

[श्री स० म० बनर्जी]

चाहिये। सेल्स टैक्स के जो प्रोसीजर हैं वे इन्होंने कामिस्कोटेड है कि हमारे विजिस्मैनो का विजिनेस चीपट हो जाये अगर वह सेल्स टैक्स के बहीखोते को पूरा करें। आज विजिनेसमैन करता क्या है? रिक्वेस्ट देता है, नाम बदलता है, इवेड करनेकी कोशिश करता है, और इससे मेरा क्याल है कि देश का कल्याण नहीं हो रहा है। आपने टेक्सटाइल में सेल्स टैक्स को एक्साइज इप्टी के साथ मर्ज कर के, तोर्स प्वाइंट पर लगा कर बहुत अच्छा किया है और इसके लिये लोगों ने आपको मन्थवाद दिया है। मैं समझता हूँ कि देश भर में जो कपडा मर्चेट है उन्होंने कहा है कि यह बहुत अच्छा फैसला हुआ है।

आज देश में बेकारी बढ़ती जा रही है; बेकारी के बारे में कहा गया कि उनको ५० करोड़ बेकारी भत्ता दिया जाय। इस पर भी तो आखिर आप सोचिये। यह देश सबका देश है। मैं अगर विरोध कर रहा हूँ तो इस वजह से नहीं कि मैं कोई पैदाइशी विरोधी हूँ। मैं इस चीज को सोचता हूँ। मेरा कोई पेशा नहीं है विरोध करना। सिर्फ एक नागरिक की हैसियत से मैं अपना फर्ज पूरा कर रहा हूँ। आप करदाता की तरफ देखिये। अगर हम और आप वाकई करदाता की मदद करना चाहते हैं तो हम को और आप को मिल कर दूसरी और तीसरी पंचवर्षीय योजनाओं को कामयाब करना है। मैं समझता हूँ कि उसकी कामयाबी में देश का भला है और अगर तमाम देश का भला होता है तो मैं समझता हूँ कि हमारे बालबच्चों की मुक्तसहायता कायम रखेनी।

इन सबको के साथ मैं निवेदन करना चाहता हूँ कि आप इन चीजों पर विचार करें और सोचें कि किस तरीके से रिलीफ दिया जाय उस गरीब आदमी को जिम को बचर टूट रही है।

15.03 hrs.

BUSINESS OF THE HOUSE

The Minister of Parliamentary Affairs (Shri Satya Narayan Shaha): With your permission, Sir, I want to announce a slight change in the order of Government business for tomorrow, Thursday the 23rd April, 1959. The Indian Lighthouse (Amendment) Bill will be taken up for consideration and passing before taking up the motion for reference of the Arms Bill to a Joint Committee.

15.03½ hrs.

FINANCE BILL—contd.

The Minister of Finance (Shri Morarji Desai): Sir, I have heard with great attention and respect all that has been said on the Finance Bill by all the hon. Members who have spoken on this subject. As it is the convention or the rule that every subject can be discussed on the Finance Bill, the discussion has been very varied and interesting. But it is not possible for me to cover all those subjects, naturally, and therefore, I hope the hon. Members will bear with me if I do not refer to matters which I will not be able to refer within the time at my disposal. I want, in this connection, to take the advice of my hon. friend, Shri Bharucha, who said that the Ministers should not speak much, they should speak less. I shall certainly try to follow him in this matter at any rate though I am not able to agree with him on many other things.

Before I refer to other matters I should like to refer to one matter which has been a result of what I had referred to when I spoke last. That is as regards the mentioning of the expenditure on Parliament. My culture and refinement have also been doubted. I have no quarrel with the person who does it but I wonder sometimes when I meet him—I have been meeting him many times for the last many year—though there has been a difference between him and me about the re-organisation of

States—he is very angry about it—but whenever he meets me he has shown me great regard and even affection. I do not know what that culture and refinement are which can show such affection and regard for me who is a man without culture and refinement. At any rate, I am very glad that culture and refinement, which can be admired by him, are assigned to people whom he does not like.

