturally affect the total duty of the country. My amendment No. 85 lays down that instead of three months it must be one year. It is very difficult to argue whether three months is more suitable or one year is more suitable, it is a question of judgment and propriety of the enactment. Three months, in my humble opinion, is no period at all. It must be at least one year and I don't want to quote other countries for its extension to three years or five years. A period of one year in our country is a very reasonable period. After four months if a man has to pay double duty, then naturally he feels the burden. The second amendment No. 68 is a consequential amendment of amendment No. 85, which deals with Explanation No. 2. The second point which I just referred to, *viz.* that the allowance has been extended over a period of five years, I also agree to it and I say that the period should be extended to 5 years.

405 P.S.D.

If the duty in case of deaths occurring within a period of one year is exempted naturally we have got only four years for the allowances to be made. Therefore my amendment No. 68 runs as follows:

"Where the second death occurs within two years of the first death, by fifty per cent:

Where the second death occurs within four years of the first death, by 37½ per cent:

Where the second death occurs within four years of the first death, by 25 per cent:

Where the second death occurs within five years of the first death, by 12½ per cent."

That means that the concession period has not been extended. It has remained at five years and within these five years, for the first year no duty shall be levied. So far as the remaining four years are concerned, the duty is reduced by 12½ per cent. every year, which, I think, is more reasonable. I don't agree with the argument advanced by Kaka Sahib Gadgil that the sorrow of death is rather softened by the inheritance. There are so many factors by which the sorrow of death can be softened—might be due to a second marriage. Having regard to the sentiment of the nation, we are not to make any enactment which affects very broadly the sentiment. We have also to keep in view the finances of our country. If they are reduced or lessened to a great extent, naturally we will not care for the sentiment of the people also. If I mistake not, if a period of one year is totally exempted under Explanation No. 2, it will hardly have any financial effect—it cannot be more than half per cent. These are my amendments and I appeal to the hon. the Finance Minister to kindly look into them and be good enough to accept them.

11 A.M.

Shri V. P. Nayar: Mr. Chairman, there is some danger in this provision as a whole because I presume that

[Shri V. P. Nayar]

relief in cases of quick succession is to be granted, so that there may not be a complete depletion in the productive economy of the land. I suppose Mr. Deshmukh also hinted to in his speech, but, Sir, one point has been completely missed in this section, and that is, this Section which affords relief on the basis that the productive economy should not be disturbed, is likely to be taken advantage of in the case of properties which are not productive at all. I think Government have a genuine fear that what is obtained by the levy of estate duty will not be invested in productive means to compensate on one side. If the Government do not have a genuine fear, I do not think that a provision like this is at all necessary. One can understand that some relief is given on successive taxation in the case of a national emergency, but one cannot understand why this concession should be given as a rule in case of successive deaths, when we know as a matter of fact, that all the investments are not in productive business alone. There is some tendency on the part of some people to invest money on the least productive property. As the House knows and the Finance Minister knows, that money or property is not invested always in productive business. For example, there are several rich people who own thousands of acres of land which they do not either cultivate themselves, or give to people who do not have land and who wish to cultivate. This rule will be advantageous to such persons. In this connection I would like to read out a passage, not from any one of our economists but from an economist whom Mr. Deshmukh, I am sure would also like to hear. I am reading from page 232 of the book, "Public Finance" by Ursula K. Hicks.

"If capital taxes are not accompanied by a compensatory increase in real investment they may lead to "capital consumption"—a deterioration in the community's provision for the future, relative to its provision for the

present. This will only happen if saving, equal in value to the taxpayer's loss of capital does not take place somewhere else in the community—"

Here is a case where Government wants to give some relief, but I think, Sir, some means ought to be found, by which we can completely exclude this non-productive property from the benefit of such relief. Personally I think, Sir, that such exemption is necessary only in the case of a national emergency as otherwise there will be a tendency for the rich to invest in non-productive properties. I am not going to get into the controversy whether the rich man at Malabar Hill dies less frequently than the rich man at another place. My point is that there will be a tendency for the people somehow to avoid the duty and we know especially that the richest classes of people will not give this duty to Government, and it will be a source of encouragement to such people to further invest their money on non-productive business in order to get advantage of this provision.

Shri C. R. Iyyunni: Nos. 436, 437 and 438 are the three amendments that I have tabled to Clause 30.

One observation I have to make is that when the taxation measure is to be passed in this House, it is absolutely necessary that the economic condition of the people should be looked into. It is true that there are various measures of taxation in highly industrialised countries in the world. That does not necessarily mean that in a country, where the economy is not very much developed the same thing should be adopted. What is it that this Explanation seeks to provide? In the case of a second death taking place within three months, that is ninety days, it is exempt from duty. In respect of those properties on which duty has been paid and on which duty has again to be paid within three months, then exemption is granted. But if a member of the family who inherits the property dies on the 91st day, in that

case that property will be liable to pay a duty according to the schedule. That is, only 50 per cent. reduction is granted. What I submit is that in a country where the Public Health Department has not come up to its height, where the rate of mortality is higher than in any other country—perhaps it is the highest in the whole world—certainly it is absolutely necessary that the period should be a bit further extended from three months. My submission is it should be extended to one year.

Shri Punnoose (Alleppey): Is the hon. Member aware that the mortality rate is miserably low among the rich?

Shri C. R. Iyyunni: To my mind I do not think there is any statistics with regard to the rate of mortality among the rich?

Mr. Chairman: I think that has a remote bearing on this!

Shri C. R. Iyyunni: I am talking as far as the whole country is concerned. What I am submitting is that even in countries like U.S.A., Japan and so on the period is much more than three months. Sometimes it goes up to two years or three, four or five years. According to clause 30 of this Bill it is only three months. If in the same family another member who has inherited the property dies within one year there need not be duty leviable on that property. The duty has already been paid within that year.

With regard to the other matter there is only some slight change in the rate that I have submitted. The Finance Minister may consider it and accept it because after all the difference is very little. And if he does it, certainly the people will appreciate it very much.

Mr. Chairman: I shall now call upon the Finance Minister.

Shri R. K. Chaudhury (Gauhati): I want to say a few words.

Mr. Chairman: I hope the hon. Member will add something new. I want

to make one announcement before the hon. Member begins. Originally three days were fixed for the discussion of clauses 30--34, and we were going to have an afternoon sitting tomorrow and, if necessary, day after tomorrow. But instead of that it is proposed that we make a change and meet this afternoon. Tomorrow we may sit in the afternoon, if necessary. Because, at least so far as I have been able to see from the discussion of clause 30, we are bound to finish it by tomorrow. And we have three days for these five clauses, 30--34. So we might dispense with tomorrow's afternoon session.

Shri R. K. Chaudhury: I am very glad to know that my hon. friend the Finance Minister is shortly going to visit the poor province of Assam. And I do not depend on the newspaper or the press for this information, I had it first-hand from his host and I am glad...

Mr. Chairman: I think the hon. Member might avoid these things because the other Members may not have much interest in them.

Shri R. K. Chaudhury: If he had only visited my province before this Estate Duty Bill was brought before this House, not only the hon. Members of the House but also the hon. Finance Minister would have been persuaded to accept an amendment like this:

"That the Act shall extend to the whole of India excepting the State of Jammu and Kashmir and the State of Assam".

Shri Punnoose: Because the mortality rate is very high in Assam?

Shri R. K. Chaudhury: Yes, I was coming to that. Then he would have been convinced that in a State like Assam where the rate of mortality is very high it would be futile, it would be unnecessary to subject the people of the province to the harassments which are usual...

Shri A. M. Thomas (Ernakulam): What is the birth rate?

Shri B. K. Chaudhury: I may tell this to my hon. friend that if we are to counteract the rate of mortality by the birth rate I will have to invite my hon. friend to come and live there. I hope he would gladly accept it because after all Assam may be poor in various respects but it is not poor in beauty or its womenfolk.

I was saying that in that State the mortality rate is indeed very high. Kala-azar in spite of Dr. Brahmachari's injections, sweeps absolutely clean village after village of its population. Cholera takes a very large toll every year. Not to speak of kala-azar and cholera, ordinary malaria claims a large number of victims. If the hon. Health Minister was here, I would have charged her of being too obliging to the hon. Finance Minister in order to let death stalk freely in the part of the country which is known as Assam. If he stays there a little more time,—I hope he will not stay there many days and will not visit any place other than Shillong—he will be infected with malaria at once, unless he takes the precaution of taking a dose of quinine every day. That is what happened to Pandit Thakur Das Bhargava. He was there for seven days and when he came back, he came with shivering fever. This is the state of that part of the country. I submit, in a place where numerous deaths occur in the same family within one year, some exemptions should be made in favour of Assam. As a matter of fact, I would say that the whole of India is almost on the same footing from this point of view. At least one year's time should be granted. Even for *Adya shraddha* one year is taken. I do not know whether the Finance Minister claims to be a Brahmin or not. But, I think this estate duty is a vendetta on the action of those Hindus who are not paying their proper duty to their priests at the time of death. They are not paying the proper duty. In order to have a revenge on those classes of Hindus who do not observe the annual funeral ceremonies, this Bill has come, which wants to take much more than what the Brahmin would have taken.

Dr. Krishnaswami (Kancheepuram): What does it mean?

Shri R. K. Chaudhury: I do not know if that custom is prevalent in the part of the country of my hon. friend. But, here, not only according to custom, but according to religion also, funeral ceremonies, and *adya shraddha* have to be performed and sometimes the rich people have to pay something like Rs. 10,000 or Rs. 20,000, at the time of the ceremonies.

Mr. Chairman: The hon. Member will please come to the clause under discussion.

Shri R. K. Chaudhury: My point is that at least for one year exemption ought to have been granted, which even a Brahmin should allow. If at least within one year, another death takes place, exemption should be granted. That must at least should be conceded. Particularly I again request the Finance Minister to have such safeguards in this Bill which would protect the ordinary person of moderate means. We should enable him to fight against the estate duty. Once you are assessed, it is very difficult to get rid of that assessment. Once you are on the border line of assessment, it always happens that you are subjected to assessment and you do not get any relief.

श्री एन० एल० जोशी (इन्दौर) :

मैं एक सवाल पूछना चाहता हूँ। एक सफाई चाहता हूँ, और वह यह है कि क्या एक संयुक्त कुटुम्ब में सरवाइवरशिप के आधार पर विरासत में मिली हुई ५० हजार से कम मूल्य की वायदाद पर भी दूसरी मृत्यु के सत्र मृत्यु कर लग जायेगा, या उसे मुक्त माना जायेगा ?

Shri C. D. Deshmukh: The last speaker from Assam spoke of the border line of assessment. All I know is that his observations were more or less on the border line of relevancy. Many of the considerations which he advanced were of an embarrassingly

personal nature and I do not think they call for any reply. There is only one point which he has raised and that is the possibility of making a distinction between one State and another on the basis of rates of mortality. I think the House will agree that this is a principle which we could not possibly accept, because, then we would plunge into the unplumbed depths of complexity, not to speak of possible discrimination.

In regard to the bulk of the amendments, roughly there are two categories. One goes to the root of the matter, in regard to the socio-economic principles that are imagined to govern this particular clause. Many of the arguments which have been used by Mr. V. P. Nayar would affect the whole pattern of the Bill and not particularly this clause itself. That is to say, if one has to encourage capital formation or savings or investment, that is a point of view that would have to be kept in mind throughout, and not with reference to just one clause which seeks to temper the wind to the shorn lamb.

There is the amendment No. 450 of Mr. K. K. Basu. Here again, I should say that the motive force behind this clause is not financial or socio-economic considerations so much as administrative and psychological. The administrative consideration is this. When we have once given a comprehensive definition of property in sub-clause 15 of clause 2, if on account of the impact of this levy on the Hindu undivided family, there are bound to be various complications, some of which were referred to by Mr. More, we do not consider it worth while to add to them by enacting a separate definition of property for the purpose of this clause. There is, of course, some authority for this, in the sense that in the U.K. this kind of relief which we are giving by this clause 30 is confined to land or business and not to all property. But, here, in this country, we have to take note of the psychological atmosphere. That is to say, when the tax-gatherer enters the house

struck by death and deep in mourning, possibly, there would be far greater repercussions than in a country like the U.K. I do not quite agree with Mr. Gadgil when he says that the joy of inheritance...

Shri Gadgil: I put it negatively: sorrow of death is softened by the inheritance.

Shri C. D. Deshmukh: I would like to put it this way: when the satisfaction of succession is spoiled by sadness or sorrow, we want to soften it by this clause in regard to quick succession. Therefore, I think this clause is intended to apply when, shall we say, the scythe of the reaper moves a bit more rapidly than normally.

That brings me to the question of mortality rates. I have some figures here. But, they are not with reference to Mr. More's query. These figures refer to a point made by some other hon. Member there. In India, deaths under one year, in a thousand, is 101.2; in UK 32.7; France 58.1; in USA 34.1. There is a very large difference.

Shri R. K. Chaudhury: On a point of information, Sir, is the Government going to give us any concession or allowance on account of births in a family, just as they do in other countries in the West, so that they may be counter-acting on each other?

Shri C. D. Deshmukh: We are not concerned here with the birth rate. This is a death duty and not a birth duty.

Shri R. K. Chaudhury: It is an one-sided affair.

Shri S. S. More: Not a birth prize.

Mr. Chairman: We are concerned with death duty here.

Shri C. D. Deshmukh: I was going to say that when the expectation of life in India is 29 or 30 years as against 55 or 60 in other countries, statistics are coloured very largely by the huge mortality in this country of children under one year. Then, in the age group 1 to 19, our figures are also

[Shri C. D. Deshmukh]

very high. Death among adolescents is 11.1 in India, 1.1 in the United Kingdom; France 1.6, U.S.A. 0.9. Then, in the age group 20 to 49, we have 8.6 for India, 2.7 for U.K., 3.4 and 3.2 for France and U.S.A. So, although one might say that the relative difference still continues, the absolute figures are so small, that one need not take these into account. Altogether, on account of the difference in mortality rates, a difference in the scale of relief is not called for.

As regards death among the rich, or deaths classified as rich, middle and poor, I am sorry I have no statistics. Only the Subhashitkar says:

धनवान् बलवान् लोके सर्वः सर्वत्र सर्वदा ।

A rich man is always a powerful man. So may be that he may live longer. Another Subhashitkar says:

धनी जीयानेकः सकलगुणहीनोऽपि
धनवान् ॥

A wealthy person, even if he has no merit, may live very much longer. But, all these are other people's experiences. I do not know any thing about them. And, anyway, they are qualitative and not quantitative which is what was required by the hon. Member. Therefore, I do not think it is worth while our trying to redraft this clause in the light of some fancied differences between mortality rates among different classes or generally in this country and in any other country.

Then, Shri More had some doubts about drafting. I personally think that this clause is clear enough, and that is, it wishes to give a certain concession for quick succession, all other things being equal. Whatever it is, whatever property falls to be taxed again—it may be part of a property, it may be any other object which is defined as property—we have to take into account not only Clause 6, but also Clause 7. Taking all that into account, all that we wish to avoid is property having to be taxed again within a certain period. And therefore, I do not think, Sir, that in construing there will be any particular difficulty.

I cannot quite understand his statement that the proviso is a concession. It is not a concession because the reduction is calculated on a lower value, and if less is deducted, then more will be assessed. Therefore, I do not think his fear is well-founded.

Now, as regards the points made by other Members—they have either suggested enhancement of relief or they suggest the increase of the period or the increase of the percentage or both; and of course, there are one or two amendments which suggest limitations of the scope of the benefit—all I would like to say at the outset is that this is a mutation duty, i.e., in theory it has to be paid every time property changes hands on account of death. That was the decision which we took when we approved of the principle of the Bill. And therefore, needless to say that unlike succession duty, it does not take into account all the consequences on the successors, and that is why the duty is the same whether the deceased leaves six children or more or less. Now, what do we want to achieve by quick succession relief? By quick succession relief we merely try to moderate the harshness of its effect, and, as I said, largely from the psychological point of view. I must confess that. But this attempt at moderation should not go so far as to prevent its levy at all except in an exceptional case as some amendments seem to suggest. In other words, it is very difficult to find the golden mean when there are so many variables and imponderables and immeasurables. We can only go in a matter like this on the experience of other countries. Now, in Australia and New Zealand they give no relief at all. Apparently, they are not bothered by the sort of problems which are facing many of our Members here. In the United Kingdom, relief is given on the same scale as proposed in our Bill, but no exception is made for deaths within three months. That was a very special concession which was made by us at the Select Committee stage. And the reason why we chose three months,

and not one year, was that we had epidemics in mind. And we felt that if a succession of deaths took place in the same family as happened in 1918, I think, when the influenza epidemic raged in this country, deaths did occur in very quick succession—fortunately, since then, we have not had an epidemic of that kind, but we thought it wise to provide against it. Therefore, there is no particular point in saying that three months is too little and one year is too long. An epidemic surely does not come and stay for one year. Therefore, it departs from the very basis of the relief that we are seeking to give.

Now, as I have pointed out, Sir—again I am referring to the United Kingdom provisions—there the relief is not given on all property, but is confined only to land and business. And that is the practice which has been adopted also in the measures of Pakistan and Ceylon. In the United States of America, the system is a little more complicated, but the effect of it seems to be that the deduction of property previously subject to tax is available only to one of the descendants of the estate. There must be an intervening estate tax paid before a second deduction can be secured. So, it is a more complicated procedure which we have not thought fit or advisable to adopt.

Now, I would like the House to appreciate that, according to our Bill, therefore, we give relief on the value of the whole property, and that we have inserted this special provision where no duty is payable in the case of the second death. On the whole, Sir, after considering very carefully the observations made by hon. Members, I think we ought to reject all the amendments that have been moved, and I oppose them.

Mr. Chairman: Amendment No. 528 which was moved by the hon. Minister has already been passed, and therefore, amendment Nos. 75, 413, 242 and 83 which are almost the same are barred. I would like to put all the

other amendments together to the vote of the House.

Shri K. K. Basu: They are quite different.

Mr. Chairman: If, of course, any hon. Member wants.....

Shri K. K. Basu: There are amendments to increase. Certainly we do not support them.

Shri C. D. Deshmukh: I think theirs will have to be separated.

Mr. Chairman: Supposing there are some who want only an increase, and some who want a decrease in the period, because I do not have a classified list before me I have to put them together.

Shri S. S. More: If I may make a suggestion, those who are in favour of an increase may vote for all the amendments regarding increase together, and those who are opposed may vote together for the other amendments.

Mr. Chairman: There are certain amendments which are of a different nature also. Let me put each amendment separately.

The question is:

In pages 18 and 19, for clause 30, substitute—

“30. Allowance for quick succession.—Where the Board is satisfied that estate duty has become payable on any property passing upon the death of any person and that subsequently estate duty has again become payable on the same property or any part thereof passing on the death of the person to whom the property passed on the first death, the amount of estate duty payable on the second death in respect of the property so passing, shall be reduced as follows:

Where the second death occurs within five years of the first death, by hundred per cent;

[Mr. Chairman]

Where the second death occurs within six years of the first death, by fifty per cent;

Where the second death occurs within seven years of the first death, by forty per cent;

Where the second death occurs within eight years of the first death, by thirty per cent;

Where the second death occurs within nine years of the first death, by twenty per cent;

Where the second death occurs within ten years of the first death, by ten per cent;

Provided that where the value on which the duty is payable on the second death exceeds the value of the property on which the duty was payable on the first death, the latter value shall be substituted for the former for the purpose of calculating the amount of duty on which the reduction under this section is to be calculated.

Explanation.—For the purpose of this section every death shall be deemed to be a second death in relation to the death immediately preceding."

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 27, for "Where" substitute "During a national emergency when".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 29, after "passing" insert "or deemed to pass".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 31, after "passing" insert "or deemed to pass".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, for lines 35 to 44, substitute—

"Where the second death occurs within two years of the first death, by fifty per cent;

Where the second death occurs within three years of the first death by thirty-seven and a half per cent;

Where the second death occurs within four years of the first death, by twenty-five per cent;

Where the second death occurs within five years of the first death, by twelve and a half per cent".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, omit lines 35 to 38.

The motion was negatived.

Mr. Chairman: The question is:

In page 18—

(i) line 35, for "one year" substitute "three years".

(ii) line 36, for "by fifty per cent" substitute "no duty shall be levied"

(iii) omit lines 37 to 40.

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 36, for "by fifty per cent" substitute "no estate duty shall be payable".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 38, for "forty per cent" substitute "fifty per cent."

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 40, for "ten per cent" substitute "forty per cent."

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 42, for "twenty per cent" substitute "thirty per cent".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 44, for "ten per cent" substitute "twenty per cent".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, omit lines 39 and 40.

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 40, for "ten" substitute "fifty".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 40, for "ten" substitute "thirty".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 42, for "twenty per cent" substitute "fifty per cent".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 42, for "twenty" substitute "forty".

The motion was negatived.

Mr. Chairman: The question is:

In page 18, line 44, for "ten" substitute "twenty".

The motion was negatived.

Mr. Chairman: The question is:

In page 19,

(i) line 5, for "three months" substitute "one year"; and

(ii) line 9, for "three months" substitute "one year".

The motion was negatived.

Mr. Chairman: The question is:

In page 19, line 5, for "three months" substitute "one year".

The motion was negatived.

Mr. Chairman: The question is:

In page 19, lines 5 and 9, for "three months" substitute "six months".

The motion was negatived.

Mr. Chairman: The question is:

In page 19, lines 7 to 9, omit—

"and no estate duty shall again be payable on the same property by reason of the subsequent deaths occurring within the said period of three months".

The motion was negatived.

Mr. Chairman: The question is:

In page 19, line 9, for "three months" substitute "one year".

The motion was negatived.

Mr. Chairman: The question is:

In page 19, after line 9, insert—

“Explanation 3.—Notwithstanding any provision in any other section of the Act, the property for the purpose of this section includes agricultural land and implements, one family dwelling house and such industry as Parliament may by law prescribe.”

The motion was negatived.

Mr. Chairman: The question is:

“That Clause 30, as amended, stand part of the Bill.”

The motion was adopted.

Clause 30, as amended, was added to the Bill.

Clause 31.—(Exemption of interest of Hindu widow etc.)

Shri G. D. Somani: I beg to move:

In page 19, for clause 31, substitute—

“31. When on the death of any person governed by any school of Hindu Law, his interest or any part of his interest in any property has devolved on his widow, then on the death of the widow no estate duty shall be leviable in respect of property thus passing or such interest or any part thereof to the reversionary heirs of her husband”.

Dr. Krishnaswami: I beg to move:

In page 19, for clause 31, substitute—

“31. Where on the death of any person governed by any school of Hindu Law, his interest in any property has devolved on his widow, the duty leviable shall not exceed half of what it would have been, had the property devolved absolutely.”

Shrimati Sushama Sen (Bhagalpur South): I beg to move:

In page 19, for clause 31, substitute:

“31. When on the death of any person governed by any school of Hindu law, his interest in any property has devolved on his widow, then no estate shall be leviable in respect of property thus passing to her.”

Shri N. Somana (Coorg): I beg to move:

(1) In page 19, line 10, after *“dying”* insert *“or remarrying”*.

(2) In page 19, line 13, after *“dies”* insert *“or remarries”*.

Shri S. V. Ramaswamy: I beg to move:

In page 19, line 13, omit *“within seven years of her husband’s death”*.

Dr. Krishnaswami: I beg to move:

In page 19, line 13, for *“seven years”* substitute *“fourteen years”*.

Shri C. D. Deshmukh: I beg to move:

In page 19, lines 14 and 15, for *“persons who were members of a coparcenary immediately before or after his death or any of them”* substitute *“the reversioners or any of them”*.

Shri Barman (North Bengal—Reserved—Sch. Castes): I beg to move:

In page 19, lines 14 to 18, for *“devolves upon persons who were members of a coparcenary immediately before or after his death or any of them, no estate duty shall be leviable in respect of the passing of the interest aforesaid on the death of the widow, if and in so far as estate duty had been paid in respect of the passing of such interest on the death of her husband”*.

Substitute—

"devolves upon any person where on the death of any person governed by any school of Hindu Law his interest in any property has devolved on his widow then if the widow dies within fourteen years of her husband's death and the interest devolves upon any person either by survivorship or succession, no estate duty shall be leviable in respect of the passing of the interest aforesaid on the death of the widow if and in so far as estate duty had been paid in respect of the passing of such interest on the death of her husband."