But taking this question—as this objection is taken to my mentioning the expenditure for 1951-52 and thus making a wrong comparison—my whole reference has been, if I may say so, distorted. There was no intention on my part to question the validity of the expenditure or the necessity of it as it has happened. I only wanted to show that expenditure increases as development takes place and that argument has not been refuted. Even if we give up the figure of 1951-52 and take the figure of 1952-53, since when the re-constituted Houses have come into being, that year's figure also shows an expenditure of Rs. 64.87 lakhs and the expenditure in 1959-60 is Rs. 1,35,50,000/-. Therefore there also it will be seen that it is a little bit more than double.

Shri Nanshir Bharucha: How many autonomous corporations were in existence in 1952?

Shri Morarji Desai: Autonomous corporations do not increase the expenditure of Parliament. They increase the expenditure of Government. But I do not know how it increased. We meet for as many hours in a day and for as many days as we have been meeting in 1952-53. But even then I do not say that, I have not said that. Why does the hon. Member think that I have doubted the necessity of this expenditure? There is some guilt somewhere. I do not know where it is. But I cannot understand this sort of an argument where one is not allowed even to mention something in order to show

that the other expenditure also can be considered from that point of view.

I have never said that the expenditure made on the Ministries and the various Departments is not capable of being economised. I have never said that, but I only say that the whole expenditure is not such as is absolutely thoughtless and extravagant. That I wanted to bring home to my hon. friends and that was the only purpose of mentioning this. From this I do not see how any other inference could have been drawn? I am only sorry that that inference was raised, but I do not think that I have committed any error either of impropriety or of taste or of culture, as far as I can understand.

Shri Feroze Gandhi (Rae Bareilly): The figure of Rs. 64 lakhs that the hon. Minister has given—I just want to clarify and do not want to make a comment—is actual and what he read out for 1959-60 is estimated.

Shri Morarji Desai: Quite right. I am concerned with actuals and not with estimates. I will read out all the figures in that case.

Shri Feroze Gandhi: The figure for 1959-60 must be estimated. It cannot be actual.

Shri Morarji Desai: For 1952-53 it was Rs. 64.87 lakhs, for the next year Rs. 71.51 lakhs, for the next year Rs. 93 lakhs, for the next year Rs. 106 lakhs, for the next year Rs. 117 lakhs, then it went to Rs. 121 lakhs, again it came to Rs. 124 lakhs and again it will go to Rs. 135 lakhs. That is what has happened. Therefore the comparison is with actuals—the comparison is not with estimates—and they do not show any comparison.

Shri Feroze Gandhi: The figure for 1959-60 will be estimated figure.

Shri C. D. Pande: He says that that year will not be taken into consideration.

Shri Morarji Desai: I hope it will be only Rs. 135 lakhs and not more—that is all that I hope—because that is

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what was argued by my hon. friend himself once with me in an argument, that is, that the estimates are always exceeded, so why make an exception in this case. Here also, that may be exceeded. Therefore, an argument cannot be applied in different ways. That is all that I want to request hon. Members to take into consideration. There is no other purpose beyond this in what I have said. I do not want to take more of the time of the hon. House in this matter, because I think that this explanation ought to be enough to convince my hon. friends that what I had said was for a useful purpose, not for a useless purpose, not for a destructive purpose, but for a constructive purpose.

Coming to the discussion on the Finance Bill itself, it is said that there is extravagance in the Government departments and that should be checked and if that is removed, perhaps, there will be no necessity even for the extra taxation which is levied in this year. Extravagance is being checked from time to time, if there is any anywhere. I cannot say there will not be any item in which a charge of extravagance may not lie. It is possible that in some stray item it may happen. But, it cannot be said that we are not particular to see that that does not happen. It may happen in spite of one's own self. It is true, as was alleged here, that in some offices some people do not work for full time as is necessary, and may be shirking. But, I think it cannot be said that all people are doing so. Generalisation from a stray fact or one or two experiences would not be a very correct thing in this matter. I know of several offices, several officers, several members of the staff who work more than the specified hours, work till late in the evening, till night even. That can be seen if any hon. Members care to visit several offices, because it is there. Not that it is not done. Therefore, to say that there is generally this state of affairs is to discourage even those people who

are industrious, who are trying to do better work. That is all that I want to plead with my hon. friends. As I said, we are trying to see that expenditure is kept within limits, within proper limits, within economic limits and that full use is made of the money which is spent by the Government on every department. From that point of view, several agencies are working. We have set up the Organisation and Methods Division. There is a Special Re-organisation Unit in the Finance Ministry which goes on examining the work of every Ministry along with the members of that Ministry and thus trying to find out new methods so that the work can be done better with less cost and with less men. We are giving effect to that. In spite of that, whatever economy may be effected in this current year, one must remember that we are in a developing stage in this country and we are developing fast. There is bound to be more expenditure from year to year when there is more and more development.