Shri G. D. Somani: I beg to move:

In page 19, line 15, after "coparcenary" insert "or not".

Dr. Krishnaswami: I beg to move:

In page 19, line 15, for "any of them" substitute—

"or to any other heir under any school of Hindu law."

Shri K. K. Basu: I beg to move:

In page 19, line 15, after "or any of them" insert—

"or to his immediate reversioner".

Shri N. Somana: I beg to move:

In page 19, line 17, after "death" insert "or remarriage".

Shri Mulchand Dube: I beg to move:

In page 19, line 13, omit "within seven years of her husband's death".

Shri C. D. Pande: I have given notice of an amendment to Clause 31, today.

Mr. Chairman: It cannot be taken up today.

Now, there will be general discussion on the clause as well as the amendments moved.

Shri C. D. Deshmukh: I have moved amendment No. 531. The justification for that is that clause 31 was intended to apply to all cases; where the estate known as Hindu widow's limited interest passed to reversioners, no estate duty would be payable, if the widow died within seven years of her husband's death. The opening words of this clause merely indicate that it is intended to apply in all cases, but a doubt has arisen because of the words 'persons who were members of a coparcenary'. They give the impression that its application is confined only to cases governed by the Mitakshara school of Hindu Law. The amendment clarifies the position to the effect that this is not so.

Mr. Chairman: I shall put only this amendment.

Dr. Krishnaswami: I would like to speak, Sir.

Shri C. D. Deshmukh: It might be put at the end, Sir. There may be some other amendments which may say that the whole clause may be removed. On the substance of it, there may be controversy.

Dr. Krishnaswami: Then it is all right.

Shri S. V. Ramaswamy: Sir, I will speak on my amendment. Sir, my amendment is a brief one. The purpose of this amendment is only to see that the lifetime of the widow, so far as this Bill is concerned, may not be seven years. The Bill, as it stands, seeks to impose estate duty if the widow dies after seven years of her husband's death. I do not know why the State should step in and say that there will be no duty if she dies within seven years of her husband's death and there will be duty if she dies after seven years. I contemplate a situation like this: the reversioners will be praying for the speedy death of the widow—the unfortunate widow—so that they may not be liable to pay the estate duty and, on the other hand, the State will be praying for her long life so that they may be able to collect estate duty.

An Hon. Member: Widows have a chance.

Shri S. V. Ramaswamy: In between the two prayers—the prayer of the reversioners that the widow may die quickly and the prayer of the Government that the widow may live longer than seven years so that they may be able to collect the tax—the lot of the unfortunate widow will be rather miserable. (*Interruptions*). If estate duty has to be collected on the estate passing after the death of the husband, I do not see why it should be collected again, whether the widow dies within seven years or after. That is my only purpose. I do not want that this Bill should interfere with her lot—she may live happily according to the time allotted to her by her own destiny—and step in either to tempt the reversioners to limit her lifetime within seven years of the death of the husband or to seek to extend it beyond seven years in order that the duty may be levied, I hope, Sir, the hon. the Finance Minister will persuade himself to accept my amendment and see that no time-limit is set upon this. Thank you.

Shrimati Sushama Sen: My amendment to clause 31 is No. 246. My object in moving this amendment is this. The condition of Hindu widows in the country is well known. The Hindu law in the revised form has not been passed yet. So I fear that this clause is going to make her position even more hard for her than what already exists. I think that the Government amendment which was just moved by the hon. Finance Minister does not meet my point. The original clause says:

“...if the widow dies within seven years of her husband's death....”

and again:

“...if and in so far as estate duty had been paid in respect of the passing of such interest on the death of her husband”.

Supposing the assessment of the husband's property is still pending, and the wife dies, then what happens? What will happen to the minor children or those who are dependent on her?—there are many helpless invalids old parents, who have no other source of maintenance and of paying the Estate duty?

They are not able to pay the estate duty twice over. The clause as it stands once the husband dies estate duty should have been paid. Then where is the exemption? Suppose she dies within one or two years after her husband's death? What would be the position? It is the same as under the clause of quick succession of deaths which has just been argued and passed? So I would like the Government to clarify in what way they are going to give relief to the Hindu widows? I do not see that this clause, as amended by Government, is going to have any effect on the property devolving on Hindu widows. Sir, I would like this point to be clarified.

Shri B. K. Chaudhury: I thank you, Sir, for giving me this opportunity. I was reading this clause very closely and I was tempted to oppose the provision of this Bill altogether. But having heard my hon. friend, Mrs. Sushama Sen, I feel that it would meet the needs of the case if her amendment is accepted. Now, Sir, to whom do we wish to give relief? We should, first of all, try to give relief to the widows, Hindu widows who are going to get a limited estate only. Why should her estate, which she inherits, be subjected to estate duty at all? She has got only a limited estate. She does not inherit the entire, absolute right.

Shri A. M. Thomas: She is the legal owner for all practical purposes.

Shri B. K. Chaudhury: She is the legal owner for all practical purposes, but she cannot sell or dispose of that property. She cannot make a gift of the property. A rich widow who inherits her husband's property cannot even make a suitable gift for a university or any such thing. She can

make an agency for a legal necessity and the burden of proving that legal necessity will be on the person who alleges it (*Interruption*). She will have to pay so much estate duty and she will get only a limited estate. Therefore, our first duty ought to be to make some provision for the protection of that widow's interest. The rest of the clause is immaterial, so far as my idea goes. I do not understand the philosophy of this—that minor children of a deceased person will have to pay estate duty, whereas on account of the intervening period, on account of the intervening succession, the distant relative will be exempt from paying this estate duty. What is the logic of it. Suppose a widow lives a long time and the property of her husband ultimately reverts to a relation which may be a distant, distant cousin, with whom perhaps the widow or her husband had nothing to do during their lifetime. Still that reversioner will be exempted from paying estate duty provided the widow dies within seven years. It is very easy to make widows die in a short period. When there is a scheming reversioner, when there is a clever reversioner, he can make the widow die.....

The Deputy Minister of Finance (Shri M. C. Shah): You want exemption for him?

Shri R. K. Chaudhury: The reversioner gets the exemption. He may be a distant cousin, a remote cousin who has perhaps been praying day and night for the death of the widow within seven years so that he may come into the property. He gets the benefit of this provision. And the widow herself, who had inherited a limited estate, does not get any benefit. Where is the logic of it? In the matter of collecting taxation, there should be some logic in the whole scheme. There is absolutely no logic here. You do not give relief to the widow, but you give relief to a person who is perhaps entirely unconnected with the family, who is per-

haps at loggerheads with the family, who is perhaps in litigation with the husband in order to get a portion of the property. That reversioner will be exempted from paying any estate duty provided the widow dies within seven years. Now the best course for all the reversioners would be to revive the old *Sati* system in that line. After the widow succeeds she should die as soon as possible in memory of her husband. I have read in the papers that the system has been practically revived again. There have been a number of cases in Delhi itself. The provisions of the Clause, of which I think, my friend Mr. Shah is the author, would enable the orthodox Hindus to revive the *sati* system and give benefit to the reversioner. If the wife dies with the husband or after the husband, because the moment the husband dies she becomes the successor to the property, the property becomes exempt from estate duty for the reversioner. I cannot see the logic of "seven years". How can the lease of life of a widow be given as "seven years"? After all what is the meaning of this "seven years"? Is it taken from that sense when a husband goes away and is not heard of for seven years then the widow can remarry? Let us now do something about it. You cannot say that the average life of a widow is seven years in which case you will have to say that no widow has a right to live after seven years. Is that the logic of it? I will thank the hon. Minister for giving us a suitable explanation for this.

Dr. Krishnaswami: I should like to make a few observations on this clause and I hope my friend Mr. Gadgil, who is present here, will lend a sympathetic ear to my appeal.

An Hon. Member: Is he the Finance Minister?

Shri Raghavachari (Penukonda): On a point of order! It is quite inconsistent with the dignity of this House that Members, who do not form part of the Government, should be asked

[Shri Raghavachari]

to listen and give some sympathy and support.

Mr. Chairman: I entirely agree. I have got one suggestion to make. It will be better for hon. Members not to ask for explanations from non-official Members.

Dr. Krishnaswami: I have not asked for anything from any hon. Member but it is open to ask hon. Members to be attentive.

Mr. Chairman: All the same it is not proper that hon. Members should always be addressing Mr. Gadgil or any particular hon. Member. After all what Government does and through whom is a different matter.

Dr. Krishnaswami: I am quite aware of the constitutional position. All that I want is to enlist his powerful support for the case that I am pleading and I hope at least this particular important clause will receive his earnest attention.

This particular clause, if I might say so, has been very badly worded. "Exemption of interest of a Hindu widow dying within seven years of her husband's death" is the marginal note that has been put to this clause. What exactly is the interest that a Hindu widow gets? It gives the Hindu widow a life interest. According to this clause I am not able to make out whether the life interest of a Hindu widow is exempted from duty. This was brought to the notice of the House when Mrs. Sen moved her amendment in the House that it would be hard to tax the life interest of the Hindu widows exactly on the same footing as the absolute interest that devolves on any other individual.

12 Noon.

Secondly when a widow dies what is the interest that devolves on the reversioner. With her death itself that interest is liquidated. Therefore,

one finds it rather difficult to apprehend the full meaning of this Clause. But apart from this, Mr. Chairman, I should like to place before this House certain aspects of injustice which are likely to accrue by our taxing the widow's life interest.

The widow's life interest has been in Hindu law—particularly in the Mitakshara system of Hindu law, nothing until the Legislature took into its head to pass in 1938 a piece of legislation conferring on the Hindu widow a life interest. The trend of social opinion in this country and the trend of justice also is in favour of enlarging the Hindu widow's interest and giving her more than what she had previously got viz. what was known as income previously, is now known as "life interest". I am aware of the argument that has been propounded that she has certain rights over the estate but the rights that she has are of an essentially limited character. She can only spend on legal necessities. She can, of course, sell a portion of the corpus to defray the taxation expenditure. For instance when the estate duty is levied on her property and when she does not have sufficient income to meet the estate duty then she would be perfectly within her rights to sell away a portion of the corpus from which she gets a life income. In that event what happens? You indirectly reduce the amount of her life income which she is entitled to get and I, therefore, feel that it is certainly a great act of injustice that the widow should be compelled to pay an estate duty.

Secondly this is a point that I would like to place before those who have given some thought to this question. What exactly is the social policy behind this particular clause? I have been trying very hard to find out what exactly is the social policy behind this clause: It is to be realised that so far as this particular clause is concerned we have sought to bring about taxation of some interest within about

seven years. Whether she dies within seven years or after seven years no interest of hers devolves to any of the reversioners.

There is another small point to which I should like to make a reference. Even if the Clause, as it stands now, requires some amendments and the Finance Minister moved an amendment some time ago for the purpose of clarification. I have also moved an amendment which meets the object much better than the amendment suggested by the official benches and it is for this purpose that I should like my friend Mr. Gadgil to give me his earnest support. The amendment reads as follows:

"devolves upon any person where on the death of any person governed by any school of Hindu Law his interest in any property has devolved on his widow then if the widow dies within fourteen years of her husband's death and the interest devolves upon any person either by survivorship or succession, no estate duty shall be leviable in respect of the passing of the interest aforesaid on the death of the widow if and in so far as estate duty had been paid in respect of the passing of such interest on the death of her husband."

I have assumed for a moment that it is logical to tax.....

Shri R. K. Chaudhury: Does it help the Hindu widow?

Dr. Krishnaswami: I assume for a moment that on some grounds the House will assume that in spite of all these pleas that have been put before the House, they do not find favour yet I want to make them look more sensible. As the Clause now stands, it reads as follows:

"Where on the death of any person governed by any school of Hindu law"

Therefore, I suggested the amendment that even whether a person takes, either by survivorship or by succession, any property, estate duty shall be leviable if the death occurs within fourteen years. The reason why I put "fourteen years" was to mitigate the difficulties of the estate which might have to pay more if it were only "within seven years". But even if you are not prepared to accept seven years, I think still this amendment would be technically better than the official amendment that has been suggested by the Finance Minister. Personally I should be happy if he could have the widow's life interests exempted altogether. I think it would be very just if that it was done. But if that is not possible, the other amendments that I have suggested may be taken up, namely, leaving half the rate of duty which would be leviable on an absolute interest. I have great pleasure in supporting the amendment that has been moved by Mrs. Sushama Sen.

Shri N. Somana: This is a clause which I feel has no justification to be on the statute book at all. I have been trying my best to find out what really this clause meant and what is the necessity for the introduction of this clause in the Bill. From a reading of the report of the Select Committee that sat in 1948 when this Bill was introduced earlier, I found it was that Select Committee that introduced this section for the first time, though this clause was not there in the original Bill. I feel, Sir, that there is absolutely no justification for this exemption that is found in this clause. My reasons are firstly, that it is against the tenor of section 30. I really do not understand why in the case of death of a Hindu widow there should be no taxation at all, while in the case of other persons, there is taxation within even one year. I feel that in this case, the position in the case of the widow's death is certainly better than even the death of a son in the case of a family, where the father and the son

[Shri N. Somanaj]

are members of a co-parcenary. My submission is that, normally, succession does not go to the co-parceners. It is only in extraordinary cases where a person dies without leaving an issue that the succession goes to the co-parceners. So, in the normal course of things, they do not expect any estate to get at all. I do not see any reason at all why there should not have been any taxation even when the widow dies even though after the death of her husband.

Then there is another injustice that is inherent in this clause. Sir, you are aware that a Hindu widow, on her re-marriage, loses her right to the properties of her husband. In law, it is civil death, and the property immediately goes to the reversioners. Now, we shall take the case of a Hindu widow dying or re-marrying even within six months after the death of her husband. My humble submission is that immediately the property goes to the reversioner, and there is no reason why in the case of the reversioner who enjoys the property by a re-marriage of a widow should not be taxed. So, as I submitted, there is an inherent defect in this section and I was trying to introduce an amendment whether re-marriage also could be introduced. But technically my feeling is that it may not be quite within the scope of this Bill, because though this Bill is called "Estate Duty Bill," it is essentially a duty levied on the death of a person. So, technically, my amendment may not be within the scope of the Bill, but I do feel it as an argument in favour of the deletion of this clause altogether. This inherent defect is there, and there is a clear injustice done to the persons in the case where a widow re-marries and interests pass to the reversioners. I do not see any reason at all, as I said in the beginning, why there should be no exemption in the case of a Hindu widow. I read through the report of the Select Committee that was submitted in 1948, but I do

not find any reasoning therein except that they say that this new clause was thought necessary by them. I therefore feel that this section should either be deleted or the period must be reduced, say at least one year, so that it may be quite in keeping with the tenor of section 30. I do not know whether I have made my point very clear. I again refer to section 30 in which connection I have stated that if a son dies after the father's death, the property is taxable, but if a widow dies after the husband dies, within one year, no tax is payable at all. I do not see why a widow's death should be placed in a much better position than the death of a son. I do not think the framers of this Bill have given sufficient thought to this matter. I thought this section was quite unnecessary. If this section is to be retained at all, I should think the exemption limit should not go beyond one year, because in any case it would be very unfortunate that there should be any exemption at all.

My friend, Dr. Krishnaswami, was referring to the fact that the widow has no rights at all. I am sorry the position of law is not so on the matter. The widow has certainly a right of disposal, of course, subject to certain limitations, but subject to them, she has rights of disposal. But she has certainly all rights of even absolute disposal, apart from the right of full enjoyment of the property. There is a widow's interest that passes on her death. So far as that position is concerned, there is nothing in that section. I still feel that the exemption limit should never be for more than one year. That would cause great hardship and that again would certainly go against the very tenor of section 30 for which alone there is a limitation of one year, and so on. I therefore feel that this section requires certainly a reconsideration and I make a very earnest appeal to the hon. Finance Minister to see if this section could not be brought in line with section 30 and the limitation

that is put upon the widow's death—seven years—could not be reduced to at least one year.

Shri Altekar: The hon. Member who has just spoken has not, I may submit, rather properly grasped the significance of the principle on which this concession is being given. A widow has in herself no power of alienation. The circumstances under which she is entitled to alienate are only those which she can alienate as a representative of the last male holder. The legal necessities which have been recognized as entitling her to alienate the property are those which are the responsibilities of the last male holder. Take, for instance, selling the property, for the purposes of debt of the last male holder. These were the debts which were incurred by the last male holder and as such the widow was entitled to pay and for which he was entitled to alienate. She comes there simply as a person who is in possession of the estate as a trustee, though not exactly as a trustee, but in a similar capacity. She is entitled to sell the property or charge it or mortgage it for the purposes of the marriage of the girls and other persons. That also again is a condition which is not being exercised by her in her personal capacity, but as a representative of the last male holder. So, in almost all the cases wherein she is entitled to alienate. She does so not in her personal capacity but as a representative,—as such she was entitled and responsible to be—of the last male holder. Therefore, the power of alienation which is in her is not in her personal capacity. I submit, therefore, that she has got no power of control or disposition over the property as her own.

Then, a widow is only a mere carrier of the estate. She can enjoy the corpus of the estate during her lifetime, and as such when she is enjoying that, she is not in any way diminishing the size or property of the estate that came in her hands. Therefore, the estate which has been

in her hands passes, as a matter of fact, almost in the same condition as it came in her hands.

Then again, the analogy was suggested by the previous speaker that why, when there is a death of the male holder within one year and there is quick succession the estate is taxed even according to the concession granted to him and with all that, in the case of a widow, the seven years free concession should be given. I submit, Sir, that the reason is that even if the male holder who succeeds to the property of the previous person should die, in a year, he can within that year alienate the property for himself; he can sell it, he can mortgage it, or he can make a gift of it which of course, under this Act, is admissible for exemption. That the widow is not entitled to do. She cannot on her own account in any way reduce the corpus of the estate and therefore, those concessions, that have been given to her or rather to her heirs, that have been mentioned here, are on account of the fact that the estate will remain practically the same in her hands. Therefore, I submit, Sir, that this concession of seven years that has been given is quite sound and of course should be supported.

Shri R. K. Chaudhury: Would the hon. Finance Minister kindly consider one *via media*, which I am suggesting? Let us exempt the widows from payment of estate duty, but let us remove this exemption for seven years. The estate will at once be subjected to estate duty as soon as he dies. We can compensate one by the other. So we can have a *via media*. Exempt widows altogether, but subject the estate to estate duty immediately on the death of the deceased.

Shri Mulchand Dube: There is an amendment in my name on which I wish to say a few words. My submission is that there does not seem to be any reason for imposing the estate duty on the death of the widow because after the death of the widow

[Shri Mulchand Dube]

the succession does not open to the widow at all, the succession opens to the last male holder. Therefore the widow during the time she was in possession had only a limited interest or life estate and on her death the succession in fact goes to the last male holder. Whoever succeeds must be the heir of the last male holder. Therefore, there is no succession on the death of a Hindu widow. If the duty has been levied once, there is no reason why it should be levied a second time on the same estate on the death of the widow, because she has no interest which could be succeeded to by a reversioner.

Mr. Chairman: The head note is rather misleading and that is why all this confusion has been caused. So far as I find the relief is to the estate. The principle on which it is given is that the estate having once paid the duty, it need not pay again if the widow dies within seven years.

Shri Mulchand Dube: If she dies within seven years.

Mr. Chairman: Otherwise the clause seems to be all right so far as it carries out the objective.

Shri Mulchand Dube: The question is whether the limit of seven years should be there or not.

Shri C. D. Deshmukh: The head-notes are not part of the Bill. So drafting change could be introduced there to make it clear. It is not the interest of the widow that passes. The draftsman can make it clear. That need not be passed as part of the clause. I follow your point. I am prepared to consider it.

Shri Raghavachari: Sir, I have risen to disabuse the minds of people from whom we have heard the argument that the widow's life interest is not property at all. It is some property that has already passed and there is nothing that really passes again. My

submission is that clause 7, sub-clause (1) perfectly brings such interest also as property taxable, including the interest of a co-parcenary. According to that clause any interest which enlarges itself after the death of any particular individual is property taxable. Therefore a property that passes after the death of a widow is taxable under the law.

Shri Sinhansan Sinha: Have you read clause 6 along with that?

Shri Raghavachari: I have read it. Section 31 as originally drafted was meant to give relief only to the estate, provided the widow's death took place within seven years. The idea was that the estate after the death of the husband had paid the duty once, therefore it was entitled to exemption for quick succession. Further in this provision the successors entitled to this exemption were to be people who were coparceners or entitled to a share at the time of the death of the person who obstructed it for some time. By the substitution of the word "reversioners" no doubt it is made applicable to the other system of Hindu law also, but it simultaneously extends the benefit to people who might be distant reversioners also. That is one extension of the benefit to people which the Select Committee did not intend to give; though it is to be made applicable to both the systems of Hindu law, the language there is not happy. Possibly it would have been permissible to add the words "who were male members of the joint family with her husband". That would have really extended the operation to both the systems of law and would not have really extended it to distant reversioners who might not have already paid the tax. The reason for the exemption made available to those who were members of the coparcenary or who were male members at the time is that they have already paid the tax and therefore it is unnecessary to tax the estate again. When you add the words "distant reversioners"

it may be that even in these few years some distant man may come who may well afford or expected to pay the tax again. Now this modification by the substitution of the word "reversioners" has expanded the benefit to distant people also.

Shri S. C. Samanta (Gamluk): My friend Dr. Krishnaswami pleaded that the period of 7 years should be enhanced to 14 years and the arguments he put forward did not convince me. Sir, he is telling us that the interest of the widow should be taken into consideration. How can the interest of the widow be enhanced when the property will be passing after her death? I would have been glad if he pleaded for her that when the property would come to her, it should be exempted from duty. I find no reason for the enhancement of the period. We are glad that at least the Government have provided for 7 years' exemption as regards duty on estates. Estates that have been inherited by a widow will be up to her life-time and during her life-time she will utilise the property and will enjoy it. So, the property after her death will pass to another coparcener who should pay the same duty to Government. So, I whole-heartedly support the amendment of Shri Deshmukh.

Shri Telkikar: I think this provision is a golden mean between the different opposing views—one favouring the widow's interest and the other in favour of taxation. Some argue that the woman has not got much interest in the property and even that interest is a limited one. But she has got the full right to enjoy the property in her life. The general proposition in law is that one cannot give another person more than what one possesses, but we find the exception in the widow. She gives the right to enjoy the property fully to others. If some property is deemed to have passed on her death and if that property is taxed, I don't think there is any injustice done to her. I agree

that a widow is incapable of increasing her property and therefore there should be some concession in her favour. That is why it has been provided that if she dies within 7 years of her husband's death, the property which she leaves behind her is exempted from this tax. On the other hand, she enjoys the benefits fully as any male member does and the only difference is that she has not got the right to squander away the property; she has only the right to spend it for the purpose of the family. So this clause has been provided to meet these two cases and I fully support the provision as it is.

Shri C. D. Deshmukh: In regard to the interests on the death of a Hindu widow, logically a stand can be taken that the whole thing is really unnecessary. It has also been argued that some kind of concession is given. But at this stage we cannot take note of the logical argument. We must concentrate our attention on the possible improvement of the clause and that is what I have tried to do by means of an amendment. So far as the title is concerned, i.e. the side heading, I agree that it means the exemption in respect of the cesser of an interest of a widow, instead of 'the interest of a widow'. Whatever interest the widow has ceases on her death within 7 years of her husband's death. Then, a certain exemption is provided for. I don't know if it would be an improvement—exemption in respect of a cesser of an interest of a Hindu widow. Everyone knows what exactly this clause means and I don't think it is likely to mislead anyone in its application and that is what we are concerned with. So, I think with all due respect we might leave the matter there.

[MR. DEPUTY-SPEAKER in the Chair]

Whatever interest ceases on the death of the widow is bound to pass to the reversioners of the husband and nothing in this clause is going to change the state of affairs.

[Shri C. D. Deshmukh]

Then there was a point that if the widow re-marries, an undue advantage may be taken of it. Now, the whole point is that we are concerned with what happens on the death of a person and not on his or her re-marriage. If the widow re-marries, of course, she loses all title to property and therefore the interest which devolved on her husband's death would revert to the reversioners. Such reversion is not contingent on the death of any person and, therefore, no estate duty is leviable. In my opinion, therefore, the amendment is redundant and does not serve any purpose.

Shri S. S. More: Supposing she marries within two years of her husband's death.....