It will not be true to say that more and more money is utilised only in collecting the taxes, and more expenditure is incurred than perhaps the return from the taxes. That is not so. The percentage of collection is not so high at all. The percentage of collection in the matter of Income-tax and Customs and Excise and all that would not go beyond 3 per cent as far as I can see. It is not that it is in any way extravagant. Yet, I would say that we are constantly careful to see that the expenditure is curtailed to the maximum extent possible.

In this very connection, it was also mentioned—it has been mentioned several times—that arrears of Income-tax are not recovered and that is one of the arguments which has always been made to show how lax the Government is in the matter of collection of taxes. I have explained once or twice that the arrears as they appear are not quite real and that it

is not true that there is any laxity as is imagined in the matter of collection of these arrears. First, it was said by the hon. Member who started the debate, that in 1957, the arrears were Rs. 262 crores. But this figure by itself was brought down to Rs. 163 crores; Rs. 100 crores were recovered from that money. Today, the arrears are Rs. 200 crores. In this Rs. 200 crores, what can be recovered would be Rs. 168 crores or so. The rest of the money is such as will not be possible to recover. As a matter of fact, some people have gone away; some people have been broken completely and there is nothing left to recover from them. Considering all that, about Rs. 112 crores will have to be written off. But, it is difficult to decide immediately to write off, because my hon. friends themselves will immediately ask the question as to why this is written off. It will become difficult to reply to that question unless we are dead sure about it and we can put it forward now without any fear of contradiction. That care is being taken. I think that this also will soon be done: not that it will be carried on indefinitely.

Even after this, Rs. 168 crores remain which are effective arrears. Even there, the amount covered by certificates issued by the Collectors under section 46(2), of the Income-tax Act, which are sent out for collection is Rs. 90 crores and that is being recovered. They are not very old arrears in that sense. Amount pending disposal of appeals is Rs. 14 crores, nearly 15 crores. This money can be recovered only when the appeals are disposed of. Amount pending settlement of double Income-tax relief or other relief claims is Rs. 2.66 crores. This also can be adjusted only after these claims have been finalised. For similar reasons there are other arrears which are called arrears, Rs. 56.68 crores. Therefore, it will be seen that this is not an amount which is lying uncollected due to any negligence or any such reason. We are now trying to see that as little arrears as possible remain. With that view, we are trying to see that appeals

are also being now disposed of quickly, so that collection may be made. Even in the matter of appeals, if we look at the figures, in 1955-56, the pendency of appeals on 1st April was 114,915. Now, they have come down in 1958-59, up to 31st January 1959,—that is, up to January, for ten months—76,000. Here also good progress is being made. We will go on making more progress in this matter, so that, in future, there may not be this state of affairs as is worrying many hon. Members.

Now, when we receive Rs. 220 crores of Income-tax every year, it must be seen that practically, a year's revenue is collected every year. There will always remain some arrears in matters like this. There is one reason. In some cases, the Income-tax officers have got to apply their own mind and assess some people where it is feared that there is concealed income. They make their own estimate and levy the Income-tax. When the levy is made, after the assessment is made, we have got to recover the amount. Because the income is concealed and the assets are also concealed, one does not find them quickly. That is where difficulty comes in in getting the amount which also adds up to the arrears. If we say that we should not assess in this manner, perhaps, many people who should have been assessed will escape. These are cases which go to appeals, which go to the courts, which go on like that. There are a few hundred writ petitions in the matter which are also pending in the courts. That also creates difficulties in the matter of recovery. There were as many as 699 writ petitions pending before the high courts as on the 1st October, 1958. We are trying to see that the writ petitions are disposed of as quickly as possible by strengthening the high courts. With the increasing attention that we have been giving to this matter during the last two years, I am sure this matter will not cause as much concern as it did in the past.

A general question was raised about the Plan, about the savings, about the

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capital goods and the consumer goods. We are not neglecting consumer goods in any way. If capital goods are not attended to, we will not be in a state to have any consumer goods whatsoever. Where will be the money to buy consumer goods? If you want to raise our prosperity without manufacturing capital goods in the country now to a larger and larger extent in the shortest possible time, it will not be possible. I have no doubt, Sir, about it. In this connection, I may assure my hon. friend Pandit Thakur Das Bhargava that the suggestions that he made in the matter of increasing food supplies and fodder production are also not neglected. They are being attended to. But may I plead with him, Sir, in this matter that all that he said cannot be done by Government itself. Most of the things have got to be done by the people. If better food is to be given to cattle it can be given only by owners of cattle. How can Government give better food to cattle?

Pandit Thakur Das Bhargava: There is not sufficient fodder in the country. Government should produce more fodder. Without production, how can the people give more feed to the cattle? You have to prepare a programme for that. You have not prepared any programme in this respect for the last so many years. You have no such scheme regarding the increase of cattle fodder. Can animal husbandry be said to have been opened scientifically when cattle are deteriorating for want of cattle feed and fodder?

Shri Morarji Desai: Fodder has to be produced by the people, not by the Government. How can Government raise this fodder? I do not understand that. What Government is trying to do in this matter is to try to advise the agriculturists more and more in this matter. We are trying to help the agriculturist so that he will be able to produce more. In the matter of seeds also, we are trying to see that better seed is given. Some-

times diseases come and so production is affected. So these are not matters which can be done immediately.

I can also tell my hon. friend Pandit Thakur Das Bhargava that I have dealt with Aarey milk colony for ten years and I can assure him that useful cattle were not sent to slaughter houses. Therefore, to say that cattle go from there to slaughter houses is not correct.

Pandit Thakur Das Bhargava: With due deference may I submit that I never stated that useful cattle from Aarey are sent to slaughter houses, but calves are not reared properly and are auctioned. Take the number of cattle in the Aarey milk colony. There are 8,000 or more buffaloes in milk. Have you got 8,000 calves there? They are not there.

Shri Morarji Desai: So far as buffaloes are concerned, there are large deaths of new ones. He does not know that. I have dealt with these things from my childhood. Therefore I know it.

Pandit Thakur Das Bhargava: The male buffaloes calves are butchered in the entire country because they are not so useful as cow calves.

Shri Morarji Desai: The buffalo calves die very often. In Bombay we have made arrangements to provide for the dry cattle and they do not sell them there. There is a law that no useful cattle can be sold to slaughter house. That law is being rigorously enforced.

Pandit Thakur Das Bhargava: I have been to the slaughter house of Bombay. I know the law of Bombay. I sent to you a communication about that. The whole thing has not been done rightly yet.

Shri Morarji Desai: Well, I do not think I should dilate more on this problem. Otherwise, the whole time will go for that.

References have been made to the raising of resources in the country. Due attention has to be given to this. If we do not do that, we cannot remove the poverty of our country and so we have got to work for that and that is how the Planning Commission works. It may be that there may be different views in the matter of planning but it would not be right to say that the Planning Commission is not working according to a plan or that sufficient thought is not given to it. It is not merely this Five-year Plan which is being considered; but we are thinking in terms of long-term planning, or, what is called, perspective planning. We go on constantly increasing our production and our national income and our per capita income every year. We cannot say that because prices went up last year, the prices are not held in check. We cannot say that because production went down last year, we are in the wrong. Now, I would say that that argument would not be correct because it is based on only one year's experience and not based on the experience of many years. For the previous many years production has been consistently rising. Last year the textile industry came to grief for several reasons, for many of which Government was not responsible but the industry itself was responsible and to some extent the past history was responsible. But even there we are trying to see that it comes back to the original level and I think it will come back to the original level. But, from that to argue that people are not consuming as much cloth, or are consuming less cloth than before is not correct. They were producing much more than what people were consuming. We can say from that that people were not buying more than they are buying now. But exports have gone down on account of competitions. The consumption has not increased to the extent to which the mills thought it would increase. That was the whole case. But production is now coming up. In other sections of industries production has gone up in several

ways. We have increased our production from 55 million tons to 68 million tons. This year it should be 70 million tons. It should be remembered that we have got to deal with millions and millions of individuals who will be responsible for increasing food production and this is not done by one single agency. It is possible to look after a factory, for instance, and increase production in two years. When so many individuals are involved that will not be possible, unless those individuals themselves are also enthused and they take it up themselves. They are doing it. I won't say that they are not doing it. But they may not be doing it as fast as we want them to do. We should encourage them and we should not demoralise them by making any wild allegation against the Government and without taking the actual state of affairs into consideration, and the practical considerations which ought to be before us in this matter. That is all that I have to plead with my hon. friends.