Mr. Deputy-Speaker: If the cesser of an interest of a widow may come in diverse ways. It may come by death; it may come by some other marriage. If the cessation comes in by virtue of re-marriage, what would happen?

Shri C. D. Deshmukh: We are only concerned with interests which pass on death and we are not concerned with any other interests here.

Shri S. S. More: Again, with your permission, Sir, may I say this. The interest is supposed to pass on the death of her husband. Taking a strictly legal view of the position—I have read clause 21 and here we are interpreting the canons of Hindu Law—as far as the widow is concerned, she is a limited owner. The interest on her husband's death as far as the reversioners are concerned is suspended for some time by the intervention of the widow and it is only after her death that this passing on takes place. It is only after her death that the passing of the interest of the original owner, the absolute owner, takes place.

Mr. Deputy-Speaker: The hon. Member is only giving a better explanation, not that he is saying anything

against what the Finance Minister has said.

Shri C. D. Deshmukh: We are not concerned with civil death but only with actual physical deaths.

Shri R. K. Chaudhury: Sir, on a point of personal explanation...

Shri C. D. Pande: Are you a widow?

Mr. Deputy-Speaker: 'Personal explanation' must have some reference to what the hon. Member has said. Has he said anything on this?

Shri R. K. Chaudhury: Yes, Sir, you were not here when I did. I said that the life of a widow may be in danger—something like that I said. But what I wanted to know from the Finance Minister and what I begged of him several times was this that when "A" dies his widow inherits the property. The widow pays the full estate duty. When she dies even a distant reversioner inherits the property. This may be a pure windfall to him.

Mr. Deputy-Speaker: He pays.

Shri R. K. Chaudhury: After seven years.

Mr. Deputy-Speaker: Unless he is a member of the coparcenary.

Shri R. K. Chaudhury: No. "reversioner" is the word used.

Mr. Deputy-Speaker: He is reversioner.

Shri R. K. Chaudhury: He may be a distant cousin.

Mr. Deputy-Speaker: The hon. Member will kindly look into the language "persons who were members of a coparcenary".

Shri R. K. Chaudhury: There is no coparcenary in certain families. Actually he may be the enemy of the deceased husband. Even then he will get it as a windfall. And he will have to pay no tax, whereas the widow has to.

Mr. Deputy-Speaker: There is no personal explanation so far as I can see!

Shri R. K. Chaudhury: I said of the danger for seven years to the widow. That is the personal explanation.

Sardar Hukam Singh (Kapurthala-Bhatinda): That should be from the widow, not from you!

Mr. Deputy-Speaker: Here the wording is "who were members of a coparcenary".

Several Hon. Members: No, Sir.

Mr. Deputy-Speaker: Has there been an amendment to this?

Shri Raghavachari: Yes, No. 531.

Mr. Deputy-Speaker: That is to say, even if it should be a distant reversioner? Why is this?

Shri Gadgil: If a widow does not die but remarries...

Mr. Deputy-Speaker: We are not on the question of remarriage. Why is this concession enlarged in the case of a distant reversioner on whom it is a windfall? That is the point.

Shri Barman: It need not be a distant cousin as Mr. Rohini Kumar Chaudhury says; it may be the brother's son.

Mr. Deputy-Speaker: All that Mr. Rohini Kumar Chaudhury wants to know is this. The present language confines itself to persons who were members of a coparcenary. But this amendment enlarges the scope and extends it to a person however remote a reversioner he may be. Insofar as they are near reversioners who were members of a coparcenary, Mr. Chaudhury has no objection. But why should it be enlarged in the case of a distant reversioner? It is a simple point. The Finance Minister may answer it.

Shri C. D. Deshmukh: There is no way of answering it, Sir, because we

don't know what kind of reversioner will have interest. But it is only the life interest of the widow, which will be calculated separately. What passes to the reversioner is the life interest of the widow. It won't be the whole property.

Shri Gadgil: When a widow gets her husband's property *ex hypothesi* it means that she gets her husband's property which is a separate property for all purposes. If he were a coparcener the widow never gets anything out of that coparcenary property.

Mr. Deputy-Speaker: I am afraid I find it difficult to accept this interpretation. The widow's interest alone is not the property which is taxable. Because in the earlier portion it is said "Where on the death of any person governed by any school of Hindu law, his interest in any property has devolved on his widow"...and then "the interest aforesaid devolves upon persons...etc.". The same interest which passes to the widow, if it re-passes to the reversioner, the entire thing, on which the widow would have paid the duty, will again be liable to duty. It may be even with respect to a near reversioner and that is why a seven years' exemption is given. The only point which Mr. Rohini Kumar Chaudhury raises is why should this windfall go to a distant reversioner.

Shri R. K. Chaudhury: When you are not giving an exemption to the widow you want to give an exemption to the other reversioners, however distant they might be. Let it not be subject to duty when the husband dies and then, when the widow dies, let it be subject to duty.

Shri C. D. Deshmukh: Sir, I was going to suggest that in view of the complicated nature of this clause we may hold this over to the afternoon and proceed to the next clause. Because there are certain matters of doubt, for instance this point of remarriage. That difficulty arises, whether we have this clause or not. In other words it will have to be considered on its merits rather than with

[Shri C. D. Deshmukh]

reference to clause 31. Suppose a Hindu widow re-marries.

Mr. Deputy-Speaker: This was referred to in the definitions also—civil death or physical death.

Shri R. K. Chaudhury: Sir, we are on a difficult point of law and I think you ruled that the Law Minister should be present on such occasions. But he is not even represented by his Deputy.

An Hon. Member: He has no Deputy.

Mr. Deputy-Speaker: It is true I said yesterday—the matter was raised by Mr. Bansal—that where any point of law might arise the Law Minister may be here to help. But the Law Minister saw me today and told me that whenever the Finance Minister finds any difficulty on a point of law, certainly the Law Minister will be available here. Even then what he said was that if perchance any particular point is brought up, even he has to consult so that what he says may be authoritative. The Finance Minister has said that this may stand over. I am sure if it is necessary and if it is felt that any explanation might be necessary or his advice might be useful he would be here.

Shri C. D. Deshmukh: That is what I had in mind, Sir, that I would consult him.

Mr. Deputy-Speaker: And if necessary he may also be here to explain things further.

Shri C. D. Deshmukh: Because, Sir, I confess I have no satisfactory answer on these points—what the interests will be when a widow re-marries, irrespective of this clause: when the interest is supposed to devolve on the cesser of interest of the widow; and then the doctrine of civil death. And then the other question is what is the kind of interest that passes on the death of the widow, because the property has once been assessed to Estate Duty on the death

of the owner. When the widow inherits a life interest, if we do not have this clause, is it only the life interest that goes? Because that is the only thing that ceases on her death. Therefore, what is the right in respect of "the interest aforesaid" because it refers to the interest of the husband, not of the widow. These are complicated points and I would like to take counsel with the Law Minister.

Mr. Deputy-Speaker: Very well. Clause 31, along with the amendments to it, will stand over.

Shri Sarmah: Sir, I was asked whether I would move amendment No. 439 standing in my name and I said I would not because the Finance Minister's amendment covers my amendment.

But, Sir, from the trend of the observation that was made from the Chair....

Mr. Deputy-Speaker: If the amendment is changed for any reason, then I will allow an opportunity to the hon. Member to reconsider his decision.

Shri Sarmah: There is no question of reconsideration of the merits of the amendment.

Mr. Deputy-Speaker: No assurance can be given now. If perchance there is any change in the amendment moved by the Government, we will consider when the time arises. On account of the present form of the amendment, the hon. Member did not want to press his amendment.

Shri Raghavachari: Now that this section is left over for further consideration in the afternoon, may I also suggest another point which may be considered. This section is concerned with cases in which on a person's death, his widow has succeeded. There are instances in which a mother can succeed and she is a limited owner: any woman, not necessarily a widow, can succeed. A coparcener may die and his mother might happen to succeed.

Mr. Deputy-Speaker: The daughter also succeeds.

Shri Raghavachari: Any woman's estate. That also may be considered instead of a widow.

Mr. Deputy-Speaker: It has been held under the Hindu law, that there is no difference between the widow's estate and a woman's estate. Nobody has absolute right of disposal. They hold subject to certain rights.

Shri C. D. Deshmukh: The complicating element is the woman, usually.

Shri Raghavachari: As I said, that matter may be considered. The other matter is this. You were not here, Sir. The hon. Minister explained that this word 'reversioner' was introduced because it must apply to both systems of Hindu law, whatever system of Hindu law may be followed in the family. The idea originally was, that the very people who have paid the duty once, and not distant or remote reversioners, should have this benefit. Therefore, I also suggested that the male members of the joint family at the time should be taken into account. That also may be considered.

Shri Barman: At the time when the Chair wanted us to move amendments, I did not move my amendment No. 247, because of the amendment moved by the hon. Finance Minister. If he changes the amendment, I shall have to move my amendment.

Mr. Deputy-Speaker: The hon. Member is equally entitled to change his mind.

Shri Pataskar (Jalgaon): Now, clause 31 is to be held over. So far as I can understand, apart from the head note, this clause means: if there is an estate, which on the death of the person who owns it, passes to a limited owner like a widow or mother or some such person, if she dies within 7 years, where the duty has already been paid when this estate was in the possession of the limited owner, this estate is proposed to be given the

advantage or relief. Within seven years, it cannot again be taxed. In the case of a limited owner inheriting that property, she cannot alienate. The estate is the same. Therefore, to my mind, the underlying principle is correct. What is meant is if the estate has already paid the duty, when it passed to a limited owner, when that limited interest ceases, it should not be taxed again during that period. The misconception has arisen from the idea that some relief is being given to the widow. It is not so. The widow is given no relief. The widow is paying. So far as the present section is concerned, the limited owner—a widow is mentioned in this section—has to pay and she has paid. She pays out of the estate. If that limited interest ceases, the estate need not be made to pay again within seven years. Considering the whole section, it may be re-drafted to give effect to what is really intended by the section. The head-note should also be considered.

Mr. Deputy-Speaker: Now, clause 32 will be taken up. There is a new clause 31A, proposed by Mr. Iyyunni. Has it anything to do with clause 31?

New clause 31A

Shri C. R. Iyyunni: There is some mistake in printing here. It is stated here 'husband's family'. It should read as 'husband's death'. The amendment reads as follows:

"31A. Exemption of share of a widow dying within 7 years of her husband's death. When on the death of a husband governed by any law other than the Mitakshara law, his widow gets a share in the property then if the widow dies within seven years of the husband's death, no estate duty shall be leviable in respect of the aforesaid share if and in so far as the estate duty had been paid in respect of the share on the death of the husband."

Shri Sinhasan Singh: Is the hon. Member speaking on Clause No. 31 or 32?

Mr. Deputy-Speaker: Hon. Members must have the Order Paper with them. Between Clause 31 and Clause 32, there is a new Clause 31A which the hon. Member wants to insert. Clause 31 is held over. The new Clause 31A also relates to widow's estate. Therefore, let it also be held over till Clause 31 is passed.

Shri C. R. Iyyunni: I want to bring to your notice that there is some discrepancy. Instead of "family" it must be "death". (*Interruption*).

Shri V. P. Nayar: How can he say "his widow"?

Mr. Deputy-Speaker: Let no misunderstanding be created on account of expressions like "his" or "her".

Shri C. R. Iyyunni: There is a word "family". It should be "death". This is what is stated:

"When on the death of a husband governed by any law other than the *Mitakshara* law, his widow gets a share in the property then if the widow dies within seven years of the husband's family...."

It should be "husband's death", and not "husband's family".

Mr. Deputy-Speaker: For the word "family", it should be "death". All right. When it is moved, the hon. Minister will consider. If it is "family" it has no meaning.

Shri C. D. Deshmukh: Very reasonable.

Mr. Deputy-Speaker: So, this will also stand over.

Clause 32- (*Exemptions*)

Shri Krishna Chandra: I beg to move:

(1) In page 19, for lines 23 to 25, substitute:

"(a) property taken under a gift made by the deceased for a prescribed public charitable purpose:".

(2) In page 19, for lines 23 to 25, substitute:

"(a) property taken under a gift made by the deceased for such public charitable purposes as may be prescribed:".

Shri S. V. Ramaswamy: I am moving Mr. Tek Chand's amendment if you will permit me.

Shri A. M. Thomas: No permission.

Mr. Deputy-Speaker: Why did not the hon. Member give notice of it himself?

Shri S. V. Ramaswamy: I thought of giving it, but since it is already there....

Shri K. K. Basu: Permission refused.

Shri S. V. Ramaswamy: The amendment stands in the name of Mr. Tek Chand. He has authorised me to move it. You may kindly permit me.

Mr. Deputy-Speaker: Is it such an important one? The practice is no hon. Member, except when he is a member of the Government, can delegate his authority, and ask another member of the Government....

Shri S. S. More: Is it not discrimination?

Mr. Deputy-Speaker: The only point is that if an important amendment is there, and the Member is absent, on account of any serious or personal difficulty, in an exceptional case another Member may be allowed to move that amendment as if he were the author of the amendment, as Parliament has, on the whole, notice of his amendment, but I do not think that this is of such vital importance that I should pass over the absence and allow him to move the amendment without any excuse for delay in giving notice.

Shri S. V. Ramaswamy: My explanation is this, Sir. I thought of giving it, but since it was already in the name of Mr. Tek Chand....

Mr. Deputy-Speaker: That is no ground, unless he can explain to us

that it is of great importance. What the hon. Member must do if he wants to move an amendment on behalf of another is that he should immediately give notice incorporating the amendment.

Shri C. D. Deshmukh: I beg to move:

(1) In page 19, line 24, for "from" substitute "before".

(2) In page 19, line 39, add at the end "but not exceeding rupees fifty thousand".

(3) In page 19, after line 39, insert:

"(ff) moneys deposited with the Government in such manner as may be prescribed for the purpose of paying estate duty, together with the interest which has accrued due thereon at such rate as may be prescribed, to the extent of the amount of duty payable but not exceeding rupees fifty thousand;"

(4) In page 19, line 43, after "or" insert "archæological or".

(5) In page 20, for lines 4 to 9, substitute:

"(j) moneys earmarked under policies of insurance or declarations of trust or settlements effected or made by a deceased parent or natural guardian for the marriage of any of his female relatives dependent upon him for the necessaries of life, to the extent of rupees five thousand in respect of the marriage of each of such relatives."

Shri Banerjee (Midnapore-Jhargram): I beg to move:

In page 19, lines 24 and 25, omit,—

"within a period of six months from his death, to the extent of rupees two thousand and five hundred in value".

Shri B. P. Sinha (Monghyr Sadrum Jamui): I beg to move:

In page 19, lines 24 and 25, omit—

"within a period of six months from his death, to the extent of rupees two thousand and five hundred in value."

Shri Telkikar: I beg to move:

In page 19, line 24, after "from his death" insert "which is not accidental".

Shri G. D. Soman: I beg to move:

In page 19, lines 24 and 25, omit:

"to the extent of rupees two thousand five hundred in value".

Shri U. M. Trivedi: I beg to move:

In page 19,—

(i) line 24, before "charitable" insert "or".

(ii) line 25, for "two thousand" substitute "twenty-five thousand".

Shri Jhunjhunwala (Bhagalpur Central): I beg to move:

That in the amendment proposed by me, printed as No. 667 in List No. 24 of amendments,—

for "one-fifth of his property" substitute "five per cent. of his property".

Shri Altekar: I beg to move:

(1) In page 19,—

in line 25, add at the end—

"or to the extent of five per cent. of the value of the whole estate of the deceased whichever may be higher;"

(2) In page 19,—

in line 28, add at the end—

"or to the extent of three per cent. of the value of the whole estate of the deceased whichever may be higher;"

Shri Krishna Chandra: I beg to move:

(1) In page 19, omit lines 26 to 28.

(2) In page 20, omit lines 4 to 9.

Shri Banerjee: I beg to move:

In page 19, lines 27 and 28, omit—

“within a period of two years before his death, to the extent of rupees one thousand and five hundred in value”.

Shri C. D. Pande: I beg to move:

(1) In page 19, lines 27 and 28, omit—

“to the extent of rupees one thousand and five hundred in value”.

(2) In page 19, line 28, for “rupees one thousand and five hundred” substitute “five per cent. of the deceased person's estate”.

Shrimati Sushama Sen: I beg to move:

In page 19,—

(i) line 29, before “household” add “residential house”; and

(ii) after line 32, add:

“Provided that if the value of the house does not exceed to rupees one lakh”.

Shri Barman: I beg to move:

In page 20, after line 9, insert—

“(k) one dwelling house to the extent of rupees twenty-five thousand in value”.

Shri H. G. Vaishnav: I beg to move:

(1) In page 20, after line 17, insert—

“Provided that the class of persons to whom such additional relief is sought to be given does not belong to the princely order,

Rulers of the former Indian States or their family members”.

(2) In page 19, line 29, after “agricultural” insert “cattle and”.

Shri Telkikar: I beg to move:

(1) In page 19, line 29, after “agricultural” insert “cattle and”.

(2) In page 20, lines 4 and 5, after “consideration of” insert “the education and”.

(3) In page 20, line 5, after “his” insert “male or”.

Shri C. D. Pande: I beg to move:

In page 19, lines 31 and 32, omit—

“to the extent of rupees two thousand and five hundred in value”.

Shri Sinhasan Singh: I beg to move:

In page 19, lines 31 and 32, omit—

“to the extent of rupees two thousand and five hundred in value”.

Shri U. M. Trivedi: I beg to move:

(1) In page 19, line 32, for “two thousand and five hundred” substitute “five thousand”.

(2) In page 19, lines 34 and 35, for “but not including any precious or semi-precious stones or ornaments worked or sewn into the wearing apparel”.

Shri K. K. Basu: I beg to move:

In page 19, omit lines 36 to 39.

Dr. Krishnaswami: I beg to move:

In page 19, for lines 40 to 42, substitute—

“(g) to the extent of one-fifth of the principal value of the estate

revenueable to duty or rupees fifty thousand whichever is less".

Shri G. D. Somani: I beg to move:

In page 19, lines 41 and 42, for "five thousand" substitute "twenty-five thousand".

Shri C. D. Pande: I beg to move:

In page 19, lines 41 and 42, for "rupees five thousand" substitute "rupees ten thousand".

1 P.M.

Shri G. D. Somani: I beg to move:

In page 20, lines 4 to 6, for "gifts made by a deceased parent or natural guardian in consideration of the marriage of any of his female relatives dependent upon him for the necessaries of life" substitute "gifts made by the deceased in consideration of the marriage of any person".

Mr. Deputy-Speaker: Amendment No. 262. Mr. Tek Chand is absent.

Shri S. V. Ramaswamy: May I move it, Sir?

Mr. Deputy-Speaker: What is the amendment?

In page 20, line 5, omit "female".

Shri S. V. Ramaswamy: It may be important.

Mr. Deputy-Speaker: The hon. Member is not certain.

Shri S. V. Ramaswamy: I am submitting. It omits an important category of persons. Actually it affects half the population.

Mr. Deputy-Speaker: That I know. We are not concerned with the whole population. Enough about Hindu widows. I will allow this. I will waive notice. The hon. Member will write it out now.

Shri S. V. Ramaswamy: I beg to move:

In page 20, line 5, omit "female".

Shri Raghunir Sahai (Etah Distt.—North East cum Budaun Distt.—East): I beg to move:

(1) In page 20, line 5, after "female relatives" insert "or for the education of minor male relatives".

(2) In page 20, line 9,—

(i) for "relatives" substitute "female relatives".

(ii) after "relatives" add "and a like amount in respect of education of such minor male relative or relatives".

Shri K. K. Basu: I beg to move:

In page 20, line 9, after "such relatives" add—

"and dealt with or disposed of in accordance with such conditions as the Board may prescribe."

Shri G. D. Somani: I beg to move:

In page 20, after line 9, add—

"(k) one dwelling house in which the deceased ordinarily resided;

(l) gratuities and all the moneys received or receivable by the deceased or his nominees from any provident fund in which he was a member and salary or pension received or receivable for two months prior to death;

(m) moneys invested by the deceased in any industrial undertaking which has begun manufacturing at any time within a period of five years before his death or such further period as the Central Government may, by notification in the Official Gazette, specify with reference to any particular industrial undertaking;

(n) heirlooms, property consisting of drawings, paintings, prints,

[Shri G. D. Somani]

manuscripts, works of art of scientific collection;

(o) property taken under gifts which form part of the normal expenditure of the deceased, reasonably having regard to the amount of his income or to the circumstances;

(p) gifts to recognised charities which are exempted from income-tax under section 15B of the Indian Income-tax Act, 1922;

(q) gifts from State."

Shri S. V. Ramaswamy: I beg to move:

In page 20, *after* line 9, *add*:

"(k) one residential house belonging to the deceased and if there is only one residential house the whole of it irrespective of the value."

Shri C. D. Pande: I beg to move:

In page 20, *after* line 9, *add*:

"(k) one residential house".

Shri B. P. Sinha: I beg to move:

In page 20, *after* line 9 *insert*—

"(k) agricultural land to the limit of ceiling fixed by the State or equal to the value of rupees twenty-five thousand;

(l) one dwelling house occupied by the family members."

Shri H. G. Vaishnav: I beg to move:

In page 20, *after* line 9, *insert*—

"(k) ancestral dwelling house to the extent of rupees ten thousand."

Shri S. S. More: I beg to move:

In page 20, *after* line 9, *insert*—

"(k) gifts made by the deceased to persons who have married out-

side his own caste or community, or who is born of an inter-caste marriage."

Shri R. K. Chaudhury: I beg to move:

In page 20, *after* line 9, *insert*—

"(k) dwelling houses in which the heirs and near relatives of the deceased actually lived during the lifetime of the deceased and have continued to live thereafter."

Shri U. S. Dube: I beg to move:

In page 20, *omit* lines 10 to 17.

Shri S. V. L. Narasimham (Guntur): I beg to move:

In page 20, *omit* lines 10 to 17.

Shri Tulsidas (Mehsana West): I beg to move:

In page 20, *after* line 9, *insert*—

"(k) gratuities and all the moneys received or receivable by the deceased or his nominees from any provident fund in which he was a member and salary or pension received or receivable for two months prior to death".

Shri S. V. Ramaswamy: I beg to move:

In page 20, *after* line 17 *insert*,—

"(3) Where an estate in respect of which estate duty is payable comprises land on which timber, tree, wood or underwood are growing, the value of such timber etc., is not taken into account in estimating the value of the estate and the estate duty is not payable thereon; but the estate duty is payable (1) on any net moneys, after deducting all necessary outgoings since the death of the deceased, which may be received from the sale of timber, trees or

wood when felled or cut during the period until the land again becomes liable or would but for this provision become liable, to estate duty on a subsequent death; and (ii) if the timber, trees or wood are sold either with or apart from the land on which they are growing, on the principal value thereof which, but for this provision, would have been liable to duty on the death of the deceased, after deducting the amount of any estate duty paid in respect of the timber etc., since that date.

(4) In the case of any agriculture property which comprises cottages occupied by persons employed solely for agricultural purposes in connection with the property no account is to be taken of any value attributable to the fact that the cottage is for residential purposes of any persons other than agricultural labourers or workmen on the estate.

(5) The Union Government may declare from time to time the holding of any Government Security issued or to be issued, as free from liability to pay Estate Duty.

(6) The Union Government may exclude investments made in new ventures from the estate of the deceased."

Shri U. M. Trivedi: Sir, I have given notice of one further amendment to the amendment of Mr. Deshmukh, No. 537.

Mr. Deputy-Speaker: When was it given?

Shri U. M. Trivedi: This morning.

Mr. Deputy-Speaker: The amendment has not been circulated to the hon. Members. Let me consider that later in the afternoon.

Shri Tulsidas: I sent an amendment on Friday. There has been some mistake.

Mr. Deputy-Speaker: On whose part?

Shri Tulsidas: Obviously on the part of the office.

Mr. Deputy-Speaker: I will ask for its verification. It is not in the order paper at the moment.

Shri Tulsidas: It was sent last Friday.

Shri Mulchand Dube: I beg to move:

In page 19, line 33, *after* "books" insert "declared to be".

Shri V. B. Gandhi (Bombay City—North): I beg to move:

(1) In page 19, *omit* lines 36 to 39.

(2) In page 19, *omit* lines 40 to 42.