I now come to taxation which is really the purpose of the Finance Bill. There has been a very strong protest about the duty on khandsari. I cannot speak in the same vein in which my hon. friend on my side of the House spoke, because that does not do good to either of us; I do not think that what he said did good either to him or to me or to the party or to Government.

In the matter of khandsari, there is no question of discouraging khandsari. We do not want too. There may be a difference of opinion. But why not be charitable about the other opinion too, just as I am prepared to consider all the time the argument that khandsari is being hit? We shall go on considering all the time, and if we find that that is being hit, we shall certainly take steps to see that that is not hit; that is what we shall try to do. But, obviously, as I find it, I am not convinced at all about the arguments that khandsari cannot pay the tax which is put on it; and yet, we have

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reduced the taxtick in these proposals, as I have said already, and we have given them relief.

Then, there was another argument made, and that is, that we have said that those who prepare "rab" by machinery will not be taken into consideration; it will be considered a cottage industry, if the final process of khandasari is done by hand; that is, if the centrifugal pumps or other things are worked by hand, then we shall not consider them liable to tax. That is what we have said. That has given a relief. But even there, it is now argued that in that case, the centrifugal pumps will be worked by hand and will not be worked by electricity, and that is how they will not pay the tax. I shall be glad about it; I shall not be sorry about it, and I shall be glad because it will have given more work to some people, because, then, more people will be employed. Today, less and less people are being employed, and more and more of machinery is being used. The duty of a cottage industry should be that it employs more men and not more machinery. Of course, whatever is employed and whatever machinery is used must be up to date, and must do well. But if it replaces men, and if it goes only to machinery, then, it ceases to be a cottage industry; it becomes something else. We have not, therefore, touched gur at all, because we do not want to touch it even though persons say that we should touch it. It has a large production, and we can get a lot of income from it. And a good number of people have made a lot of profit during the last few years on that. I have been witness to that myself. Therefore, it cannot be said that they have not made money. They have become rich men, or at least some of them. I have seen myself those people, because I know them. And yet it is argued that we are against the cottage industry or that we are reversing the whole trend.

Shri S. D. Mishra. (Bulandshahr): Could the hon. Minister cite the case of anybody who has become rich in Bulandshahr district or in any other place?

Shri Morarji Desai: Khandasari people have also become rich.

Mr. Deputy-Speaker: The hon. Member wants him to point out certain persons in one particular district, who have become rich.

Shri Morarji Desai: I shall also look into that and find out and give him a case, if it is so.

But what has been done is this. The relief that has been given has been given, also considering the fact—it was not known to me at that time—that the U.P. Government also are levying a fee on some of these khandasari units. I have considered that. There also, calculations differ. They are levying Rs. 300 on a bale which is capable of crushing 250 maunds of sugarcane per day. If that is true, they work for 100 days; that means 25,000 maunds of sugarcane will be crushed. On that basis, this will amount only to two or three annas per maund—the levy by the U.P. Government. But the argument is made that these people crush only 10,000 maunds of sugarcane in a season, and, therefore, the cost will be 8 annas per maund. Even granting that it is 8 annas per maund, the relief that I have given is far more than the levy which is imposed by the U.P. Government. But if they crush only 10,000 maunds of sugarcane, then their average crushing per day will not go beyond 100 maunds, and if it does not go beyond 100 maunds, they are not liable to pay any fee to the U.P. Government, because the condition is that they must be able to crush 250 maunds of sugarcane per day. That is how the bale is defined. Therefore, it is not that this is all as it appears and as it is meant to appear. I have gone into it very carefully, and I am prepared to go

into it still more carefully and examine further facts if they are given. But let it not be said that this Government is unsympathetic to cottage industries; at any rate, that charge would be very unjust against us when we are doing everything to see that cottage industries come up; we are spending as much money as the cottage industries can bear to spend on themselves. That is what we are trying to do, not that we are doing anything extra or what we should not have done; we are doing everything that should be done, and that is what we are doing. In spite of that, if it is said like this because there is a great outcry, well, I cannot meet that argument.

Coming to diesel oil, I had explained myself when I made the proposals; and later on also, during the general debate on the Budget, I had explained why diesel oil has been taxed in the manner in which it is taxed. There is no question of benefiting the railways in this matter at all. It is not for that purpose that this has been done. Just as in the matter of khand-sari it is argued that this is done only for the sake of the sugar factories, which is also not correct, it is said that we are trying to take some of the profits which they are making as a result of Government's action in this manner. We do not want to take away all the profits from them; we are taking part of the profits even now, and a good profit is left with them, just as a good profit is left even with the khand-sari manufacturers. In the same way, in the matter of diesel oil, it is not a matter of benefiting the railways; to say that this is done for that purpose is not right. It was a coincidence that in the Railway Budget it was mentioned that there was a competition between road transport and railways. But before that, this had been decided. I had not even read that at that time

This was decided because of the unfair competition between petrol

and diesel oil, as I had said earlier; we produce more petrol; we do not produce more diesel; we have got to import more and more diesel oil from outside, and we produce more and more petrol here.

Shri Dasappa: Why not manufacture diesel oil in India?

Shri Morarji Desai: If the hon. Member can find more oil for me, that is what we shall do. As soon as that happens, we are not going to bother about it. But it so happens that from the crude oil less diesel is produced and more petrol is produced. That is what happens. Why science does that, I do not know. It depends upon the science of it; it does not depend merely upon the desire of it. But as that is happening, we have to see that this balance is restored. With that view, this step has been taken. Therefore, there can be no question of reducing this duty that has been levied.

I had said that we shall consider the question of the agriculturists. I have not yet found any remedy for it. If I can find a remedy, I shall certainly go on considering it, because the remedy must not be such as benefits people who should not benefit, or such that a wrong advantage would be taken of it. That is why it is not being done.

Per mile, the expenditure will be very little; the cost will not be much; it will be less than 0.3 nP. Therefore, the incidence is not more. And it would not be right to say that the whole transport will come into difficulties as a result of this.

Shri Dasappa: What about tyres?

Shri Morarji Desai: My hon. friend from Mysore spoke about artificial silk; he did not seem to be satisfied with what has been done in the matter of concessions. I would say that there the purpose is to encourage the small man who is really the owner who owns four looms, and not the other persons who become

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businessmen by owning several looms. Therefore, this concession has been arranged like that. And I have received a telegram only today from Mysore saying that they are satisfied with what has been done.

Shri Dasappa: They are thankful for the concession.

Shri Morarji Desai: They have thanked me for the concession. They have not asked for anything more. Let me say that also. Of course, my hon. friend may now suggest that they should ask for more, but that is a different matter. But until that is done, at any rate, I have got....

Shri Dasappa: The representation by the Mysore Art Silk manufacturers has gone to him.

Shri Morarji Desai: But this is the latest. I am not talking of the previous one. This telegram is later than that, after the concession has been given. Then, there was a question about the duty on vegetable oil. There, I think, the concession that has been given will benefit the smaller people properly, and there will be no harassment also, because we have compounded the rates.

In this connection, a question was raised whether compounding was legal. There may be doubts about it, but there are provisions which show that it is legal, and the manner in which we are doing it also makes it fool-proof. But more than that, the fact that it will benefit these people very much is also a guarantee that nobody will go to court in this matter. Let there be no worry about it, let there be no fear about it. I think we will be able to implement it.

Shri Tangamani: What are the compounded rates?

Shri Dasappa: For both art silk and khandsari.

Shri Morarji Desai: I have not got them here. I can give them later on.

They are published. They are printed in a notification which must have been laid on the Table of the House; if not, I will lay it.

Coming to the direct taxes, there is a question which has been raised from the very beginning that this new change is going to bring in more revenue to Government than what is claimed. I do not think that is possible because we have taken the past income of the companies, we have taken the income from the companies to Government by way of taxation, we have also taken into account the allowance or the refunds that we are giving to the shareholders by grossing, we have deducted that from that income, and we are now taking from that income this much money that we are going to receive. According to our calculation that will come to about 43.2 or 44.2 per cent, and in order to round it off we have made it 45 per cent, because we do not want to take any risk, and therefore we may receive something more there. Supposing we receive something more, that money will be welcome to Government and can be easily borne by these people. At least that is what my view is today, but if it is not so, I say we will consider it.