Shri Tulsidas: I beg to move:

In page 20, *after* line 9, *insert*,—

"(k) gifts, settlements or other dispositions made in favour of the Central Government or the State Governments or in favour of any local or public authority;

(l) monies invested by the deceased in any new industrial undertaking under conditions to be prescribed by Government."

Shri U. M. Trivedi: Sir, my amendment....

Mr. Deputy-Speaker: As an exceptional case, I waive notice of an amendment to an amendment put forward by Mr. Trivedi.

Shri U. M. Trivedi: I beg to move:

That in the amendment No. 537 proposed by Shri C. D. Deshmukh, at the end, *omit* the words "but not exceeding rupees fifty thousand".

Mr. Deputy-Speaker: Then all the amendments have been moved. No more amendments will be allowed hereafter. Now, the hon. Minister.

Shri C. D. Deshmukh: My amendment No. 534 is:

In page 19, line 24, for "from" substitute "before".

The object is to bring the phraseology in conformity with the phraseology in sub-clause (b) and also in other clauses in the Bill. Sir, it is an improvement in drafting.

Then, amendment No. 536 is:

In page 19, line 39, add at the end "but not exceeding rupees fifty thousand".

We put a limit at Rs. 50,000, as otherwise, it will give an undue concession to the more well-to-do assesses.

Mr. Deputy-Speaker: In the aggregate? Otherwise, it may mean to each one of the items.

Shri C. D. Deshmukh: On the aggregate.

Mr. Deputy-Speaker: Is it said so?

Shri C. D. Deshmukh: This is on line 39: "moneys payable under one or more policies of insurance effected by the deceased on his life, to the extent of rupees five thousand".

Mr. Deputy-Speaker: Is it to the extent of Rs. 5,000? Where does this come in, in 32(g)?

Shri C. D. Deshmukh: It is 32(f). It restricts the unlimited amount.

My next amendment is:

In page 19, after line 39, insert:

"(ff) moneys deposited with the Government in such manner as may be prescribed for the purpose of paying estate duty, together with the interest which has accrued due thereon at such rate as may be prescribed, to the extent of the amount of duty payable but not exceeding rupees fifty thousand;"

This is to enable advance payment. This is a very important amendment.

This is to enable advance payments to be made of estate duty, as such a provision would be necessary, as it may not be possible in all cases for persons to take out policies of insurance. At a certain age group no insurance company will insure, particularly when the person is advanced in age. A limit of Rs. 50,000 has been put in, for the same reason. Otherwise, it would give an undue advantage to the more well-to-do assesses.

Then, the next amendment is:

In page 19, line 43, after "or" insert "archæological or".

We have inserted this at the instance of the Ministry of Education.

My last amendment is:

In page 20, for lines 4 to 9, substitute:

"(j) moneys earmarked under policies of insurance or declarations of trust or settlements effected or made by a deceased parent or natural guardian for the marriage of any of his female relatives dependent upon him for the necessities of life, to the extent of rupees five thousand in respect of the marriage of each of such relatives."

We feel that the clause deleted is redundant, in view of the amendments to clause 9; so, sub-clause (j) is redrafted. The rest of it is for the reason I have explained.

Mr. Deputy-Speaker: So, I will put the amendments to vote, except in so far as Mr. U. M. Trivedi's amendment is concerned.

Shri U. M. Trivedi: I think we can take it up in the afternoon.

Mr. Deputy-Speaker: The House will now adjourn and meet again at 4 p.m. today.

The House then adjourned till Four of the Clock.

The House re-assembled at Four of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

Mr. Deputy-Speaker: We shall continue the discussion on clause 32.

Shri Raghuramaiah (Tenali): So far as this clause is concerned, I want to confine myself to a matter of constitutional importance. Both in the original clause 32 and in the amendment which has been moved by the Finance Minister, it is proposed to include agricultural land in a State which has not yet decided to adopt this legislation within the total aggregate for purposes of determining the rate payable.

Mr. Deputy-Speaker: That is in clause 33. We are on clause 32.

Shri Raghuramaiah: I am very sorry.

Shri Altekar: Following the progress of the debate in the House on this Estate Duty Bill, an impression is growing upon me that the age of charity is gone and that the age of severity with controllers, calculators and tax-masters as its ushers is succeeding. The glory of charitable institutions seems to face a veritable disaster. These institutions are in the throes of an eclipse, be it partial total or annular. They are being over-run by the shadows of the new orbs on the planning horizon. It appears that ideas and ideologies change with ages, and here also we find some change in the attitude towards charity. Before the attainment of *Swaraj*, charity was a matter of great piety and serenity but after our attaining *Swaraj*, it has been relegated to a minor position. As regards our attitude towards charity, I may, in support of my statement, namely, that charity is held in high esteem in our civilisation, give a quotation—as the Finance Minister did. The quotation is:

यद्दासि विशिष्टेभ्यो यन्वाप्ससि दिने दिने ।

तते विलभहं मये शेषं कस्यापि रक्षसि ॥

The meaning of it is this: "Only that much wealth is yours which you enjoy day by day and which you advance towards good causes or to good per-

sons. The rest is being stored by you for someone else". Charity has always been held in high esteem in Indian society.

An Hon. Member: Is not estate duty held in esteem?

Shri Altekar: Estate duty is a tax; it is not a charity. What I was saying was that charitable institutions have, as a matter of fact done great good to the country, and yet it appears that somehow or other they are not being looked to with as much concern today as they deserve. We have abolished untouchability from our land. Nature abhors vacuum and that back place, in spite of the good things we have done in the new set-up, appears to be reserved for charity. Social reformers are out to rescue women from the miserable conditions under which they suffer. I am referring particularly to widows. There are certain types of them who are awarded only a starving maintenance under the Hindu law. But it now appears that this starving maintenance has been reserved for the purpose of these charitable institutions. The word "charity" appears to be a scarecrow to the sponsors of planning.

I am reminded of a beautiful Sanskrit verse in this connection. Resisting the temptation of citing the original, I shall give the English translation.

An Hon. Member: No, no. Give the original.

Shri Altekar: Very well. If the House so wishes, I shall quote it. It runs thus:

तृणान् लघुतरस्तुलस्तूलादपि च याचकः ।

वायुना किं न नीतोऽसौ—

The meaning is: "Cotton is lighter than hay, but a mendicant is lighter still." When a friend said this, the companion asked, "How is it then that the wind has not blown up the mendicant and carried him along with it?" Then the friend replied.—(I shall first give the Sanskrit version):—

मामयं याचयिष्यति ॥

[Shri Altekar]

The English meaning is this: "The wind was afraid that, should it come in contact with the mendicant, he would spread his hands and beg for some alms." So, said the friend, "Rather than touch him, the wind therefore passed by him." In the same way, those who are in charge of this Estate Duty Bill are treating the charitable institutions with utter lack of sympathetic consideration.

I would like to point out that there is no need for any misconceived fright in regard to these charitable institutions. The idea of taking great care in regard to gifts is to see that there is no avoidable evasion of estate duty, made, and persons owning big estates give away gifts only for *bona fide* purposes and not for others which are not countenanced by the state. I may say, from the same point of view, that the concern of rich people is not so much to give money for the purpose of charitable institutions, but rather to give it to their own nearest and dearest relatives, to their own kith and kin. If this abuse is prevented then I would submit that charitable institutions should be meted out a better treatment than is being given to them. Only those who are interested—only those who are generous-hearted—will be giving money from their estates for charitable institutions, and if such money is given for public charitable institutions, I submit that it is a cause for which we should give proper consideration and offer better treatment than we show at present. There is no ban as such, because a back-door is kept which is Rs. 2,500. But after all it is a back-door. Such a sort of ceiling on an estate, be it however big, is not proper and proportionate. There may be persons owning lakhs and crores. In their case also to place a limit of 2,500 seems rather strange. If such a limit is put and then we approach these wealthy persons for gifts to charitable purposes, they will not be in a mood to give a handsome sum for such institutions, because they are not influenced by arithmetical or other cal-

culations; but rather by the general effect that is worked on their mind by the approach of Government towards such gifts; and that weighs a great deal with them. They would think that after the death when the calculations are being made their heirs may come into trouble, there may be a great cut in the estate that is to pass to them and there will be difficulties of litigation. They may as well think: better not give anything; rather than give something and get our heirs involved in endless litigation. So, this measure will act as a check; it will act as a hindrance; it will act as a deterrent influence, so that they will not in any way be inclined to give such gifts.

Sir, I would like to submit to the Finance Minister that charitable institutions are the backbone of good social work and they should be given a fair deal. Then, Sir, I would like to approach this question from another point of view, that is the possible gain to the society. Suppose a sum of Rs. 10 lakhs is given for charitable purposes by a person worth a crore. The whole of it will go to the charitable institution and for the benefit of the society. But if he does not make such a gift, what will go to the coffers of Government? At the most Rs. 4 lakhs and the society would thus be losing Rs. 6 lakhs. After all in the higher synthesis we should better take into consideration the total gain that is there for the society as a whole and not only towards a section of it, that is Government. Government after all is a part of the whole social structure and from that point of view if we look at this measure, society would be a loser by putting such a sort of restraint and ceiling on the donations for public charitable purposes. Therefore I submit that this would be like losing a good deal for the matter of gaining a little.

Well, look at the great work that is done in the interest for the uplift of the masses by various charitable institutions in this country. We find that very big institutions like the

Banaras Hindu University or the Lady Thackersay University for Women in Poona would never have come into existence but for the princely gifts that were made by rich persons. It would be impossible that any institutions of that type would ever come into existence if we lay such a ceiling on the donation to charitable purposes. Then again we shall find that most of the colleges, almost all the high schools that are there in various districts are run by institutions which are started by private bodies for educational purposes. The huge buildings in which the institutions are housed and the necessary equipment required to run them are all built out of donations. I am running at least half a dozen public charitable institutions and I find that it is rather difficult to get donations even under the conditions at present obtaining. With this particular provision in the Estate Duty Bill the difficulty would be greater still. I would for myself like that the State should take charge of these institutions and leave us free of the care of conducting them. Many of those who are conducting such institutions think in the same way.

Now it is said that this ceiling on donations for charitable purposes has been placed after taking into consideration the priorities. I would like to point out that there are priorities in the Five Year Plan, but they are priorities fixed after taking into consideration the institutions that already exist in this country. These priorities can be worked only in the circumstances that obtain in the country for the time being, with the various educational institutions, institutions for the purpose of giving medical relief, institutions for the purpose of giving some sort of rescue-home to women, gone astray and orphanages. I am rather reminded of a remark that was made by Prof. Max Muller in connection with Sayanacharya. Sayanacharya has written a great commentary on the Vedas and Prof. Max Muller said that we are in a position to look farther because we are standing on his shoulders. We are in a position to go ahead

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with the priorities which are placed before us because there is that condition precedent, there is that condition obtaining, already in the country by which educational facilities, medical facilities and other social benefits are provided by the existing charitable institutions are made available. You cannot ignore this fact and take it out of consideration.

From that point of view, I beg to submit that these charitable institutions do deserve a good deal and a square deal, because not only would charitable institutions be prevented from coming into existence in future, but also those which are already there will find it very difficult to go on. Some of them would have been started in anticipation of some charities: it would be difficult to complete them. For instance in the case of institutions like Sradhananda Ashram whose budget exceeds lakhs obtained only through charities, I do not know how such charities will be forth-coming in the future. A ceiling on donations will place these charitable institutions in a very difficult position. I would therefore request the hon. the Finance Minister to pay particular attention to this aspect of the matter and be a little more charitable to such institutions.

I have suggested, Sir, and it is a very moderate suggestion, that the ceiling for this should be Rs. 2,500 or 5 per cent. of the total estate belonging to the deceased, whichever is higher. It is very moderate request. If a person intends to give a donation of Rs. 2,500, he should be allowed to do so; but if there are rich persons possessing very large estates and they want to give donations for public charitable purposes, a good deal more—i.e. up to a limit of 5 per cent. of their total estate, should be allowed to be given to such institutions. I think, Sir, this is a very moderate demand and it should find acceptance at the hands of the Hon. the Finance Minister.

With reference to other gifts, I have to state that if there are rich persons who have got many dependants or distant relatives reared up by them, more or less as their children, and if

[Shri Altekar]—

they intend to give such dependants a sum larger than Rs. 1,500, they should be allowed to do so. I do not mean that the Government should be deprived of any sort of tax on a very large part of the estate. What I have suggested is 5 per cent. for the purpose of public charitable institutions and about 3 per cent. for the purpose of some other gifts that I have stated in connection with relatives, dependants and so on. Altogether it comes to 8 per cent. Other exemptions will not be more than Rs. 75,000 or a lakh of rupees. If there is a person who owns a crore of rupees, it will come to about Rs. 9 lakhs, that is, less than 10 per cent. This is not a great concession as compared with the whole estate.

Mr. Deputy-Speaker: This is to be given away in six months of death.

Shri Altekar: No one knows when the death will be coming. As a matter of fact, when one sees the number of legal difficulties, one rather wishes to err on the safer side and not to give any money at all as donation. It is not without persuasion or repeated and pressing requests that these donations are secured. Those who are running public charitable institutions know all these things; and it is not so easy as one may think. I find at this time, S.R., that it is easier to get a handsome gift from a rich man than to get a consent to it from the hon. the Finance Minister. That should not be. I request him to be a little more charitable.

Shri C. D. Deshmukh: I am not running a charitable institution for all the poor in the country.

Mr. Deputy-Speaker: What if the Government starts a charitable fund? Whoever really wants to clear his conscience before he passes away may give a certain amount and these may be utilised by Government for charities.

Shri Altekar: There is no such charitable fund scheme in the Five Year Plan. Charity should rather begin at home and from the Finance

Minister, and I request the Finance Minister to be a little bit more generous.

So far as the interests of the whole country are concerned, I would rather like to see that there should be no cause nor room left for the public charitable institutions to exclaim out of anguish "Oh Heavens! save us from our friends, the Finance Minister and his Advisers."

Mr. Deputy-Speaker: I would like to know for the purpose of clarification whether this Rs. 2,500 is included in Rs. 5,000. The amendment I think was moved by Mr. Gadgil.

Shri C. D. Deshmukh: This is separate and comes under 9 (2).

श्री जी० पी० सिन्हा : उपाध्यक्ष महोदय, मैं संशोधन नम्बर ३१६ का समर्थन करता हूँ। इस मृत्यु कर बिल के स्थान पर यदि हम सम्पत्ति कर या उत्तराधिकार बिल लाते तो भारतीय भावनाओं का हनन न होता। आज इस मृत्यु कर बिल से जिसे हम एस्टेट ड्यूटी बिल के नाम से पुकारते हैं, भारतीय भावनाओं को बहुत ठेस पहुँच रही है। परन्तु, जो कुछ भी हो, इस का सिद्धान्त हम ने कबूल कर लिया है, फिर भी उत्तम होता कि इस बिल को हम मृत्यु कर बिल के रूप में न रख कर उत्तराधिकार या सम्पत्ति कर बिल के रूप में लाते। इस बिल का उद्देश्य आर्थिक समता लाना है। मैं नहीं चाहता हूँ कि देश में महलों और छप्परों का अन्तर न मिटे। परन्तु साथ ही साथ मैं यह जरूर चाहता हूँ कि मध्यम स्तर का मार्ग इस के लिये निकल सके जहाँ पर कि हमें निम्न वर्ग के लोगों को ऊपर उठा कर ले जाने की चेष्टा करनी चाहिये और जो ऊँचे स्तर पर हैं उन को उस स्तर तक नीचे ले जाने की चेष्टा करनी चाहिये। ऐसा न होने से समाज में अव्यवस्था हो जायेगी, हमारा समाज अस्त व्यस्त हो जायेगा और हम देश के

ग्रन्दर शान्ति की स्थापन न कर सकेंगे। इस लिये सरकार को इस के लिये प्रयत्नशील होना चाहिये। वह इस तरह का प्रयत्न करे कि जो आज नीचे के स्तर के लोग हैं उन को मध्यम स्तर पर ले जाये। यदि हम इस प्रकार से बिना उचित विचार किये हुए बिल लावेंगे जिससे कि हम निम्न स्तर के लोगों को मध्यम स्तर पर न ला सकें, तो मध्यम स्तर छिन्न भिन्न हो जायेगा और देश में अशान्ति फैल जायेगी। इस लिये मेरा ख्याल है कि मध्यम वर्ग के लोगों को छेड़न अनुचित होगा। १९४६ और १९४८ में एस्टेट ड्यूटी बिल का जो ढांच तैयार किया गया था उसमें भूमि कर नहीं लगाया गया था। आज ऐसी कोई विशेष अवस्था पैदा नहीं हुई है जिसमें जमीन पर भूमि कर लगाने का हमें फैसला करना चाहिये था। आज देश में उत्पादन में जो कमी हो रही है वह हमारे लिये एक मुख्य विषय है। जो साधन इस बड़ी समस्या को हल करने में सहायक हों हमें उन को ही श्रेयस्कर मानना चाहिये और उन्हीं को प्रोत्साहन देना चाहिये। मेरा ख्याल है कि इस प्रकार के बिल से आप के उत्पादन में कमी होगी। आज भूमि की जो अवस्था है, जिसके लिये अभी हमने कोई नीति निर्दिष्ट नहीं की है, उससे उत्पादन में बड़ी कमी हुई है। आज किसानों के पास जो जमीन है जिसे आप वेस्ट लैंड कह सकते हैं, यह जो जमीन साधारण मिट्टी की है उसे बे उर्वरा बनाने की चेष्टा नहीं करते हैं क्योंकि वह नहीं जानते हैं कि कितनी जमीन उन के पास रहेगी और कितनी नहीं रहेगी। यह जो ऐंप्रिकल्चरल टैक्स की बात रखी गई है उसमें किसानों के बीच में और भी अम फल जायेगा और जो जमीन जिस अवस्था में है उसी अवस्था में पड़ी रह जायेगी। जिसके पास वेस्ट लैंड है वह उसको सुधारने की चेष्टा नहीं करेगा, जिसके पास निम्न स्तर की जमीन है वह उसे सुधारने की चेष्टा नहीं करेगा।

इस लिये इन बातों पर बहुत गम्भीरता पूर्वक विचार किया जाना चाहिये। साथ ही साथ यदि आप जमीन को एस्टेट ड्यूटी बिलके ग्रन्दर लेते हैं तो आप के कर्मचारियों को बहुत बड़ी संख्या उसके मूल्यांकन में ही लगी रह जायेगी, और मैं समझत हूँ डेय ड्यूटी के बाद जब दूसरी ड्यूटी का सवाल आयेगा तो आप मूल्यांकन करने में असमर्थ होंगे। इस लिये यह जो कानून है वह बिल्कुल अनुपयुक्त है और आप के उत्पादन में बाधक होने वाला है। साथ ही साथ जो आप निम्न स्तर को ऊँचे स्तर पर लाना चाहते हैं उसमें भी बाधा पड़ेगी। आप को सोचना चाहिये कि अब देश में जमींदार नहीं रहे। केवल किसान ही देश के ग्रन्दर हैं जिनके पास भूमि है। यह भले ही हो कि किसानों में दो प्रकार के लोग हैं। एक ऊँचे वर्ग के किसान और दूसरे निम्न वर्ग के किसान। इसमें आप कमी कर सकें तो करें। आज देश में समत लाने के लिये ताकि गरीबों के घर में दोनों वक्त रोटी बन सके, चूल्ह जल सके, जो सब से बड़ी आवश्यकत है वह है नशाखोरी को बन्द करना, जिसकी ओर से देश उदासीन है। नशाखोरी के कारण गरीबी कम नहीं हो रही है, इस ओर सरकार को विचार करना चाहिये। यदि सरकार इस ओर विचार करती तो मैं समझत हूँ कि आज वह देश में आर्थिक समता लाने की बात सोच रही है। आज यदि सरकार के पास यह सुझाव भी होता कि इस डेय ड्यूटी से जो पैसा आयेगा उससे नशाखोरी बन्द करने से जो कमी होगी उसकी पूर्ति की जायेगी, तो हम समझते हैं कि गरीबों की अवस्था सुधारने की बात कही जा सकती है। लेकिन वह सब कोई भी योजना हमारे देश में नहीं है। योजना हमारे देश में ऐसी है जिनसे दिन प्रति दिन सरकार के प्रति लोगों के दिल के ग्रन्दर अविश्वास पैदा होता जा रहा है और आज जनतः यह समझती है कि सरकार जितने पैसे हम से

[श्री बी० पी० सिन्हा]

लेती है उन पैसों का कोई उचित उपयोग वह नहीं करती है। इस के अनेकों उदाहरण दिये जा सकते हैं, लेकिन मैं समझता हूँ कि उदाहरण न देना ही बेहतर हीन होगा। क्या ग्रंथि मंत्री या सरकार के शासन को चलाने वाले लोग यह समझते हैं कि जो पैसा हम लेते हैं उस पैसे का उचित उपयोग हो रहा है? जहाँ तक जनता का सम्बन्ध है उस के दिल में ऐसा भ्रम पैदा हो रहा है कि जो पैसा सरकार लेती है वह उचित रूप से खर्च नहीं होता है। इस प्रकार बिल पर बिल ला कर टैक्स लगाने हम समझते हैं कि जनता का विश्वास खोना है। इस्लिये इन्.स.व. बिल का नाम हम अपने ग्रंथि मंत्री का ध्यान विशेष रूप से दिलाना चाहते हैं।

इस के ऊपर जो एस्टेट ड्यूटी कर लगाने की बात सोची जा रही है यह तो बहुत ही गम्भीर विषय है, बहुत ही विचारणीय विषय है। अब हमारे अधिकारियों को, जो शासन के अधिकारी हैं, उन को सोचना चाहिये कि मीदार दर्ग खत्म हो गया। किसान हैं किसानों को भूमि से जो आय होती है, उस पर आप जो टैक्स लगावेंगे तो किसानों की आय तो अनिश्चित है। किसानों की आय वर्षा पर निर्भर करती है। लगातार दो तीन वर्ष तक वर्षा न होने के कारण किसानों की फसल नष्ट हो जाती है। आप को सोचना चाहिये कि दो तीन वर्ष तक खेती करने में किसानों को दुर्भिक्ष के कारण कितना नुकसान होता है। फिर उस की पूर्ति कितने वर्ष में हो सकती है, यह सोचने की बात है। आजकल किसानों की आय पर जो टैक्स स्टेट्स में लगाये जा रहे हैं, वे ही यथेष्ट हैं। यदि एककाल में कोई किसान मरा और उस पर मृत्यु कर लगा तो उस का सर्वन श ही जायेगा उस ने खेती के

ऊपर जो खर्चा किया उस की पूर्ति करने में ही कई वर्ष लग जायेंगे और उस से मृत्यु कर के रूप में, उस की एंग्रीकल्चर के ऊपर उस को थोर टैक्स देना पड़ेगा तो वह किसान कई वर्ष तक के लिये बँठ जायगा और देश की बड़ी भारी क्षति होगी। किसानों की सहायता करना, उन को प्रोत्साहन देना, हमारा काम है। साथ ही यदि आज किसानों के पास सम्पत्ति है, तो उस को लेने में भी मुझे कोई हचकिचाहट नहीं है। लेकिन उसे ड्यूटी के बिल से, एस्टेट ड्यूटी के नाम पर न ले कर आप दूसरे बिल के द्वारा भूमि कर के रूप में लें, जैसे कि बहुत से राज्यों में प्रचलित है। हम समझते हैं कि आज अधिक समता की जो भावना है तो उस में इस तरह से पैसा लेना चाहिये एस्टेट ड्यूटी के नाम पर नहीं। एंग्रीकल्चर टैक्स के नाम से ही सरकार को पैसा प्राप्त हो सकता है और मैं नहीं समझता हूँ कि भूमि के लायक जमीन पर कोई एस्टेट ड्यूटी टैक्स लगाने की समस्या सरकार के सामने है।

आज देश में हाहाकार मचा हुआ है। आज नशाखोरी के कारण कितने घरों में दोनों वक्त चूल्हा नहीं जलता है। आप नशाबन्दी कर दें तो गरीबों का कितना बड़ा सुधार हो सकता है। मुझे दुःख है कि शासन ने इस और काफ़ी ध्यान नहीं दिया है। वह तो कहते हैं कि स्टेट्स का यह काम है। लेकिन जमीन का विषय भी तो स्टेट्स का है। उस पर सरकार कर लगाने की बात क्यों सोचती है? यदि आज इस तरह के गरीबों की अवस्था वास्तव में सुधारने की बात है तो सरकार इस तरह का सुभाव राज्यों को दे सकती है कि वे नशाखोरी बन्द करें, जिस से गरीबों की अवस्था सुधरे। हम नहीं समझते हैं कि सरकार वास्तव में गरीबों की अवस्था सुधारने