In the matter of reserves for giving dividends, I cannot say immediately what can be done, but I am considering that question. The question of the subsidiary or intermediary companies is also being considered, and we will try to see if any relief can be given in that matter, because I do agree that there is some force in the argument which is given, but it is not necessary to do anything immediately today because these things are going to come into effect next year, and therefore by that time we will be able to work out everything and see whatever relief can be given is given.

Let me assure my hon. friend Shri Masani that I have no quarrel with his criticising me in this matter or for the matter of that anybody criticising

Government's measures because that is relevant, that is necessary, and there can be different views, but let it not be considered by him too that we are not considering the advisability of this taxation giving us more and more revenue every year and that we are following a foolish policy which will bring in less and less returns every year. That will not help Government at all. We are therefore trying to see that in all measures we receive more and more revenues every year and not less and less.

There was in this connection the question of double depreciation allowance. This double depreciation allowance was given after the war in order to see that the factories or concerns were able to rejuvenate themselves and to make up for some of the wear and tear in an easy manner. But after the development rebate is given, that question disappears. We did not curtail it immediately because we had given it for a certain number of years statutorily, and therefore the two things worked together. Because they have worked together for two years, to claim that the extra thing should continue would not be, I think, a fair argument. Therefore it is not possible for me to consider this request at all. The development rebate is a substantial rebate, and it does benefit the industries as it should, because we want them to develop, but I do not see any case at all for the double depreciation allowance. If I had seen a case for it, I should have certainly considered it.

Coming to the Expenditure Tax, it has been argued that we are making changes in it immediately after it was enacted, in spite of what my predecessor had said, viz., that we should work it for a few years and see the effect of it. My predecessor was very careful to say even then that whenever we found changes necessary on account of evasion or other things, we would certainly make them. He has not said that we will keep it for ten, five or seven years. We now find it is necessary to do this because it is

being taken advantage of in a wrong manner. If a husband and wife and child in the matter of expenditure are to be considered separate, I cannot understand why the Expenditure Tax should be levied at all. If Expenditure Tax is levied, it gives income, but more than that savings. That is what was objected to by my hon. friend Shri Pandle. I do not see why he should object to savings in this behalf because those savings will be above Rs. 36,000; it will not be savings below that. And how much money do they want to spend on one family in a country where there is so much poverty? If they spend less than that they will not pay any tax, and the rest will go to investment. That investment is very necessary for us, and I should be happy, let it go there. But if they want to spend, let them spend more and let them give tax to Government. Then Government also is happy and let them also be happy by spending more.

In the matter of bullion and jewellery, can it be argued that we want to encourage the purchase of bullion when no bullion is produced in this country? Why do we want to encourage that and make the rates higher and give the advantage to smugglers more and more? It is to discourage that also that this has been done. It is not that it was necessary. Under the Wealth Tax today, jewellery up to Rs 25 000 per individual is exempted. Therefore, to say that there will be double taxation is not right.

Again, it is unprofitable investment which I should not like to encourage very much. If money was invested in wealth, if cash was there instead of jewellery, then that would give us wealth tax, not that it would not give us wealth tax, and it would also give us income-tax on the income from that wealth, but when jewellery and bullion are taken, everything is escaped.

Shri C. D. Fande (Naini Tal): The saving is there.

Shri Morarji Desai: The saving may be there, but I want to utilise the saving for the country and also for him. I do not want to take away the saving, but I want it to be utilised for the country, and therefore, these changes have been made. I hope my hon. friends who say that this is a heavy impost will see that it is not so. It is only on expenditure made, they are welcome not to make it. To say that this should not be levied would not be right.

It is true that in this connection it was argued that the poor people also pay a lot of taxes. I do not deny it. The indirect taxes are there, and as I said before, indirect taxes are inevitable in a poor country or an underdeveloped country. Direct taxes alone will never do the trick, and will never give anything sufficient for the purpose we have in view and to develop the country itself. Moreover, even the poor people must take part in the development which is going to benefit them, and they must contribute to it at least to a small extent. It might hurt them, I will not say it does not hurt them at all. I would not be the person to say that. It is not that I am glad about it, but it is an inevitable thing which has got to be done. How can it be avoided?