चाहती है, वास्तव में आर्थिक समता लाना चाहती है। यदि वास्तव में यह बात है तो हमारी सरकार से यह नम्र निवेदन है कि वह राज्य सरकारों को इस तरह का आदेश दे, सुझाव दे, कि वे नशाखोरी को खन्द कर दें और जो आज झोंपड़ों और महलों का अन्तर है, उस में किसी तरह कुछ समता ला सकें, उसी की बात हम को करनी चाहिये। जो यह मध्यम स्थान पर लोग हैं, जिन की अवस्था हम सुधारना चाहते हैं, जिस तरह हम लोगों में आर्थिक समता लाना चाहते हैं, तो हम को इस की ओर इस तरह नशाबन्दी आदि के उपायों की ओर ध्यान करना चाहिये। तभी हम वास्तव में कोई सुधार का काम कर सकेंगे।

किसानों की जमीन का भविष्य क्या होगा, यह भी अन्धकार में है। बहुत से लोग सोचते हैं कि जमीन का बराबर बराबर बंटवारा होना चाहिये। मैं समझता हूँ कि जो इस तरह की बात सोचते हैं, उन को किसान के सम्बन्ध में कोई आईडिया नहीं है। आज देश में जो आबादी है, इस के लायक जो जमीन है, यदि सारी जमीन बराबर बराबर लोगों में बांट दी जाय तो वह सब जमीन आइकानामिक होल्डिंग में बंट जायगी और उत्पादन में इतनी कमी हो जायगी, जिस का कोई ठिकाना नहीं है, कोई हद नहीं है।

आज हमारे अर्थ मन्त्री जी ने बराबर इस बात का हमें विश्वास दिलाया है और कहा है कि जो उचित सुझाव किसी भी ओर से आवेंगे तो वे दलगत की भावना के बिना उन पर विचार करेंगे। मैं समझता हूँ कि भूमि सम्बन्धी नीति के बारे में हमारे अर्थ मन्त्री को बहुत ही गम्भीरता पूर्वक सोचना चाहिये। मैं उन से आग्रह करूंगा कि भूमि को इस कर से नहीं निकालेंगे तो उस के मूल्यांकन

करने में बहुत बड़ी दिक्कतें पेश आवेंगी और सब मामला बहुत ही अस्तव्यस्त हो जायगा। इसलिये आज आप को देखना चाहिये कि जिन किसानों पर हम भूमि कर डेथ ड्यूटी के रूप में लगाने जा रहे हैं, उन किसानों की अवस्था क्या हो जायगी। मैं फिर भी याद दिलाऊंगा कि श्री श्रीमन्नारायणजी अग्रवाल ने इस बिल का प्रथम वाचन में समर्थन करते हुए यह कहा था कि यह बिल इसलिये जरूरी है कि किसानों के ऊपर दूसरे दूसरे बहुत से ज्यादा कर लगे हुए हैं, लेकिन दूसरे वर्ग इन से अछूते हैं, इसलिये इस बिल का लाना बहुत ही जरूरी है। मैं समझता हूँ कि कम से कम इस बिल में इस कर के रूप में किसानों को छूट मिलनी चाहिये। जब दूसरे दूसरे वर्ग ही इस में रहेंगे तो आर्थिक समता के आने में सहायता होगी। मेरा अर्थ मन्त्री को यह सुझाव है कि आज देश में बड़ा भ्रम फैलेगा कि आज से पहले जो सरकार थी, १९४६ के ढांचे के अनुसार जो सरकार थी, १९४८ के ढांचे में जो सरकार थी, उस ने किस तरह भूमि को इस कर से मुक्त कर रखा था, लेकिन यह जो हमारी राष्ट्रीय सरकार है, वह कोई भी ऐसी जगह नहीं छोड़ना चाहती है, जहां पर कि उस को किसी न किसी रूप में टैक्स मिल सके।

आज यह टैक्स तो आ ही रहा है और आ ही जायगा। लेकिन भूमि की अनिश्चित स्थिति है, किसानों की आय तो वर्षा पर निर्भर करती है। लगातार दो तीन वर्षों तक अनावृष्टि हो तो उस की क्या दशा हो जाती है और फिर उस के ऊपर डेथ ड्यूटी, ऐस्टेट ड्यूटी बिल कर लागू हो तो वह किसान तो उठ भी नहीं सकेगा। उस की रीढ़ टूट जायगी।

इसलिये हमारे अर्थ मन्त्री से तीन निवेदन हैं। पहला निवेदन तो यह है कि वह भूमि को

[श्री बी० पी० सिन्हा]

खेती के लायक है, उस को इस बिल से निकाल दें। यदि वह उस को निकालना न चाहते हों तो उस को तब तक के लिये स्थगित कर दें जब तक कि सरकार की भूमि सम्बन्धी नीति निश्चित नहीं हो जाती है। यदि इस के लिये भी वह तैयार नहीं हैं तो सब से निम्न, सब से छोटा जो निवेदन है, वह हमारा इस प्रमैजमेंट का निवेदन है, वह इस प्रमैजमेंट को कबूल करने की कृपा करें।

दूसरी छूट के बारे में मैं चाहता हूँ कि हर परिवार को एक मकान रहने के लिये चाहिये। उस को इस बिल से छटकारा मिलना चाहिये। आज बहुत से लोग कहते हैं कि बहुत स्यादा मूल्य का मकान है तो उस को क्यों छोड़ा जाय। मैं समझता हूँ कि आप मकान को नहीं छोड़ेंगे तो जो आप के कर्मचारी हैं, वे मकान का इस तरह मूल्य लगावेंगे कि जिस से उस की किसी तरह छूट नहीं हो सके। हमारी कांस्टीट्यूएन्सी में एक नवाब बहादुर हैं। उन के पास बहुत बड़ा मकान है। यदि कोई भी उस का मूल्य लगावे तो वह मूल्य एक लाख तक जा सकता है। लेकिन मैं ने देखा है कि हालत यह है कि उस मकान की एक टूटी हुई खिड़की है तो उस में वह कोई तरुता भी नहीं लगा सकते हैं। मैं ने रोवा ग्राम में देखा था कि धूप से बचने के लिये खजूर की छड़ी (पस्ता) लगा हुआ था, नवाब के मकान की खिड़की में तरुते की जगह एक खजूर की टट्टी लगी हुई थी। इसलिए एक मकान का छोड़ना निहायत जरूरी है और अगर ऐसा नहीं किया जायगा तो इस के फलस्वरूप देश के अन्दर बहुत बदाशुकी फैलेगी, अशान्ति फैलेगी वैसे ही देश की जनता सरकार का जो एग्जीक्यूटिव वर्ग है, उस से तबाह हो रही है। जिस धारा में कहा जा रहा था कि मूल्यांकन की जांच

करने के लिए कोई जुडीशियल अधिकारी होना चाहिए, उस के लिए हमारे अर्थ मंत्री महोदय ने कहा कि उस काम को एग्जीक्यूटिव ब्यादा सहूलियत से कर सकती है, आज जनता में एग्जीक्यूटिव के प्रति वैसे ही भारी असन्तोष है और जनता त्राहि र कर रही है, अब अगर इस काम को जुडीशियल को न सौंप कर एग्जीक्यूटिव को दिया जाएगा, तो देश में जो हाहाकार मचेगा, उस का हम इस वक्त अन्दाजा नहीं कर सकते।

अन्त में मैं और अधिक न कह कर अर्थ मंत्री महोदय से नम्रतापूर्वक निवेदन करना चाहता हूँ कि आप खेती के लायक जो जमीन है, उसे आप इस कर से मुक्त कर दें, दूसरे एक रहने का जो मकान हो, उसे भी इस कर से मुक्त कर दें भले ही वह किसी भी मूल्य का क्यों न हो। सरकार को यह उचित नहीं है कि जनता की सहूलियत का ख्याल किये बिना उस से पैसा लिया जाय। जनता की सरकार का काम यह देखना है कि जनता में सर्वत्र शान्ति, सुख और चैन हो और जब देश स्मूडिशाली होगा, तब पैसा मिलने में कोई कठिनाई नहीं होगी, इसलिए मेरा अर्थ मंत्री महोदय से अनुरोध है कि मेरा जो पहला सुझाव एग्जीक्यूटिव लैंड को कर से मुक्त करने का है, उस को स्वीकार करेंगे, लेकिन अगर वह संभव न हो तो मेरा भूमि नीति निश्चित होने तक इस कर को स्थगित करने के सुझाव को मंजूर कर लें, लेकिन अगर वह भी मंजूर करने में अपने को असमर्थ पाते हों, तो कृपया मेरा जो अन्तिम सुझाव है और एक मकान को कर से मुक्त करने का, उसे अवश्य स्वीकार करने का कष्ट करेंगे, ऐसा मेरा उन से अनुरोध है।

Mr. Deputy-Speaker: Mr. Mishra. Has he tabled any amendment?

Pandit S. C. Mishra (Monghyr North-East): Not on this clause. I have other amendments.

Mr. Deputy-Speaker: I thought I should give preference to those hon. Members who have given amendments. Any way, I have called him.

Shri R. K. Chaudhury: I have an amendment, Sir.

Mr. Deputy-Speaker: I can never forget Mr. Robini Kumar Chaudhuri.

Shri A. M. Thomas: There will be a spice of humour also.

Pandit S. C. Mishra: Mr. Deputy-Speaker, it looks as if the Finance Minister wishes to make an impression upon us and perhaps upon the people outside that he is very careful and very meticulous about small gains, about things which will bring certain pennies. Certainly it is very good and if one takes care of the pennies, pounds will take care of themselves. But, there is another side. It seems the Finance Minister is getting penny wise and pound foolish. It looks like that because we will soon see that when there are points from which much more money could be had, he is very generous, but on these little things, it seems as if we are higgling and haggling like vegetable sellers in the market. I do not see why all these things are brought here in such a niggardly form. I have seen in this House,—perhaps he may quote us examples from other lands—when he wants anything, he always takes it from wherever he likes, but on other points he rejects. But, I would request him that he should not show that he is strict on these small things which will not bring much revenue, and leave the greater and bigger things like rates etc. I would request him not to be like petty people.

One thing that particularly strikes me in connection with this clause 32 is this. Here are little ceilings: 2500; I do not know what he means by Rs. 1,500 then 2,000 and 2,500. However, if you think that these are any reliefs, I tell you on behalf of the tax-payers, that you can take them out as well. Not even the poorest man will grum-

ble for this 2,500 or 5,000. But, if you give something, you must give something which will bring substantial relief. This is only tinkering with the name relief. Then about sub-clause (2) of clause 32. My request is this. If there are things which the Government knows and which the Finance Minister knows that they will have to make certain exceptions about it would have been much better for them if they had brought those things here. Because, even without going into the Acts, you take certain rights to yourself and it locks as if you cannot do always without having something up your sleeves. Whereas we wish that the whole country and everybody should be law-abiding and should have respect for law, if the very makers of law feel that they cannot exist without keeping exceptions for themselves and arbitrary actions reserved for themselves, I say you are generating something which is not at all respectable for law. Everybody will think, "Well, look here, they have kept enough scope for favouritism, for nepotism, ect. in sub-clause (2)." I say, if after this Bill had come into operation, certain things happened and then they brought forward this proviso, everybody would have been satisfied as to the *bona fides* of the Government. As things stand, it looks as if the very *bona fides* of the Government and the finance people and the tax-gatherers comes into suspicion. Why are these things here? I will tell you what will happen by showing this favouritism. You talk of fissiparous tendencies and say that linguistic provinces will do harm. All these little favouritisms in rates or somethings which will exclude more money from the treasury will result in heart-burning and people will feel dissatisfied. Fissiparous tendencies will arise in this country. Therefore I say, if you have something already in your mind, it would have been much better and much more honest if you had brought them here. I appeal that these small things be taken away and if you are thinking of some relief, let it be substantial, otherwise on behalf of the small people. I

[Pandit S. C. Mishra]

say take away all these things wholesale.

Shri S. S. More: Sir, I want to make a submission through you to the Finance Minister.

Shri U. M. Trivedi: Mr. More has no amendment.

Shri S. S. More: I have; it is No. 492.

Sub-clause (c) says:

“household goods, including tools of artisans, agricultural implements or any other tools or implements.....”

The Finance Minister is particular to give relief as far as agricultural implements are concerned. But, Sir, what about the minimum cattle of the agriculturists?

Shri C. D. Pande: That is included.

Shri S. S. More: No.

Shri C. D. Pande: Yes. That is my complaint.

Shri Sarmah: What is your amendment?

Shri S. S. More: I will read it.

Shri Sarmah: Read it now.

Shri S. S. More: May I refer to section 60 of the Civil Procedure Code, Sir?

Mr. Deputy-Speaker: Would they not come under implements?

Shri S. S. More: No. That is why I am referring to section 60 of the Civil Procedure Code, which says, tools of artisans and where the judgment debtor is an agriculturist, implements of husbandry and such cattle and seed grain as may...etc. It means that cattle, by any stretch of imagination, cannot be said to be implements.

Mr. Deputy-Speaker: What is the amendment?

Shri S. S. More: I have not tabled any amendment. But, the Finance Minister.....

Shri C. D. Deshmukh: His amendment is about inter-caste marriages.

Shri S. S. More: Before I go to that topic, at present, I will restrict myself to the cattle of the agriculturists.

Mr. Deputy-Speaker: Are there castes amongst cattle also?

Shri R. K. Chaudhury: On a point of order, may I draw the attention of the House and the hon. Minister that his amendment runs like this:

“gifts made by the deceased to persons who have married outside his own caste or community, or who is born of an inter-caste marriage.”

How can tools come here?

Shri S. S. More: What the hon. Member has said is absolutely irrelevant. As far as amendment No. 492 of mine is concerned, I want to insert another clause (k). I am not now referring to clause (k). I am discussing clause (c). He seems to be in a hurry to reach inter-caste marriage, without taking into consideration the clause that I am referring to.

Mr. Deputy-Speaker: Because there is no amendment.....

Shri S. S. More: During the course of the discussion—the Finance Minister is responding on occasions very splendidly.....

Mr. Deputy-Speaker: The hon. Member evidently wants to add after “any other tools or implements”.....

Shri S. S. More: Cattle.

Mr. Deputy-Speaker: “or necessary cattle”.

Shri S. S. More: As a matter of fact, I find that this particular Clause bears a sort of special likeness to clause (b) of Section 60 of the Civil Procedure Code.

Mr. Deputy-Speaker: Any other tools or implements as may be necessary to enable him to earn his livelihood including cattle.

Dr. Ram Subhag Singh (Shahabad South): Then the money value should be raised.

Shri S. S. More: It is for the Finance Minister. I am making a suggestion for his acceptance, because Section 80 of the Civil Procedure Code is there. This particular expression has been used in that particular context as a matter of fact, and this particular clause bears a sort of special likeness to that particular provision with the difference that cattle have been eliminated. And, as a matter of fact, the Congress ought to be very thankful to the cattle, because their symbol is a pair of bullocks which has given them a surprising majority, at least in gratitude.....

Dr. Krishnaswami: Gratitude to the cattle?

Shri S. S. More: So, at least to the bullocks which gave them a majority as a matter of fact, they ought to extend some concession.

Then, I may refer to sub-clause (i):

"drawings, paintings, photographs, prints, manuscripts and any other heirloom, not falling within clause (h), which are retained in the family of the deceased and are not intended for sale;"

You know already that some rich persons have the habit of collecting such drawings, paintings etc., at a heavy cost, at a fancy price. They may not be immediately intended for sale, but, nonetheless, they carry some value, and a precious value. Why these should be exempt I cannot understand as a matter of fact. And Sir, what is the definition of an heirloom? One of my friends, Mr. Nayar, suggested to me that a Ruler may say that the crown, possibly studded with diamonds and rubies, is an heirloom. It is quite possible to interpret it in that way, and possibly, articles which are worth Crores of Rupees, at least lakhs of rupees, will be sought to be included under this particular clause. I can understand that under (h), such drawings, if they

are given to any public institutions etc., should be exempted, but if he wants to keep them in his own family his precious treasure, what happens? We have been hearing from English people as a matter of fact, on many occasions, that when the father who was collecting such precious things dies, his sons bring all these things for auction, and then they recover fancy prices as a matter of fact. If they have got any intrinsic value—they may be intended for sale or not—such articles are bound to have a very heavy price on them. Why they should be excluded I cannot understand, when, in the case of agriculturists, you are prepared to exclude them over an amount of Rs. 2,500? In this particular clause there is no ceiling. As a matter of fact property worth many lakhs may escape without any ceiling. I hope the Finance Minister will take this fact also into consideration

Then, Sir, my amendment No. 492, which Mr. R. K. Chaudhury was so kind enough to read in advance for me.....

Mr. Deputy-Speaker: Has not the House already expressed its opinion with regard to this?

Shri S. S. More: I know your anxiety as far as this particular matter is concerned.

Mr. Deputy-Speaker: The hon. Member need not think it is too late for me to have an inter-caste marriage!

Shri S. S. More: I am not prepared to take you as one of the running exhibits for this purpose, as a matter of fact, but.....

Shri C. D. Pande: A dialogue of this kind with the Chair is not proper, and to call you "an exhibit" is very objectionable.

Shri S. S. More: If the word is objectionable, I withdraw it, but as far as we lawyers are concerned, we are every day concerned with exhibits.

Mr. Deputy-Speaker: I am not here to answer the hon. Member. Therefore, I may be left out of the picture.

Shri S. S. More: I am also leaving myself out of the picture along with you, but I do not want to make a speech. I have already expressed my views as strongly as possible in spite of very stormy opposition the day before yesterday, but on that occasion when I put in this sort of amendment for Clause 26, the Finance Minister was concerned. I think now, at least levant as far as that particular clause was concerned. I think now, at least in this particular place, it will be relevant as far as exemption is concerned, and this is the only thing I want to say about this particular clause.

Shri C. D. Pande: Though I have put in amendments to almost every sub-clause of this clause, I wish to confine myself to sub-clause (c), because, in my opinion, in this whole Bill, though there are many objectionable features, this is the darkest spot in the sense that this clause deals with the most intimate life of the people and their household goods.

Shri S. V. Ramaswamy: What are the other dark spots?

Shri C. D. Pande: Banning of charities, that is one of the dark spots.

The Minister of Communications (Shri Jagjivan Ram): Closing of the loopholes.

Shri C. D. Pande: Then comes the exemptions you have made for the sake of giving relief to the people. I also admit that the limit of Rs. 2,500/- is pretty high provided you do not include the cattle of the peasants, of the farmers, in this sum. If you mean by "agricultural implements" the bullocks also, then I can tell you that in my opinion this should be increased. Otherwise, there is no provision for that. If you include bullocks, then four pairs or five pairs of bullocks of a very ordinary farmer—even my Socialist friend, Mr. Mishra, who is

a very ordinary farmer, has got four pairs of bullocks—will cost Rs. 2,000/-.

Dr. Ram Subhag Singh: Then he is not ordinary.

Shri C. D. Pande: He will be taxable, because even an ordinary farmer in our parts has 30 acres which will cost Rs. 60,000 or Rs. 70,000. Therefore, even a person like Shri Banarasi Prasad Sinha who is by no means rich will be taxable.

The intention is to give relief, and you have put a limit of Rs. 2,500 or what?—on so many things:

'household goods, including tools of artisans, agricultural implements or any other tools or implements as were necessary to the deceased to enable him to earn his livelihood.....'

So, I suggest, "to the extent of rupees two thousand and five hundred in value" should be deleted. As I was telling you, the purpose is to afford relief to the people, but in practice, it will not be relief at all. It will be a source of hardship, indeed a source of harassment. The question may be put: how? I will tell you. The moment you put a ceiling or a limit, the question comes of valuing or putting a value on every article that is left. Suppose there is a man of a moderate means of one lakh of rupees, and he dies. Then, after a week or so, or it may be the very day of his death, the people of the Income-tax Department may approach the heirs of the deceased, and may say: "Tell us, what are the goods left?" They will be busy in making an inventory of the entire gamut of the articles left. It is quite possible that a fountain pen of the deceased, a watch, or spectacles, or old chappals even may be put to value, and there may be a lot of harassment in ascertaining as to what actually belonged to the deceased. In a joint family system is there any demarcation between the property of the deceased and the people left be-

hind? Is there any difference in the chair or the sofa set? Do not quote England every time because in England.....

Shri M. C. Shah: You belong to the Dayabagha.

Shri C. D. Pande: Dayabagha is over now.

In England the people live separately from their children. When the children are grown up, the parents live separately, so that in England you can always say that this much of property either in a hotel or a flat or in an apartment belongs to a certain individual who is deceased. But, in India, suppose I die.....

Several Hon. Members: No, no.

Mr. Deputy-Speaker: Hon. Member need not die at all.

5 P.M.

Shri C. D. Pande: Framers of the Bill are looking for that. Then the people come and say, "What is the property left?" My son will find it difficult to point out the exact sofa that belonged to me, or the sofa that he purchased for himself. So, household goods of any value should be made altogether free. They have to be exempted from duty if harassment has to be avoided. Mr. Shah is laughing, how it is possible. Do you think people will have an incentive to turn their fortunes into furniture?

Shri K. K. Basu: There are persons.

Shri C. D. Pande: If there are persons, then they are fools not sound businessmen. If a piece of furniture is purchased after a period of six months, its value is reduced to half. Do you think, when the maximum duty is 40 per cent. on any amount of wealth, people will be foolish enough to invest their fortunes in furniture? I am talking here of big fortunes, not small wealth. Big fortunes will never be converted into furniture. You can take it from me, because the duty is

40 per cent. at the most, and second-hand goods are never sold for more than 50 per cent. of their original value.

My point is if you look into the difficulties of making an inventory of the goods which the deceased person has left, you can visualise the harassment and vexation to which the persons who are left behind will be subjected. Just picture how it will happen. The man is dead, and people are preparing for his funeral. The man from the estate duty office will come and ask, look here, where is that watch that he purchased in Switzerland for Rs. 300, where is that stick which he purchased in Naini Tal for Rs. 2, where are those spectacles which he had ordered from Lawrence and Mayo, and the like.

Mr. Deputy-Speaker: The hon. Member is giving out information in advance.

Shri C. D. Pande: These are the questions that will be asked, where is the bed that he used to sleep in? (*Interruptions.*) Dutiful sons will give it to the *mehtar* as it is done usually. But they will be told, no, you cannot give away the effects of the deceased, you may be penalised, if you give them to the sweeper.

An Hon. Member: Give it to the tax-gatherers.

Shri C. D. Pande: In my opinion, this will be the greatest source of harassment and vexation to the people concerned. Our household things are such that they are not assigned to individuals. People do not know what utensil belongs to whom. A son may have bought in the lifetime of his father, a few of the utensils for himself, and it may be that they were living together, but the tax collector may come and say, since the deceased was living with you, and you are his dependent, you can never be supposed to have purchased these utensils for yourself. These are the things which are likely to happen very shortly. People with small wealth

[Shri C. D. Pande]

will not mind the petty amounts of taxes. It is not a question of paying taxes only. Mr. Gadgil says always, the exemption is so much, do you know that we have afforded an exemption of Rs. 2,500 here, a Rs. 2,500 there, and so on, and the total exemption is Rs. 11,500. I think he has not calculated the relief in actual amount of tax he has afforded to ordinary middle class people. Up to Rs. 1 lakh, the rate of duty is 5 per cent. What is the relief that you have afforded? It is only Rs. 125 in all, in the case of household effect.

Shri Gadgil: Rs. 2,500.

Shri M. C. Shah: When he was a member of the Select Committee.. (Interruptions).

Mr. Deputy-Speaker: The hon. Member is not yielding.

Shri C. D. Pande: I have appended a minute of dissent. Therefore I have a right to speak. What I want to say is that it is not a question of goods of the value of Rs. 2,500 but the duty on this merciful exemption. The reduction in duty is to the extent of Rs. 125 only. It is indeed you are waging a constant cold psychological war on the people of middle class means.

Shri M. C. Shah: It is not so. Will the hon. Member read Clause 51(3)... (Interruptions).

Shri C. D. Pande: Even a man worth Rs. 40,000 of fortune.....

Mr. Deputy-Speaker: The hon. Member will kindly look at me and talk.

Shri C. D. Pande: I was telling you that even a man of middle means may be in constant terror that if there is a death, it is possible that his wealth may be worth only Rs. 50,000, and yet the agents of the Income-tax Department may put it at Rs. 60,000 just to harass him. It is not a question of paying duty that I am referring to, but the vexation, harassment and difficulties to which the people will be subjected. I would even say that

you might put a clause to the effect that under Rs. 1 lakh, it is better to give Rs. 2,000 in advance, rather than say that his property should be probed into, the thali should be valued, that the spectacles should be valued, that the old chappals should be valued, and so on, because all this is a constant source of harassment and worry.

Therefore, it is not a question of a benefit of Rs. 125 being given to the persons concerned. An inventory has to be made of the household goods, because a ceiling is fixed for them. I would say that instead of subjecting these people to vexatious difficulties, this concession might be withdrawn as well, rather than the concession remain there and people be put to the duress of declaring the price of the old carpet, the worn out utensils, and the torn bedstead of the deceased. That is all I have to say in this connection.

Shri R. K. Chaudhury: May I ask one question of the hon. Member? He was referring to beds. To whom does the bed of a married person actually belong? Is it the property of the wife who lives or that of the husband who is deceased?

Shri C. D. Pande: The interpretation of the department will be final even in this matter.

Shri T. S. A. Chettiar (Tiruppur): I would like to refer to the amendment moved by Government to sub-clause (f) of clause 32. The original provision in the Bill as it stands now is:

“moneys payable under one or more policies of insurance effected by the deceased on his life for the purpose of paying estate duty or assigned to the Government for the said purpose, to the extent of the amount of duty payable”.

Only very rich people can do this. Supposing somebody has to pay a tax of Rs. 1 lakh, if he insures a policy for that amount, definitely for

the purpose of paying this duty, the whole of that Rs. 1 lakh will be exempt from duty. For purposes of aggregation, it will be utilised, but it comes under exemptions. Now this exemption is sought to be limited to Rs. 50,000. The value of the property which will be subject to this tax would be not less than Rs. 5 lakhs.

The hon. Finance Minister has been saying more than once that many concessions have been given to the propertied classes. I agree. But to what kind of propertied classes has this concession been given? Many of these concessions have been given to the large-propertied classes, to which I certainly object. All principles of taxation and all methods of taxation should be based on the fact that the lower classes should be given relief, while as we go to the higher classes, they must be taxed as much as possible. I shall have to say more about this, when we come to the Government amendment in regard to clause 34. I shall rest content with referring to one or two things to which I have referred previously also. Supposing a man is worth Rs. 5 lakhs, you are prepared to give an exemption to him in respect of the whole amount of tax, namely Rs. 50,000. Though for purposes of aggregation, it is included, still it is exempted under this clause.

Then let me refer to the other provisions in regard to exemptions. I would not like to refer just now to charitable institutions which were referred to by my hon. friend over there. I would, however, like one point to be cleared—and that was an important point raised by Mr. More—namely whether agricultural implements or other tools include cattle. I would like to know it from the hon. Finance Minister, if he will oblige us with his opinion.

Mr. Deputy-Speaker: Hon. Members need not go on asking for clarification at every stage. Finally when the hon. the Finance Minister

replies, he will reply on all these points.

Shri T. S. A. Chettiar: I hope so, Sir. Then, coming to the points raised by many other Members, we know the cost of things today. The amounts mentioned here are bound to create hardship with regard to the middle class in their application. It will lead to harassment. I would like to urge, Sir, that while tax can be levied, and we do not want anyone to escape taxation, the lower rungs should be prevented from harassment. As far as the richer people are concerned, they have a lot of money, and as Mr. Kilachand said the other day, they will be free from harassment because they can engage first-rate lawyers and they can meet people, discuss things with people over a cup of tea or over a dinner. They have means by which they can get things done.

Shri K. K. Bose: What are those means?

Shri T. S. A. Chettiar: As far as the people in the lower rungs are concerned, it is they who suffer. Sir, in a matter of administration of law like this, when the head of the family is dead and there is nobody to look after things, there will be hardship. Most of the people are not literate, educated people, most of our agriculturists are not educated and some of them are widows who are in charge of estates. In my part of the country, I know there are many families in which only widows are in charge of estates and it is they who will suffer—people who are of middle-class families with Rs. 50,000, Rs. 75,000, even Rs. 1 lakh. (*Interruption* by Shri S. V. Ramaswamy). So what I would say is that these things will result in harassment to the lower middle class people.

Shri M. C. Shah: How?

Shri T. S. A. Chettiar: If I have not explained it sufficiently to you, I cannot explain it to you.

[Shri T. S. A. Chettiar]

Then, Sir, with regard to public charitable endowments, I had an amendment. I did not move it.

Mr. Deputy-Speaker: Is he moving it?

Shri T. S. A. Chettiar: No, I am not moving it. But the point is this. Last time when we were discussing clause 9, the Finance Minister stood up and said that this House had voted crores of rupees for social services and other things. Certainly, the Government is the biggest social service-doing agency in the country. But the point that I then made and I must make now is this, that for the provision of social amenities like education, medical relief etc. the Government even today, and in the future should continue for a long time to depend upon social service organisations, and our pattern of Acts should be such as to encourage help to these social service organisations.

There are a few people who are professional beggars in this country and I am one of them. From 1930, when we went to jail for the first time, we have been in charge of social service work collecting money. I am not one of those who think that simply because this clause comes into existence, help to social service institutions will stop. It is not that always gifts are made six months before they die. I am sure the people will continue to rise to the occasion and support all good causes. But that is not the point. The point is whether this will discourage contributions to that extent. To some extent, I am sure this will discourage contributions and this is a point of view which I want Government to take note of. Not that I say that all contributions to social service institutions will stop. They won't stop, because our people want to give for good causes. Even poor people want to give something for good causes, more than the middle and lower classes want to give. But this clause will discourage it. My amendment was to the effect

that following the precedent in the Income-tax Act—Section 15B—people should be allowed to recognise charitable institutions.

Shri C. D. Deshmukh: May I ask one question of the hon. Member? What percentage of the money for charities that he has collected represents collections made from people within six months of their death?

Shri T. S. A. Chettiar: I do not think anybody thinks about death when giving money.

Mr. Deputy-Speaker: As a matter of fact, the hon. Minister wants to know how many people died immediately after giving donations?

Shri T. S. A. Chettiar: Not many perhaps. But I know this, that the recent concessions made under Section 15B encourages people to make contributions. I know that because when we go about for contributions, they ask whether it is allowed under the Income-tax Act, and in many cases where these allowances are made, the contributions are easier. There is no gain-saying that.

Shri Gadgil: They die, whether they like it or not.

Shri T. S. A. Chettiar: Yes, but some people have a prescience that they may die within a few months and to that extent it will be an encouragement to people to make contributions and to recognise charitable institutions.

Shri Jagjivan Ram: At Government's cost.

Shri T. S. A. Chettiar: I do not think Government lose. What are the Government collecting money for? The Government are not collecting funds to keep them in their coffers. They collect funds so that they may distribute them for social service operations, and when they can achieve these very objects in a better method through different

means, I think they should recognise these things. If the Government think that these contributions do not serve any public purpose, they would not have come with an amendment to section 15B of the Income-tax Act. That they have accepted this principle in itself proves that Government think that helping social service institutions by charitable contributions is good for society. I only say that what is considered as good to the society under the Income-tax Act must be accepted, and can be accepted, for purposes of the Estate Duty Bill. I do not take a narrow view. Government want to spend money over these services. These services gain directly by this provision and so, Sir, I do not think there is anything contrary to the spirit of the law prevailing in this country if this is accepted.

Now, I would like to make one observation with regard to sub-clause (2). This is an omnibus provision—that the Government may make certain exemptions as they think fit. I would like the Government to make it clear as to what sort of cases they have in view. Certain amendments have been moved to that clause. It will ease the conscience of this House if the position is made clear, because odd rumours are afloat. It is good that the Finance Minister has made a categorical statement that it is not intended to apply to the Princes, and to that extent things have been made clear. But it will help much more if the Government can come forward with a policy statement about that clause—as to what sort of cases they expect that clause to apply to.

Mr. Deputy-Speaker: A number of hon. Members want to speak, though we are sitting in the afternoon also, continuously for 8 or 8½ hours.

Dr. Krishnaswami: This is a very important clause.

Mr. Deputy-Speaker: I will allow every hon. Member an opportunity.

But let them not repeat what others have said.

Dr. Krishnaswami: We won't.

Shri Raghbir Sahai: Sir, I have already moved amendments Nos. 114 and 117. With your permission, I want to tag them together because they are part of one and the same thing. (*Interruptions*).

Mr. Deputy-Speaker: Hon. Members have now extended their talk to other Benches also.

Shri Raghbir Sahai: Sir, my first amendment reads:

In page 20, line 5, after "female relatives" insert—"or for the education of minor male relatives".

The second amendment reads:

In page 20, line 9:

(i) for "relatives" substitute "female relatives".

(ii) after "relatives" add "and a like amount in respect of education of such minor male relative or relatives".

After these two minor amendments, the sub-clause would read like this.

"32(j). Gifts made by a deceased parent or natural guardian in consideration of the marriage of any of his female relatives or for the education of minor male relatives depending upon him for the necessities of life or moneys earmarked for such purpose in policies of insurance or declarations of trust or settlements effected or made by the deceased to the extent of Rs. 5,000 in respect of the marriage of each such female relatives, and a like amount in respect of education of such minor male relative or relatives."

Sir, at the very outset I may submit that in moving these two minor amendments my object is not to water down this Bill as has been feared by some hon. Members of

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this House but to make it more equitable. My arguments in support of these two amendments are the same which were adduced by Members of the Select Committee when they agreed to add sub-clause (j) to Clause 32 i.e. making provision for the marriages of minor daughters and exempt a sum of Rs. 5,000 for that purpose. Now my arguments in regard to these two amendments are just the same as have been advanced in respect of the exemption in regard to the marriages of minor daughters.

You may be aware that in these days it is very difficult for ordinary middle class people, not to speak of poor people, to get their sons and male relatives educated. At the present moment it is not the policy neither is it regarded as the duty of the Government to educate every son of the soil. So it is the duty of every person, who has got a son or a male relative, to educate him properly. Now, Sir, Education is a very costly affair and the practice generally on the part of the middle classes is that whenever a son is born to them, they either get a pass book opened in the post office or they enter into an insurance policy. They make payments by instalments or they deposit sums in the name of that minor son or minor male relative in their pass books. Now suppose the father of those male relatives dies accidentally and he simply leaves a residential house which he might have built in the year 1925 or 1930 when it cost him simply Rs. 10,000 or Rs. 12,000. Now at the present valuation it would cost something like Rs. 45,000 or Rs. 50,000. The poor fellow, when he dies, leaves merely sums in the names of those minor daughters and minor sons. Now my submission is in case the estate duty was to be charged from that money, which is left in possession of the widow and all those minor sons and minor daughters, it would be very hard on them. Just as you

have made an exemption of Rs. 5,000 in consideration of the marriage of minor daughters, I submit, an exemption should be made to the same extent for the education of those minor sons.

An. Hôn. Member: What about daughters?

Shri Raghbir Sahai: I was reading an admirable book on death duties by Shri Gadgil which has been very often quoted in this House. I would just draw the attention of the hon. the Finance Minister to those weighty remarks that Mr. Gadgil made therein:

"It should, however, be made clear that in the case of the surviving spouse and minor children who have lost their bread-winner and to whom the inherited property is the only basis of their inheritance, any tax, without sufficient exemption would be an unjust imposition." Further he says, "In the case of widows and minor children any unjust imposition of the death duty would diminish to a great extent the survivor's financial capacity owing to the death of their sole bread-winner."

Mr. Deputy-Speaker: When was that book written?

Shri Raghbir Sahai: I think it was written only a few years ago and Shri Gadgil may not have changed his views.

Shri C. D. Pande: The love and affection for wife and children is eternal.

Shri Gadgil: It is out of date. Much water has flown below Jamuna since then.

Shri Raghbir Sahai: I am surprised to hear that the book is out of date. I think these observations were very pertinent and I think they apply to the present case.

Now, it was suggested that for the education of those minor sons a trust:

could have been created. I think that the creation of a Trust would create greater difficulties for in the case of the Trust it was necessary that the possession should go over to the beneficiary. This would be impossible in the case of minor sons or minor daughters. So it would be just and proper that as we have made an exemption in the case of gifts in consideration of the marriage of a female minor daughter so an exemption should be made for the education of minor sons. I hope this amendment will commend itself to the hon. the Finance Minister.

Shri V. P. Nayar: Mr. Deputy Speaker, Sir, I do not have any amendment on this particular clause standing in my name but I would like to say something on amendment No. 454 moved by Messrs K. K. Basu, K. A. Nambiar and others. I do not understand why there is a provision as sub-clause (i) especially when you find that just before that there is sub-clause (h):

"drawings, paintings, prints, manuscripts, works of art or scientific collections which are of national, scientific or historical interest and which are retained in the family of the deceased and dealt with or disposed of in accordance with such conditions as the Board may prescribe."

Sir, Mark the words "and dealt with or disposed of etc."

In the next sub-clause (i):

"drawings, paintings, photographs, prints, manuscripts and any other heir-loom, not falling within clause (h), which are retained in the family of the deceased and are not intended for sale;"

It is there in this sub-clause (i) where the amendment says that the words "and dealt with or disposed of in accordance with such conditions as the Board may prescribe" should be inserted.

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Shri K. K. Basu: As it is printed, there is some mistake.

Shri V. P. Nayar: It is put in the next clause by mistake. You know, Sir, that the heir-looms will include several things. Mr. More was just referring that, I suggested to him that it may include precious stones and even crowns also.

If you refer to Wharton's Law Lexicon, you will find that crowns actually are included in what is called heir-looms. I know that in the crown of that gentleman, who used to be His Highness the Maharaja of Travancore, there are so many precious stones and that crown will be easily worth several lakhs of Rupees. That will come within the meaning of heir-looms. You know also that there was a saying in the olden days that all the jewels in the land belong to the king. I may be permitted to quote a Malayalam quotation for *Nalacharitam Aottakatha* which means that "all the treasures in the land are yours, O, thou King. Devas must be satisfied with the yagnas". In fact in actual practice we have found that when anybody had a stone, which may be called precious, the former Rajahs used to have it for themselves. So, Sir, you find that there is a great accumulation of all precious stones—rubies, emeralds, sapphires—of everything which you call precious stones with these ex-Rulers, with almost everyone of them. They will all be claimed under the term, "heir-looms." Take, for example, the crown of the Nizam of Hyderabad, or his dress. He may have buttons of gold in which will be set the most costly diamonds and these will be claimed as heir-looms by his heirs. So, Sir, the word 'heir-loom' will prevent the collection of estate duty on certain things on which these ex-Rulers have lavished their money.

Then, take the case of drawings and paintings. There may be rich men, who, not being satisfied with what our people have drawn, will

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go in for a picture drawn by old masters, as for example, Leonardo da Vinci or Fred Barnard or somebody else. They may pay £20,000 for that and keep it with them, and later on their successors will claim them as heir-looms. It will then come within the meaning of drawings. These may be kept in frames of gold set with sapphires. Sir, in the recent Railway Exhibition which we had in Delhi, there was a train and all the local newspapers reported the news under banner-headlines as "the costliest toy in the world." One Maharaja, it appeared, found that his child could not play with any toy other than a regular railway train. So, he spent lakhs of rupees on that. That will be claimed as an heir-loom. How are you going to tax all this? Are you going to allow such things to go tax-free? In fact, Sir, the moment you see that there is an escape under this section, you will find all the ex-Rulers making robes of gold and set them with precious stones. Their buttons will not be the ordinary type of coral buttons which you and I wear. So, Sir, this section.....

An Hon. Member: It will come under clause (f).

Shri V. P. Nayar: No. They can and will certainly say, it is an heir-loom. We have stopped wearing it. In fact, you cannot expect a man to wear a dress made of gold, but they will themselves say that it is not a wearing apparel, that it is not intended to be a wearing apparel but that it had been given to him by his father and that it will go to his son as an heir-loom. There is that possibility of mischief. In this section,—I do not say it is accidental—it is deliberately included there. This is a clause which essentially gives relief to the ordinary men, middle-class men. So, under a very crafty disguise, the Finance Minister has so cleverly managed to smuggle in this provision. It is precisely why in the dissenting minute you will find.....

Mr. Deputy-Speaker: I am afraid the whole thing was done in the Select Committee. There is no good attributing the whole thing to the hon. Finance Minister.

Shri C. D. Deshmukh: Is it parliamentary to use the word 'crafty'?

Shri V. P. Nayar: I know only persons with craft can be called crafty, and it means only skilful. Why I say this is because we have expressed our dissent on this particular clause in general. You will find that this is how we began:

Mr. Deputy-Speaker: 'Dishonest' is unparliamentary.

Shri V. P. Nayar: I did not say 'dishonest.'

Mr. Deputy-Speaker: But unless a person specially goes into all the expressions that have been found unparliamentary—normally 'crafty' and such other things which attribute a particular kind of...well, let us proceed.

Shri V. P. Nayar: I will read to you the relevant portions. You have been kind enough to allow this in the dissenting minute, and you have been good enough to publish it although some portions have had to be expunged. This particular passage refers to the Insurance Policy and the provision relating to that. So, Sir, that is exactly why, when we gave the dissenting minute, we were forced to write this sentence: "We have long had in our mind suspicion regarding Government's softness, especially the softness of the Finance Minister, for the microscopic minority of very prosperous citizens occupying the topmost rung of our social ladder." This is a concession which is knowingly given. I still hold that this concession has been introduced into a section which, to all intents and purposes, seems to be one intended primarily to give relief to the poor. I submit that this House must take away this section.

Shri G. D. Somani: Mr. Deputy-Speaker, Sir, I have got four amendments. So far as the amendment about charity and dwelling house and other matters is concerned, the preceding speakers have already said so much that I do not want to go into the same. The hon. Finance Minister had just enquired from one of the preceding speakers whether he was aware of any case where the person died within six months of making a contribution. I would like to bring to the notice of the hon. Finance Minister that I am aware of a case where a person made a contribution of Rs. 15 lakhs and died within six months and at the time of his death, his sons and brother made another contribution of Rs. 25 lakhs and the public charities are being benefited considerably from the trust that was created. I am also aware, Sir, of another case of a Bombay merchant who died a few years ago and created a trust of Rs. one crore a few hours before his death, and that trust is also at present proving of considerable benefit to several public institutions in the country. So, Sir, such cases of substantial contributions either within six months or at the time of death do occur. You, Sir, will agree that such contributions will now be things of the past under the Estate Duty Bill as it at present stands. Now, Sir, I will not labour this point, as I said, about charities. Sufficient has been said and now I would come to my other amendments, and specially to amendment No. 122. In this amendment, I would like to draw the special attention of the hon. Finance Minister to one clause which says:

“(m) monies invested by the deceased in any industrial undertaking which has begun manufacturing at any time within a period of five years before his death or such further period as the Central Government may, by notification in the official Gazette, specify with reference to any particular industrial undertaking;”

This, in my opinion, is a very important matter and I would request the hon. Finance Minister to give his special attention to the implications of this amendment. Sir, I am aware that many of the amendments have been rejected on the ground that the Government revenues will suffer. But I would like to make a submission that so far as this amendment is concerned, if it is accepted, it will not result in any loss of revenue to the Government, but it will bring, on the other hand, increased revenue to the Government, besides being helpful to our economy in so many other directions. Sir, I would like to illustrate my point. If this amendment is accepted, then for the purpose of calculation, I will take an average rate of 30 per cent. for those who may be getting the benefit under this clause and who may be investing in new productive channels because the highest slab is 40 per cent. So, I think they may be safely taken as 30 per cent. The loss to the Government revenue from those people who may be establishing new undertakings if they die within five years of that investment, would be at an average of 30 per cent. from that amount. Now, Sir, it follows that for every Rs. 30 that the State may lose, the party concerned will have to find another Rs. 70 of his own to ensure that this Rs. 100 on which he will be claiming exemption of this 30 per cent. will go to new industrial undertakings. It will also be agreed that these new industrial undertakings, after a period of, say, three years or four years, will be yielding at least an aggregate or gross return of 8 per cent. by way of taxation. That means that the Government, by making a sacrifice of Rs. 30, will be getting Rs. 3/8/- from these industrial undertakings which this encouragement has brought into existence, in the shape of income-tax and corporation tax. A return of Rs. 3/8/- on Rs. 30 works out to about 11½ per cent.

Sir, the picture is still not complete. Kaka Saheb Gadgil has advised the

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other day some of his rich friends that they should leave this world before the Estate Duty Bill comes into force, but I hope he will now give credit to his friends that they have not followed his advice, and that they have managed somehow to ensure that they will not deprive the State of its legitimate dues.

Shri Gadgil: I want them to live long, so that they may pay income-tax and sales tax.

Shri G. D. Somani: These persons who will be taking the benefit of this exemption for new undertaking will not all die within the specified period of five years. After all, many of them—at least a majority of them—will survive this exemption period of five years, and therefore once they survive this exemption period, then the investment in these new undertakings will also be brought within the purview of this legislation. If you calculate from this point of view, the return will be much more than what might appear to be the initial loss in the first period of five years in a few cases in which death occurs and exemption is claimed.

Then, so far as this question is concerned, it has also to be considered in the context of the present situation. The other day, the House considered the unemployment problem, and the Finance Minister himself admitted that unemployment was growing and the Five Year Plan should be suitably modified and everything should be done to encourage new avenues of employment. Now, here is an opportunity under this Bill to give some incentive to those individuals who may be interested in investing their capital in new productive channels which will enjoy exemption only for a temporary period of five years. While there will be no very great sacrifice to the State, Government will be giving a definite impetus and encouragement to the establishment of new industries which will, to some extent, relieve the unemployment problem about which so much

concern is being expressed everywhere.

On the other hand, it should not also be forgotten that there are fears expressed on many occasions that if there is no counter-attraction under the Estate Duty Bill, people might easily convert their moneys into precious stones, jewellery, gold etc. which may be easily hidden, and which it may not be easy for the Estate Duty Department which will be established to tax. In order to counteract any such likely evasion of estate duty, it is desirable that some counter-attraction may be provided in the Bill itself, which will induce people to invest their money in productive channels which will enrich our economy, and not place their money into such unproductive channels like investment in jewellery or gold. From all these points of view, I feel that the Finance Minister should give his serious attention to this matter. It is not a question of sacrificing any big amount of revenue. It is a question of ensuring the establishment of new industries, which will have to be approved by the Government—I mean, the investment will have to be made only in those industries which are selected and approved by Government—and since these industries are likely to be a permanent source of revenue to the Government and are also going to help our economy in many other directions, I see no reason why this small concession which looks only on paper as big but which is in reality a very small loss to the Exchequer and which at the same time will be a constructive approach in the present circumstances to the establishment of new industries—I see no reason why this small concession should not be given. I hope the Finance Minister will seriously and sympathetically consider this question.

Shri Sinhasan Singh: Clause 32 relates to exemptions that are proposed to be granted to several items under this Bill. If we compare this clause

with the provisions in the Civil Procedure Code relating to exemptions from attachment or sale in execution of a decree, we find that the reliefs provided here are much smaller. Sections 60 and 61 of the Civil Procedure Code provide exemptions from attachment or sale in execution of a decree, and they have been in vogue for a long time and have provided great relief to the sufferers. Particular reference may be made to the relief given to agriculturists. For the first time, we are going to include landed property in this legislation. Let me read Section 60 of the Civil Procedure Code. In the case of agriculturists, it provides exemption for the following items:—

“tools of artisans, and, where the judgment-debtor is an agriculturist, his implements of husbandry and such seed-grain as may, in the opinion of the Court, be necessary to enable him to earn his livelihood as such and such portion of agricultural produce or of any class of agricultural produce as may have been declared to be free from liability under the provisions of the next following section;”

and the next following section, viz. 61, provides exemption for “such portion of agricultural produce, or of any class of agricultural produce, as may appear to the Provincial Government to be necessary for the purpose of providing until the next harvest for the due cultivation of the land.....”

We are faced with an acute shortage of food in the country, and Government is conducting a Grow More Food Campaign. But what are we doing here? While the Civil Procedure Code has exempted the tools of artisans, cattle etc. in the case of agriculturists, here we are putting a maximum exemption limit of Rs. 2,500. It hardly means any relief to the agriculturists. In these days, an ordinary bullock costs Rs. 500, and naturally the agriculturist, who has

to produce more foodgrains for the benefit of the country must have enough bullocks and other implements like ploughs. If you take away these possessions of his—and now-a-days tractors are in vogue—what will be the result? Every agriculturist will try to evade this legislation by telling lies, or by stealthily selling away his property, or by making false entries and saying that the bullocks do not belong to him.

Dr. Ram Subhag Singh: Bullocks are not touched. He can have them.

Shri Simhasan Singh: But they are not adding bullocks, as far as I can see. For bullocks, for the implements etc. they are putting the value so low that nothing much can be retained. I would appeal to the Finance Minister to make this sub-clause (b) of clause 32 conform to what is provided in section 60 of the Civil Procedure Code. Apart from sections 60 and 61 of the Civil Procedure Code, State Governments can provide relief to agriculturists through other provisions. Our country is mainly agricultural and by the addition of this sub-clause (b), we are taking away whatever relief we mean to grant to the agriculturists. I would, therefore, request the hon. the Finance Minister to adopt the words used in the Civil Procedure Code. With that purpose in view I have moved an amendment to the effect that “Rs. 2,500” be deleted. That would go a long way to afford some relief.

Then, Sir, there is one thing which again looks awkward. Here we are providing certain relief for wearing apparels, but have excluded ornaments which are usually worn by women. The Civil Procedure Code provides for the “necessary wearing apparels, cooking utensils, beds and bedding of the judgment debtor, of his wife and children and such personal ornaments as in accordance with religious usage cannot be parted with by any woman.”

Shri C. D. Pande: It was made clear in the Select Committee that such exemptions would be made.

Shri Sinhasan Singh: But nowhere is it provided in the Bill. If the Select Committee had agreed to it, provision should have been made in the Bill at least in regard to such ornaments as a woman cannot sell or part with under certain customs of society. If that is done much of the hardship that would be caused by this measure would disappear.

As the House is aware the Court of Wards Act is operating in Uttar Pradesh. One day I happened to meet a Court of Wards employee and he jocularly remarked that when a Raja dies issueless we pounce upon the property of the Raja like Mahapatras who fall upon the family of the deceased to get alms. So, once a rich man dies the Controller and his staff will pounce upon the family of the deceased. These are certain elementary necessities which must be safeguarded and no limit should be provided in their case. If we do not do so, great hardship will be caused to the agriculturists, they will be harassed and our objective of 'Grow More Food' will be defeated. A note should also be added to Clause 33 regarding 'Aggregation' because the aggregate as at present provided also includes the exemptions.

Another important feature which I notice in this measure is that we are more generous to the urban people than to the rural people. We are making a provision for an exemption to the extent of Rs. 5,000 for insurance or for marriage. But what about the rural people. They don't know anything about insurance, their property will not be exempted as they cannot take advantage of this provision. My suggestion is that more relief should be afforded to the agriculturists than to urban people. India is mainly an agricultural country and the prosperity of the country depends on the agriculturists. The moment you kill our agriculture, you kill our very economy, because industrialisation alone will not save the country.

I would, therefore, request the hon. the Finance Minister to accept my amendments.

Shrimati Sushama Sen: I rise to speak on my amendment No. 255 which suggests the addition of the words "residential house" before "household" in line 29, and also the addition of a proviso after line 32— "Provided that if the value of the house does not exceed rupees one lakh."

Sir, I feel that a residential house has a very deep and sacred sentimental value in this country, quite unlike foreign countries where most of the people like to live in hotels or in boarding houses. People of our country have a deep sentimental attachment to their residential house. As was pointed out by one of the previous speakers, a house which had cost only about Rs. 25,000 about twenty years back when it was bought or built, would today cost over Rs. 1 lakh. So, it would be very unfair to the middle class people if a residential house is not exempted.

Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes): Then the whole Bill can be thrown out.

Shrimati Sushama Sen: Another amendment which we, the women Members of Parliament are particular about is to sub-clause (j) which provides for an exemption to the extent of Rs. 5,000 in respect of money earmarked for marriage. We are very anxious that such exemption should apply to amounts set apart for education of girls also. There are many girls these days who are not married, who want to go in for some vocational life. Moneys set apart for their education should be eligible to exemption.

In the end I would like to support my hon. friend who has suggested that jewels which a woman is expected to wear according to customs of society should be exempted.

6 P.M.

Shri M. S. Gurupadaswamy (Mysore): I was listening to the various speeches made by several Members on this clause. Some of them were pleading for elaborating the exemptions under this clause and they wanted the list.....

Shri R. K. Chaudhury: On a point of information, Sir. I do not follow why Mr. Gadgil who was taking his stand was asked to sit down in favour of a lady and just now after the lady has finished, Mr. Gadgil is not there in the House? Is there anything sacrosanct about an assurance given to a lady?

Shri M. S. Gurupadaswamy: I feel, Sir, that the list of exemptions that is provided in this clause is already unduly large and if more exemptions are given, I feel that the main purpose of the Bill will be frustrated and the strength of the Bill will be taken away. So I want that the exemptions that have been provided under this clause may be reduced and further restricted. In England, Sir, I am aware that exemptions given are larger than the exemptions provided here. I may just cite a few instances of exemptions provided in England:

Property in which the deceased is interested as a holder is exempted.

Property situated out of Great Britain is exempted.

Property held by the deceased only as trustee is exempted.

There are other exemptions also.

So, there is a huge list in English Law exempting properties and that is why in England the purpose of the Act is not realised. The main purpose of the Law in England was to establish equality in society by reducing great disparities in the distribution of wealth. But that has not been realised till today. So, we must draw a lesson from England and as far as possible we should restrict the list of exemptions. Here some exemptions have been valued to put a

ceiling. For certain other exemptions no limitations have been prescribed. They have been left vague and I feel that if liberal interpretations are given, the total amount coming under this clause may even reach a lakh or more. I feel therefore that the main purpose of the Estate Duty Bill will be frustrated. And moreover, new amendments have been brought forward by the Finance Minister. I was really surprised why he was made to bring forward these amendments. I feel, Sir, that he must have been with new difficulties; pressure might have been brought on him and he might have been induced to grant more exemptions. We realise his difficulties, but I want to know why should there be elaboration of exemptions? For instance, for lines 4 to 9, a new sub-clause (j) is added for the original (j), and it is provided that Rs. 5,000 should be given for the marriage of each female relative. Sir, nowadays in all families there are more girls than boys.

Shrimati Sushama Sen: What about education?

Shri M. S. Gurupadaswamy: I am only talking of marriage of female dependants, and if Rs. 5,000 is reserved for the marriage of each female dependant, then it will mean a huge amount at the end, and to that extent tax is evaded. So, I feel the original provision (j) may stand as it is and should not be altered.

Regarding wearing apparel, I want to say one or two things. Wearing apparel will mean gold and silver, and if there is no valuation limit fixed, then I feel that many families may take to the method of evading tax in this way. They may get a lot of jewels made of gold and call it wearing apparel and thus escape the duty. I feel that here also some limit is necessary.

Coming to the last point, I would point out that sub-clause (2) of clause 32 is not necessary, and may well be deleted. This sub-clause, as it stands, gives powers to the Centre

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to give further exemptions if they are deemed necessary in certain circumstances. Sir, we know how the powers of the Government are used nowadays and if scope is given to the authorities concerned to grant the exemptions whenever they feel they are necessary, then it will lead to lot of favouritism and, more than all, vested interests may use their pressure now and then and exploit the situation. The whole principle of the Bill will be negated to that extent. So, I feel that sub-clause (2) in clause 32 should be deleted as it is not necessary. In case there are any difficulties experienced by the Government in the operation of this particular clause, then they may bring forward some amendments to the exemption list and this House may then consider the proposal.

[SHRI PATASKAR *in the Chair*]

Shri Gadgil: I was just trying to visualize what will be the 'huge burden' on account of estate duty. Under the present proposal, a man having a lakh of rupees as property will have Rs. 83,000 by way of exemptions and deductions, and he will have to pay just Rs. 650 on a property worth Rs. 1 lakh. It is for the House to consider whether this is a burden. If what is rumoured in the air, namely, that the exemption limit is to be raised to Rs. 1 lakh, really happens, then nobody who has a property of Rs. 1,13,000 will have to pay anything. The deductions contemplated in clause 32 amount to Rs. 11,500 plus such amount as may be available if a man takes out a policy for the payment of death duty. If a man leaves an estate worth Rs. 1,25,000 his heir will have to pay Rs. 975—less than 3/4 per cent. If a man leaves an estate worth Rs. 1,50,000 his heir will have to pay Rs. 2,800—just a per cent. and a half. And if a man leaves Rs. 2 lakhs worth of property his heir will have to pay less than 4 per cent.

Shri R. K. Chaudhury: He may be earning nothing.

Shri Gadgil: For whom are we crying? Just consider. A man with Rs. 1 lakh is not a poor man at all, taking the circumstances in our community. I think there is a limit to our asking for more. The more generous is the Finance Minister the more his generosity is exploited and like *Oliver Twist* we are asking for more.

Shri S. V. Ramaswamy: I object to the word 'exploited'.

Shri Gadgil: We have to consider the general economic position of the masses and then consider whether it is a burden if a man worth Rs. 1 lakh of property is asked to pay Rs. 650. If he is a joint family man he has to pay Rs. 1,650, at the most.

Shri R. K. Chaudhury: Where will he pay it from?

Shri Gadgil: Let us have some consideration for the poor masses in the country. If we are going to ask for all these exemptions let us better ask the Government to withdraw the Estate Duty Bill and go home.

Shri S. V. Ramaswamy: Sir, I have moved six amendments. The hon. Member who preceded me, Mr. Gadgil, has repeated for the Nth time the threat that if you are going to insist on exemptions you had better withdraw the Bill.

Mr. Chairman: He did not mean it as a threat.

Shri S. V. Ramaswamy: My amendment No. 95 seeks to delete the words "within a period of six months from his death, to the extent of rupees two thousand and five hundred in value". This is the second or third time I have had to speak on this subject and I still emphasise that the State should not intervene between a man and his charitable dispositions. I have argued, I have urged, I have cried hoarse on clause 9. I sought the deletion of the Proviso to clause 9. But it went the way of all amendments. That also was negated. Still I urge and still I repeat that the State should not interfere between a man

and his charitable dispositions. It should not impose this limit of six months. Sir, I am not so very well versed in Sanskrit as my hon. friend Mr. Altekar is. I endorse every word of what he has said. In *Gita* it is said:

दातव्यमिति यदां दीयतेऽनुपकारिणे ।

देशे काले च पात्रे च तदां सारिवक

स्मृतम् ॥

That is what it means with regard to charitable endowments, with regard to charities; they are *satvik* charities. And in the *Gita* it is not stated that it must be done within six months. We are going against the teachings of one of our greatest books.

I apprehend that this clause, as it is, might give rise to a new trade. When the monsoons failed and water became scarce we saw the advent of a *Pani-walah Maharaj* who could predict where water was. Similarly I venture to think that this clause will give rise to the emergence of astrologers who will predict whether a man will die within six months or not—who will predict the date of death of a man—so that he may do whatever he wants with regard to his property and dispose of it within that time! While it is unfortunate that we should limit the period of disposition of property for charitable purposes to six months—so far as this House is concerned it has dealt with it threadbare—nevertheless it will bear any amount of repetition and I again urge that there should be no limitation of time on the man's charitable dispositions.

Shri Baghavachari: On a point of order, Sir. The House has already decided a period of six months in respect of charitable purposes. Can it be again and again agitated?

Mr. Chairman: The hon. Member may go on.

Shri S. V. Ramaswamy: Sir, my next amendment is No. 105 which seeks to substitute "five thousand" for the words "two thousand and five hundred" in sub-clause (c). Take this limitation of Rs. 2,500. Take for instance the

case of bulls. We have Kangayam breed of bulls costing Rs. 1,000 to Rs. 1,500—one pair of bulls. The man may not be worth Rs. 1 lakh or 2 lakhs. He may be an ordinary farmer with a pair of bulls costing Rs. 2,500 at the present value. If he owns one pair of bulls and dies, his estate will be liable to duty. It will be very hard. Take a Sindhi bull or cow or an English cow. Suppose a man has a dairy and is selling milk. He may be having two cows. A Sindhi cow or an English cow costs Rs. 10,000. With the help of two cows he may be eking out his living.

Dr. M. M. Das (Burdwan—Reserved—Sch. Castes): How will he be taxable if he is eking out his livelihood on two cows only?

Shri S. V. Ramaswamy: Not on the cows but on the milk drawn from the cows.

Then I come to sub-clause (g) where money is payable with regard to insurance. What is this Rs. 5,000? It is nothing. If you are going to restrict the exemption only to Rs. 5,000, you might as well not give this exemption at all.

Shri M. C. Shah: Agreed!

Shri S. V. Ramaswamy: The hon. Deputy Minister says "agreed". If that is so, it may be deleted. I will submit with all the emphasis at my command that we must encourage insurance, thrift. But we are going to penalise thrift by restricting this only upto Rs. 5,000. I feel we are not helping people to save money.

With regard to sub-clause (j) there is an amendment by Mr. Tek Chand which I have adopted. The sub-clause as it is, reads like this:

"gifts made by a deceased parent or natural guardian in consideration of the marriage of any of his female relatives dependent upon him.....etc."

This amendment seeks to delete the word "female", so that, in consonance with the fundamental ideas of our Constitution, the equilibrium may be

[Shri S. V. Ramaswamy]

restored between the two sexes. I do not see why there should be an exemption for females alone. There are also male relatives who deserve to be encouraged, whose marriage expenses have to be met. And by stretching a point I may submit that this distinction in favour of female relatives alone would be discrimination in the language of article 15 of our Constitution. Therefore I would submit that the word "female" may be deleted, so that, whether it is for male or female relative, if this gift is going to be for the purposes of marriage it may be exempted.

I come to my next amendment which relates to residential house. I do not know whether the House will accept it or not, but my own feeling of the sense of the House is that a majority of them would like to exempt one house. If there is more than one house, one house which is the residential house may be exempted. If there is only one house it may be exempted, whatever be the value. There are some cases where families have no other property except the house in which they live. It may be that the house costs Rs. 1 lakh or more. But they may have absolutely no other cash or property. Does Government want them to walk out of the house, pay the duty and live in a rented house? But, in actual working, it will lead to great hardship. If the Government is pleased to exempt one residential house if there are more than one house, or the residential house if there is only one, I believe much of the hardship could be obviated. In spite of what Mr. Gadgil has said,—not that I am exploiting the generosity of the hon. Finance Minister—I am appealing to his generosity to accept that amendment.

Then, I come to the last of these amendments, namely No. 126. I must confess that I have, in drafting the amendment with regard to timber, wholesale bodily lifted that clause from Volume 13 of Halsbury's Laws of England. That has been introduced by

the Finance Act of 1910. I believe the reason why they have introduced that specific clause is they valued their timber very much. Their oak trees and walnut trees were so valuable that they saw to it that in the hurry to pay the tax, they should not cut down the trees and thus lose valuable timber. I am also urging that this clause be accepted because in our own country we have seen the senseless destruction of forests, especially in the wake of the proposed legislation for the abolition of zamindaris. We know, as a matter of fact, in the Madras State, the trees standing on the zamindari land have just been removed wholesale. It may be a matter of gain to the individual zamindar concerned; but in my humble view, it has been a national loss. Therefore, in order to protect our forests and our timber, it would be necessary to accept this clause, so that, in the hurry to pay the tax, let not the owners of property where these valuable trees stand, cut and remove them and sell them.

Then, with regard to clause (4) also which I have sought to introduce as a new clause, with regard to agricultural property which comprises cottages occupied by persons employed solely for agricultural purposes, I confess that this clause also has been bodily lifted from para. 273 of Halsbury's Laws of England, Vol. 13. I think this is also a salutary provision which may be accepted.

Then, clause (5) which I have sought to introduce says:

"The Union Government may declare from time to time the holding of any Government Security issued or to be issued, as free from liability to pay Estate duty."

I derived inspiration for this from para 259 of Halsbury's Laws of England, Vol. 13. Also in the Indian Income-tax Act, certain concessions are shown in respect of certain securities. This is only an enabling provision. It does not specify the nature of the securities. But, it gives the power to the Government to specify the securities, investments in which will be exempted from

Estate duty. Lastly, Sir, there is clause 6:

"The Union Government may exclude investments made in new ventures from the estate of the deceased."

There is a similar provision in the Indian Income-tax Act. We might usefully adopt this also, because, we must encourage private investment. I am one of those who believe that private industry and capital have still a part to play in the economy of this country. I believe every encouragement must be given to increasing investment in the private sector. If my amendment is accepted, more and more moneys may be diverted towards fresh investment, in which case our problem of unemployment may be tackled in a more satisfactory manner.

An Hon. Member: We are having a debate.

Shri S. V. Ramaswamy: We have had it.

Mr. Chairman: In support of his amendment he is putting forward this plea.

Shri S. V. Ramaswamy: I request the hon. Finance Minister to accept this amendment and make the estate duty less onerous and more profitable to the nation.

Mr. Chairman: Mr. Gandhi.

Shri Barman: I have also got an amendment to place before the House.

Mr. Chairman: There are so many hon. Members who desire to speak. But, the fact is that when one hon. Member is on his legs, I find there is some noise and inter-talk going on. In the interests of proper discussion, I would request the hon. Members whom I am now going to call hereafter to confine themselves to new arguments and new points so that other Members may listen to them.

Shri R. K. Chaudhury: May I request you, Sir, to make some allowance for age? We cannot rise every time and sit down. Younger persons get more opportunities.

Mr. Chairman: I shall note that.

Dr. M. M. Das: That would be discrimination between the young and the old. We are all Members of this House.

Mr. Chairman: That only shows that you are not interested in the discussions.

Shri U. M. Trivedi: I would request you to call Members who have moved amendments.

Mr. Chairman: Yes; Mr. Gandhi.

Shri V. B. Gandhi: I have moved two amendments to clause 32. Clause 32 deals with exemptions from Estate duty of certain classes of property. My amendments call for the deletion of sub-clause (f) and sub-clause (g). Sub-clause (f) provides that if a person takes out insurance policies in order that a fund may be provided for the payment of Estate duty, then, the proceeds of that insurance shall be exempted from Estate duty. Sub-clause (g) also deals with insurance, but of another kind. Sub-clause (g) provides that if a person takes out an insurance policy on his own life, then, to the extent of Rs. 5,000 that amount will be exempted from Estate duty.

Let us consider sub-clause (f) first, as it originally stands in the Bill. Under this clause it is easily possible for rich people to take out insurance for large amounts and escape Estate duty on these large amounts. Now, there is another sub-clause (ff) a new clause, which is sought to be introduced by way of an amendment, moved by the hon. Finance Minister. That clause also provides that if a person deposits sums of money with the Government to provide a fund for the payment of Estate duty, this amount deposited with the Government shall be exempt from Estate duty. I propose to deal with both these clauses together, (f) and (ff) because, they have provisions which are very similar in nature. Let us first take a simple illustration. Let us take the illustration of three wealthy men, each one of these three men possessing property, say, valued at about 64 lakhs of rupees.

An Hon. Member: Why 64 lakhs?

Shri V. B. Gandhi: That is just in order to bring them in Mr. Deshmukh's highest slab of rates. Let us say, the first man employs about 14 lakhs out of his 64 lakhs in taking out insurance. What happens? After his death, his property is assessed at Rs. 50 lakhs, and Rs. 14 lakhs which he utilised for payment of insurance money to provide himself with funds is exempted. Now, on this Rs. 14 lakhs in the highest slab, he would have been liable to pay estate duty of the amount of Rs. 5,60,000. So, here he saves Rs. 5,60,000 by the simple action that he has utilised Rs. 14 lakhs in taking out an insurance. That is all. Let us suppose second man takes his Rs. 14 lakhs, actually in cash or in paper, and deposits with the Government. And what does he get? He gets interest on the Rs. 14 lakhs deposited with Government, and he reduces the property taxable after death to Rs. 50 lakhs. So, he comes under the lower slab. And on these Rs. 14 lakhs, but for this exemption, he would have been called upon to pay a duty of Rs. 5,60,000 which he saves. The third man with the same amount of property does not do any of these two things, and what happens to him? Because he does not do any of these two things, he pays the full rate of the highest slab, that is to say, he does not get the benefit of Rs. 5,60,000 exemption. Now, I want to ask what good reason is there for making such a concession to these men? How have they deserved this concession? Why should Government give up its revenue from estate duty in the case of these men simply because one, of course, uses his foresight or prudence and takes out an insurance and utilizes the amount there, and the other deposits the money with the Government? And for this simple act, these two men are going to be made a gift of Rs. 5,60,000 each by Government. Really, we have not had given to us any rational basis on which they have based this provision for exemption of this property in the case of these men.

Subsequently, the Government have moved an amendment, and they have

said that the amount deposited with Government as well as the insurance amount taken out for the purpose of providing funds for paying estate duty which will be exempted will not exceed Rs. 50,000. Now, that is a very great gain, and by this amendment, of course, the Government have mitigated a good deal of the mischief, but even then the results that it is possible to expect from this moderated provision are still of a sufficiently important character for us to reconsider this whole position. What happens? Who are the people who are likely to be called upon to pay estate duty of the amount of Rs. 50,000? Such people will be people who ordinarily will have a property—or taxable property, I mean—of the value of Rs. 5 lakhs. The same process applies to a man in the slab or in the property group of the value of Rs. 5 lakhs. If this Rs. 50,000 is allowed as duty free to this man, then this man with a property of Rs. 5 lakhs—about Rs. 5 lakhs—would be paying at the rate of 15 per cent. If this Rs. 50,000 was not exempted and was added on to his property as it really should be and ought to have been added, he would go into the next slab and pay at the rate of 20 per cent. What does he thereby save? He saves 20 per cent. on Rs. 50,000, that is to say, he saves Rs. 10,000. Now, why is this gift being made to this man possessing a property of Rs. 5 lakhs? How has he deserved it, and why should the Government give up its revenue from estate duty in favour of a man who possesses a property of Rs. 5 lakhs? But the mischief does not stop there. It is not only the man with a property of Rs. 5 lakhs who will take advantage of this Rs. 50,000 property exemption. Even the top-most man, the man with Rs. 60 lakhs may choose just to put away Rs. 50,000 by way of deposit or insurance. He can do that today and forget it the next day. It does not bother him. But, in the end, he will get an exemption, he will get the benefit.

An Hon. Member: Rs. 20,000 at the most.

Shri V. B. Gandhi: At the rate of 40 per cent.

Shri C. D. Pande: It is not much for him.

Shri V. B. Gandhi: It is not much for him, I admit, but I am pleading for the revenues of the Government. Is it right? And then, what is the equitable basis on which such a provision is sought to be incorporated here? That is about all on this clause.

Now, about the personal insurance, the life insurance of a man. Here we are dealing with a property of a very modest scale, and that is the life insurance of a poor man which is to be exempted only up to the amount of Rs. 5,000. This class of people who insure, take out an insurance on their own life of the amount of Rs. 5,000 are necessarily a class of people who deserve our sympathy. But then, here we have also to consider the ethics, the equity as well as the sympathy. Here I have information from a number of countries, and in none of these countries is this life insurance exempted. In the U.K., in the U.S., in Canada, in Australia, in Sweden, in all these countries, life insurance is considered, that is to say, the proceeds of life insurance are considered, just as good taxable property as any other property. As good, for instance, as a deposit in a bank.

Mr. Chairman: Does the hon. Member want to oppose this provision in the Bill?

Shri V. B. Gandhi: Yes, Sir. I will finish in two minutes.

I can understand that this class deserves a certain amount of relief or concession or sympathy. I do not grudge any relief granted to this class, but let us do it in a more forthright way. Let us extend the minimum limit of exemption from Rs. 50,000 to Rs. 55,000 or Rs. 60,000, but in granting relief in this indirect manner, we are granting it on an unscientific basis. Then we are granting it to a restricted class of property-owners. It is said sometimes that the number of people who own life insurance in the value of Rs. 5,000 is

hardly a few thousand people in the country. Very well, then that is all the more reason why we must not do this, because in that event we shall be discriminating in favour of a small class of property-owners, owners of a certain class of property, small in numbers. There are larger numbers all over the country who from lack of education, through lack of facilities, through having to live on agriculture and in far away places, really never have had a chance to take out an insurance on life. Now they are being discriminated against. But, if a relief is at all desired to be given, by all means let us give it, but in a more forthright way as I said, even by extending the minimum exemption limit from Rs. 50,000 to whatever the House pleases.

Mr. Chairman: Shri Rohini Kumar Chaudhury.

Shri E. K. Chaudhury rose—

Shri Bansal (Jhajjar-Rewari): On a point of information, Sir. Just a small point from the hon. Member who has just spoken.

Shri E. K. Chaudhury: Am I supposed to answer your point?

Mr. Chairman: Order, order. I have called upon the hon. Member Mr. Rohini Kumar Chaudhury to speak. Let him proceed.

Shri E. K. Chaudhury: I wholeheartedly support the amendment about which my hon. friend Mrs. Sen has spoken. I have a similar amendment in my name. I love my own amendment, I look upon it as one of my own children. I do not like it to get lost. I do not wish to follow my hon. friend Mr. More on this. He leaves alone his child. He leaves alone his inter-caste marriage, and the marriage issues. He entirely forgot his own amendment and spoke on somebody else's amendment. He forgot this inter-caste marriage, altogether, and took to some other subject. I hope, Sir, that Mrs. Sen will support me—she is not here—and I will support her, and together we shall appeal to the hon. Finance Minister if he is so pleased as to accept our amendments.

[Shri R. K. Chaudhury]

(Shrimati Sushama Sen entered the House)

Do you wish me to repeat what I said a little while ago?

Mr. Chairman: Let there be no repetition in the House.

Shri Sinhasan Singh: With the permission of the Chair, it can be done. (Interruptions)

Shri R. K. Chaudhury: My amendment runs thus:

In page 20, after line 9, insert "dwelling houses in which the heirs and near relatives of the deceased actually lived during the lifetime of the deceased, and have continued to live thereafter."

Shri K. K. Basu: Is it only dwelling house or houses? What is the intention of the hon. Member? We would like to know.

Shri R. K. Chaudhury: It may be a dwelling house or dwelling houses in which the several near relatives and heirs of the deceased lived.

My amendment is more modest than that of my hon. friend Mrs. Sen. I do not want that all dwelling houses should be exempted, I do not want those houses which are let out, or a portion of which is let out, to be exempted. I want only those houses to be exempted from payment of estate duty, in which the deceased or his near relatives or heirs lived during his lifetime, and are still living after the death of the deceased. It is a very modest demand that I am making, and I hope that my amendment coupled with the force which has been given by Mrs. Sushama Sen will persuade the hon. Finance Minister to accept the principle embodied in this amendment.

Take, for instance, the case of a retired man, who after getting his annuity or provident fund, had built a house some ten years ago. Suppose his heirs are unfortunately not educated enough, and have unfortunately not been able to get suitable appointment, and are living from hand to mouth in the house which was built by their ancestors, the value of

that house coming to about Rs. 1 lakh nowadays. My hon. friend Mr. Gadgil was saying that if the property is worth only Rs. 1 lakh, he would have to pay only about Rs. 1600 as estate duty. But he is forgetting that a man who is called upon to pay estate duty may not have any income at all, and may not be assessable under the Income-Tax Act. Does my hon. friend Mr. Gadgil want that family to sell away their property privately in order to pay estate duty?

Shri Gadgil: If the property has no income, how do they live?

Shri R. K. Chaudhury: Or does my hon. friend want that house to be sold in public auction, for the realisation of the duty? They may not have sufficient money in their hands to pay the estate duty in cash. What is the alternative left to them? What is the alternative left to the tax-collectors? They will have to sell that house in order to realise the duty. I am not asking for any favour for a person who owns several houses and is living on the income from those houses. I am not asking for any exemption in favour of persons who are having very fine and valuable houses just for the sake of pleasure and comfort. It was not in a spirit of jest that I was saying this morning that I would be glad if the hon. Finance Minister would go and visit Assam. If he goes there and looks round, what will he see? He will see a cluster of houses belonging to one person, and in which he or his relatives live. Now, how were these houses built? Ten or fifteen years ago, they were built with corrugated iron sheets, which were selling at Rs. 2 per piece. Today the price of these corrugated iron sheets is very much different. When these houses were built, timber was selling at Rs. 1/4/- or Rs. 1/8/- a c. ft. Now it is selling at Rs. 6 per c. ft. If only the person had known that this house would be subject to payment of estate duty, he would not have built it at all.

If you would allow me to introduce a personal matter in this House, I would like to say I had built a house years ago with corrugated iron sheets,

and timber and planks. The valuation of that house after the war, would have gone very much upwards. What have I left for my family to pay the estate duty on that house? My heirs will have to sell that house in order to pay estate duty, and they will be turned out of that house. Even if the timber is taken piece by piece, it will not cost more than a lakh of rupees. How are they to pay a duty of Rs. 20,000 or Rs. 25,000?

As Mrs. Sen was saying, in this country we value living in a house. We do not want my hon. friends, the present progressive thinkers in this House and in the Treasury Benches, to tamper with this. They want us to live just like the people of Western countries, that we should live either in a hotel, with family, or in a boarding house, or in floods in different regions. That is the way in which our hon. friends want us to live. But we do not want to live in that fashion. We want to preserve the sanctity of our own houses. Supposing we have a house in which there is a *mandir* or a *puja* house, attached to it, we do not want to part with it at any cost. Why should we part with that house? Why should you not grant exemption in respect of a house in which I am living, and in which my family would be living after my death? Why do you wish to turn them out of this House? That is the simple question that I am asking. Exempt these houses from estate duty. If you like, reduce the exemption in the case of other properties, if you do not want to grant exemptions of more than a certain amount, I have no quarrels with that. But do not turn my people out of my house, do not turn out my children or widow after my death out of this house, in order to realise estate duty. (*Interruptions*). Your laughter does not encourage me to be serious at any time. (*Interruptions*).

Mr. Chairman: Do not provoke the hon. Member. (*Interruptions*).

Shri R. K. Chaudhury: I do not know whether I have been able to make my point clear.

Mr. Chairman: It was quite clear in all respects.

Shri R. K. Chaudhury: You think my point has been clear enough, and that every reasonable man in this House will accept my amendment? Do you think so?

Mr. Chairman: There was no difficulty in understanding his points.

Shri Achuthan (Crangannur): We are convinced also.

Shri R. K. Chaudhury: Sir, when anybody dies in a family in our part of the country, people generally mourn that he is dead and he has also gone killing us. Now, in this case, Sir, not only the man, the bread-winner of the family, the Government pensioner, for instance, goes and his pension is stopped, but the income of the family is stopped. And what is more the house which he had built out of love and affection for his family—his children and relatives—will be taken possession of and his family is going to be ousted. So it is simply a case of mourning and bewailing; the man dies and he kills the others. Now, what is the remedy for this. I do not think, Sir, as far as I can judge from the face of the hon. the Finance Minister that he is going to relent on this point at all, if I am a physiognomist.

Shri Bansal: How can he judge from the face of the Finance Minister?

Shri R. K. Chaudhury: Now, what is the remedy? In olden days, heroes—big heroes—went in penance and worshipped God to give them an immortal life—'amrit'. Even big kings like Ravana went in penance and worshipped God as asked for 'amrit'. Why? In order perhaps to protect himself from the ravages caused in the name of Estate Duty and similar Bills. In the modern days of civilisation, we have tried our best to organise a well thought-out health scheme. There is the WHO and many organisations like that, of which we have heard, but the practical working of which we have not seen. They have proved cent

[Shri R. K. Chaudhury]

per cent futile in the matter of granting us any longer life than before. Modern methods have failed. So far as the United States and United Kingdom are concerned, their death rate is fewer and they can very easily afford to have smaller exemptions. But in our country what are you going to do? What have we been able to do so far as health is concerned, so far as improvement of life and longevity is concerned? You are complaining only about too much birth. You are complaining about the increasing rate of birth and things of that kind.

An Hon. Member: No.

Shri R. K. Chaudhury: You are not telling them what steps should be taken to prevent child mortality and things of that kind. What are you going to do now? The country is too poor to pay the Estate Duty. The majority of the people are too poor. You are not taking any steps to protect the health of the people. In the present circumstances, have you got any other means but to go and pray for immortal life so that estate duty may not be paid at all in future? That is the only remedy.

In the good old days of Ramayan, I think it will be news to my hon. friend, Mr. Deshmukh, that Inderjit, that is, Meghnad, was under the protection of God Siva. And it was understood that so long as he had worshipped God Siva and came out to fight, he was invincible and nobody would be able to defeat him. So that when Lakshman was about to fight with him, what he did was that he went to God Siva and prayed to him so that he may not be present there throughout, and thereby he was able to kill Meghnad. Now, if this country wishes to kill this great avarice on the part of the Government, kill the easy-going nature of the Government to carry on its expenditure by taxing in whatever way.....

Mr. Chairman: We are not going into the general merits of the Bill. The hon. Member will kindly confine

himself to the clause under discussion. The illustrations are very good. But we are on a particular clause.

Shri R. K. Chaudhury: I am not asking for a general exemption. I am not asking for a favour here, there and everywhere. I am asking for this small favour, just as I asked for a widow and the heart of the Finance Minister was somewhat moved and he has promised to look into this matter and with the help of my hon. friend, Mr. Biswas, we may be able to come out with a solution.

The Minister of Law and Minority Affairs (Shri Biswas): For a widow?

Shri R. K. Chaudhury: In this matter also. I will sit down immediately if my friend, the Finance Minister, says that so far as the dwelling house—actual dwelling house where the relatives are actually living and not for show or for gaining any profit—is concerned, it will be exempted. If these houses are exempted, I do not care what exemption you grant in respect of other property. But you must allow me to live there and have a roof over my head so that I can earn something and leave something. Do not compel us to forsake our temples and *Mandirs*. (*Interruptions*). I shall have to die certainly when my property will be subjected to estate duty. Here we have to pay duty after our death. But the State has no duty at all. The State has no duty to protect the people from increasing child birth. In other countries, they provide for maternity and safe delivery of child and proper bringing up. As a matter of fact, some sort of allowance is given to families which have a certain number of children. Here also in the European companies, they actually give concessions—a higher rate for married people and a higher rate of allowance for persons who have children. In our country, this has been entirely overlooked.

7 P.M.

On account of the peculiar conditions which had intervened during the war period, the value of the property has exceeded so much and in that case, Sir, allowance should be given so that

the man may live. But if it is true that the price according to the P.W.D. computation would come up to a large sum which is actually valued at Rs. 25,000/- but for the purpose of duty which will be valued at Rs. 1,00,000/-, if you go to the market to sell that property it would not fetch as much amount. So you lose both ways. The prices, of land and buildings, generally speaking, are increasing but actually when you go out to sell it you cannot get the increased price but you will be assessed at the rate of the present market value. I would once more appeal to the hon. the Finance Minister, particularly with regard to the condition of things obtaining in the Assam where the houses are just small cottages but where they are valued higher because the prices have increased in the cities.....

Mr. Chairman: That point has already been made by the hon. Member.

An Hon. Member: He must be feeling tired now.

Shri R. K. Chaudhury: Why should I feel tired? This is not a humour-making time.

Mr. Chairman: We are discussing this point for such a long time. There are so many hon. Members who wish to speak.

Shri R. K. Chaudhury: If that is your wish I will sit down.

Mr. Chairman: If you can contribute something new then I will allow you.

Shri R. K. Chaudhury: It reminds me of a story of a frog which was pelted by the boys. Some of that spirit is present in this House. You are laughing but it pinches me because we are going to pay much more for our small hovels than you are paying for your palaces. That is the difference between you and me. That is my difficulty. I cannot ask you to go against the wishes of the House. It seems that the House does not wish me to speak any further.

405 P.S.D.

Sardar Hukam Singh: Mr. Chairman, Sir, I had no intention to speak at this time but Mr. Gadgil's remark did provoke me. I want to tell him the special conditions obtaining in the Punjab when he has observed that a man with property of one lakh cannot be called a poor man. But lest I forget extending my support to Mr. Rohini Kumar Chaudhury first of all I should do that. I would have wished very much to extend my whole-hearted support to Mr. Rohini Kumar Chaudhury but he has tried to hug to his bosom so many children.....

Shri C. D. Pande: And widow!

Shri R. K. Chaudhury: I have only one son, and one house

Sardar Hukam Singh: He said "as many houses as are occupied by the children." That has created a very difficult position for me to explain so far as one house is concerned. I mean the house belonging to the deceased.

Shri R. K. Chaudhury: In which the heirs and relatives actually reside?

Shri C. D. Pande: Why don't you exempt one house?

Sardar Hukam Singh: Exactly. If he had restricted himself to one house perhaps his embrace of that child would have been more closer and he would have got much support from all sides.

Shri R. K. Chaudhury: I am prepared to have that embrace.

Sardar Hukam Singh: Some hon. Members have expressed that that is only a question of sentiment that people are in favour of one house but besides that sentiment there are actually circumstances wherein it is only the house that is left after the bread-winner goes away and the widow and the children find themselves in a very difficult position because they have no other source of income. The house left by the deceased is their only property. If that house alone is subject to estate duty it will be very hard for the family. That would bring perhaps more disaster for the whole family after the death of that bread-winner.

[Sardar Hukam Singh]

Now, after saying so much I come now to the remarks made by Mr. Gadgil. Perhaps he is more loyal than the king himself in supporting the Bill and justifying it in a heroic way. He said very bravely that a man with a property of one lakh cannot be called a poor man. Punjab is a land of peasants, I should say. Taking the case of an average man, I can say that the peasant there has a land varying from 5 to 10 acres, say an average of seven acres, a small house with him, a pair of bullocks, one milch cattle, say a cow, and some implements all of which aggregated together would bring the value of the property to about a lakh of Rupees. Perhaps Mr. Gadgil would be surprised how this property would be worth a lakh. In Punjab, I can assure you, one acre of land is certainly worth Rs. ten or twelve thousands.

Shri Gadgil: One acre!

Sardar Hukam Singh: Yes, one acre. But then what is the condition of such a family? I would ask him the burden that the estate duty would bring to that family. In such a family the lady cooks food, carries it to the field and there works for the whole day looking after the cattle and driving them when they are yoked on the well. The boy grazes the bullocks, and the man works in the field the whole day. When they come back in the evening he brings fodder for the cattle. They are so much tired that they have nothing to look about to but to sleep during the night. When the harvest comes that gives them only so much that after keeping those cereals for the rest of the year with which they have to maintain themselves, very little is left. Perhaps something goes to the shopkeeper from whom they have been getting their groceries and the rest goes towards the land revenue that is payable to the Government. Such a family looks forward every time to the hour when the crop is ripe so that they might pay of the debt that they have raised, pay the Government revenue and then keep

themselves alive for the rest of the year.

I ask Mr. Gadgil whether he means to say that such a man is rich enough and that he should be subject to some duty like this estate duty. Would he be able to pay that, when he dies even if he has to pay Rs. 600/-, Rs 500/- or Rs. 200/-? If you go to such a person any time during the year you would not find even Rs. 5/- in cash with him. He cannot give you even Rs. 2/-. I say that is my experience. If you go to these villages, you will find that they live from hand to mouth. Besides the property that I have described, they have no cash at all; and when such a peasant has died, then, it is very difficult to concede that he would be able to recover that estate duty. In fact, you can very well imagine the harassment to which his family would be subjected when he dies. My submission is that it is not an easy question and this is not the limit that you are proposing here where you can say that you are safeguarding all the people who need protection, but rather you are subjecting them to a great deal of harassment and difficulties. Therefore, at least at this time, I want to support that amendment which Mr. More proposed—though it was not in the form of an amendment. But he said, so far as cattle were concerned, they also must be included. When stress has been laid on this question whether there should be a limit to the extent of the property under sub-clause (c) and when some people have suggested—Mr. Pande has suggested—that this limit should go, I would have supported him but my fear is that if that limit goes, then perhaps the question would arise whether tractors and other equipment that a cultivator has are to be included in his implements for earning his livelihood. That would create confusion so that the only course left would be that this limit should be raised. Cattle should be included and the limit should be raised to at least Rs. 5,000 when a peasant can have a pair

of bullocks exempted and also those implements that are required by him to eke out his livelihood. That would be very necessary so far as far as I think it, especially for those parts of India like Punjab where there are peasant proprietors.

Mr. Chairman: Now, there are 15 minutes more. According to the bulletin, the time should be not later than 7-30 P.M. There are still a number of speakers and I would like to know how long they will continue, because there is no chance of it being finished today probably.

Shri M. C. Shah: Till dinner time, it may continue.

An Hon. Member: That has been agreed to.

Shri R. K. Chaudhury: Sir, there has been some misunderstanding about the use of the word "dwelling houses." I did not mean several dwelling houses. In our part of the country, we have got one dwelling house consisting of several small houses, small.....

Shri C. D. Pande: Huts.

Shri R. K. Chaudhury: Yes; huts, where the married son lives separately; widow, sister—all live separately. All this constitutes one dwelling house.

Mr. Chairman: I think the hon. Member has been fairly understood.

Shri G. H. Deshpande (Nasik—Central): How many times is one hon. Member to speak on this amendment? It is four times that he has spoken on this. We have been listening to him all this while. Even when it was being discussed, some question of time-limit was discussed. There should be some time-limit fixed, because these things have been discussed, discussed and discussed.

Shri R. K. Chaudhury: Sir, on a point of order. Did you call upon him to speak?

Mr. Chairman: I was saying that according to the bulletin we should adjourn at 7-30. I think it is better to adjourn at 7-30. From the way in

which the discussion is being carried on, I find it is much better we do not carry on any longer. I don't like to interrupt every time and curb the discussion. I find that for the past three-fourth of an hour,—I think hardly anybody was listening, except the hon. Minister who has to listen and most of the Members were in lighter vein. I think it will not be better to carry on further than 7-30.

Shri Biswas: Might I suggest that we should give previous notice if the House is to sit beyond the time stated in the bulletin? I understand it was agreed by the Members who happened to be present in the House this morning that the House will go on till 8-30. But it is not right that we should follow—if I may say so—any timing which has not been announced previously. Notice must be given to all the Members. Let there be notice for tomorrow that the House will if required, sit till such and such an hour.

Mr. Chairman: The hon. Member has not been correctly informed. There is the bulletin which was issued and it specially mentions that the House might commence at 4-0 P.M. and conclude at 7-30 P.M.

Shri K. K. Basu: The Finance Minister promised, but he has backed out from it. If we can wait in the House for some time, we can utilise that time, have half an hour more for discussion. That might shorten our debate.

Mr. Chairman: There is also the question of the office. I am informed that there are some people who have got religious ceremonies also today. Again, as I said, the most important consideration with me is that the way in which—as I have been observing—the debate is being carried on for the last 45 minutes convinces me that if we continue any longer it could be proper, it is better not to try the patience of the Members. Therefore, I am going to stick to the time. As the hon. Minister Mr. Biswas said, let us stick to the time. I agree with him, and I feel that the House might rise at 7-30.

Shri U. M. Trivedi: I have moved amendment No. 98, I would seek the leave of the House to drop the first part in this Amendment No. 98, that is to say: "in line 24, before 'charitable', insert 'or.' Since a new definition—16(a)—for public charity has now been made, this becomes redundant. I would therefore suggest that I may be given leave to withdraw this amendment. I have tabled another amendment—No. 107—also, and so the first part in amendment No. 98 may kindly be deleted.

Now, I come to the more important amendment which was moved by the hon. Finance Minister. It is amendment No. 537.

Mr. Chairman: Let there be no talk in the House. I would request hon. Members to have patience for 15 minutes more and listen to the debate.

Shri U. M. Trivedi: It is strange that although the Members in the Select Committee agreed, according to previous conventions that they were precluded from moving amendments, we have this time allowed them to move amendments and the amendment that has been moved by the hon. Finance Minister is in contravention of that convention. Clause 32, as reported by the Select Committee, is in these terms:

"In the opinion of the Select Committee, the Bill itself should make provision for certain exemptions, and the Select Committee, after a careful consideration of the conditions obtaining in India and the suggestions made by various members in this connection, have provided for cases which in their opinion, deserve to be exempted expressly. At the same time, there may be cases where further reliefs have to be given and, therefore, a general power is retained in sub-clause (2) authorising the Central Government to grant further reliefs in suitable cases."

Now the Finance Minister was a Member of the Select Committee, and he made no mention of any ceiling that is intended to be put by the way of the amendment. Therefore, I submit that the amendment that he has proposed is out of order, that is, amendment No. 537. Actually, the Select Committee has substituted a new clause and specific mention has been made of some items of property on which estate duty shall not be payable. These are all described in clause 32. Now, it is provided that "moneys payable under one or more policies of insurance effected by the deceased on his life for the purpose of paying estate duty or assigned to the Government for the said purpose, to the extent of the amount of duty payable." Why a ceiling has been found necessary one cannot understand. Actually when the principle was accepted that you go on accumulating money for paying to the Government and to the advantage of the Government, so that Government may not have to hunt for money and will find ready cash for payment of this estate duty, how is it to the advantage of the Government to bring in this ceiling figure? My suggestion, therefore, is that this ceiling in the amendment that has been moved by Mr. Deshmukh may be dropped: in other words the words that are used in amendment No. 537 "but not exceeding Rs. 50,000" should be omitted. It may be anything. Let it be built up and let Government derive the full benefit out of it. My suggestion therefore is that this ceiling may be taken out, and the Bill, as reported by the Select Committee, without this amendment, may be accepted.

Mr. More and some others in the course of their speeches suggested that in granting exemption to agriculturists we must take account of certain factors. But nobody has suggested any suitable amendment and the one suggested by Mr. More himself is very wide. The Finance Minister in granting such exemption must follow the lines of Section 60 of the Civil Procedure Code. The use of the word

"cattle" is suggested by my hon. friend Mr. Vaishnav. The dictionary meaning of the word cattle is "oxen, horses, camel, etc." If all these are exempted you will have certain rich persons in Bombay who may be having race horses and who may get the benefit of the exemption. Such persons should under no circumstances be exempted.

Sub-clause (c) reads: "household goods, including tools of artisans, agricultural implements or any other tools or implements as were necessary to the deceased to enable him to earn his livelihood to the extent of rupees two thousand and five hundred in value." I suggest we must adopt the language of sub-section (b) of section 60 of the Civil Procedure Code which reads, "tools of artisans, and where the deceased is an agriculturist his implement of husbandry and such cattle as may be necessary to enable him to earn his livelihood." But if we loosely use the word "cattle," then.....

Sardar Hukam Singh: Donkeys may be brought within that.

Shri U. M. Trivedi: Not only 'donkeys' but also mules, asses and race horses may be brought within the meaning of it. Some of these race horses worth Rs. 50,000 or a lakh may escape payment of the tax.

So my suggestion is this. The maximum must certainly be raised. After all for purposes of cultivation, some bullocks are necessary, some cows are necessary, some buffaloes are necessary. As was suggested by Sardar Hukam Singh, it is quite wrong on the part of Kakasahib Gadgil to have

asked: "Why should we quarrel, why should we waste time for the sake of this?" Kaka Sahib Gadgil has not lived in a village at least recently. Of course he was born in a very small village; but recently he has not lived in a village. He does not know how values have fluctuated; how rich people have entered even small towns and how they want to push out poor people. Houses worth Rs. 200 or Rs. 300 a few years back are offered to be purchased for Rs. 20,000 or Rs. 30,000 and the Government will jump upon these people. I remember of an instance where a house which was purchased by a neighbour of mine for Rs. 310 some time back, is being offered Rs. 30,000. What will be the position of that man? If you want to tax him, the only alternative for that man would be to live on the streets.

So, the suggestion has been made that one dwelling house at least meant for the family must be exempted. The value of one lakh which you attach to it today may not have much value. It may appear one lakh to you—but it will not be really one lakh.....

Mr. Chairman: How long will the hon. Member take to finish his speech?

Shri U. M. Trivedi: About ten minutes, Sir,

Mr. Chairman: In view of the atmosphere of the House I am going to adjourn it. The House stands adjourned till 8-15 A.M. tomorrow.

The House then adjourned till a Quarter Past Eight of the Clock on Tuesday, the 8th September 1953.