I had given figures also to show the proportion of indirect taxes in this country and other countries. In this country the indirect tax is 53 per cent, in Russia it is 83 per cent. That is not even an undeveloped country now, and yet that is so, because it has a different kind of economy. I do not say that the two economies compare. There, everything is being taken separately and more and more is taken. Consumer goods are charged very high. They take shoes from here at Rs. 25 or so and perhaps they are sold at Rs. 75 or Rs. 150. Tea is taken here at Rs. 3 or Rs. 4 and is sold at Rs. 30. From whom is this taken? Is it not taken from the poor people? Are they not poor by standards of comparison? And the purchasing power of 500 roubles comes to less even than the purchas-

ing power of Rs. 30 in this country. Therefore, when we compare things like this let there be a reality in the matter and not merely a theoretical consideration or an ideological dislike of the Government. That is all that I have got to say. (Interruptions). I know what they do and I know what my hon. friends can do if they ever get the chance, but I am quite sure they won't get a chance.....

Shri C. D. Pande (Naini Tal): God forbid that that chance should come.

Shri Morarji Desai: At any rate, I hope they won't get the chance. But if it is said because of this that I am afraid of the capitalists whom they dislike, they are welcome to say what they like. I am friend to everybody; even to the communist friends. I consider them friends even if they do not consider me their friend. (Interruption). There is nothing wrong in considering everybody your friend. (Interruption). But treat him by knowing him well so that you are not caught. That is what one has to do and what I am trying to do and that is what they object to. But if it is objected to I have no objection.

But I hope my hon. friend will see that we on this side of the House are trying to improve the conditions obtaining in this country and giving a better deal to the common man, and the common man's condition is improving in this country, as was very rightly pointed out by the hon. lady Member, Shrimati Sahodrabai.

I know she is a brave lady. (Interruptions).

श्रीमती सहोदरा बाई राव : हिन्दी में जवाब दीजिये ।

Shri Morarji Desai: I saw her when she was there wounded from the Goa border. I saw with what brave courage she bore the wounds she had. But I had no knowledge that she could speak so effectively and with such courage of conviction and with such clarity. I wish, Sir, that many of us had the clarity which she has in this matter.

Mr. Deputy-Speaker: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1959-60 be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: Now, we take up clause by clause consideration.

Clause 2.—(Income-tax and super tax)

Amendment made:

Page 2, line 17,

after "under section 18" insert—
"of the Income-tax Act." (24)

[Shri Morarji Desai]

Mr. Deputy-Speaker: Amendment No. 10 is out of order.

The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 3.—(Amendment of section 4)

Mr. Deputy-Speaker: Amendment No. 11 is out of order.

The question is:.....

Shri M. R. Masani (Ranchi-East): May I know why it is out of order because it only seeks to diminish?

Mr. Deputy-Speaker: Even diminution is variation. If he just looks at article 274 he will see that it is variation and not increase. When the States are concerned, it is only variation.

Shri M. R. Masani: Sir, this amendment seeks to remove the pri-

vilage of exemption from income-tax given to the income of Rs. 4,500 when the income is not imported into the country and earned abroad.

Mr. Deputy-Speaker: We have to see the article in the Constitution. He may kindly consider that.

"No Bill or amendment which imposes or varies any tax or duty in which States are interested,....."

Shri M. R. Masani: My amendment does not vary anything; it wants the status quo to continue.

Mr. Deputy-Speaker: Status quo of the Bill?

Shri M. R. Masani: Of the present law.

Mr. Deputy-Speaker: The Bill has to be seen; that has to be read with the amendment. Last year also we had this question. The hon. Member himself pointed out an exception to it and then it was ruled that we have to see whether the rate put down in the Bill that we are considering, for which the sanction has been obtained, is going to be affected or not and not the parent Act. Therefore, this amendment No. 11 is out of order.

The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4.—(Amendment of section 10)

Amendment made:

Page 4,—

for lines 20 to 38, substitute—

"the agreement in relation—

(a) to expenditure by way of infructuous or abortive exploration expenses in respect

[Mr. Deputy-Speaker]

of any area surrendered prior to the beginning of commercial production by the assessee;

(b) After the beginning of commercial production, to expenditure incurred by the assessee whether before or after such commercial production, in respect of drilling or exploration activities or services or in respect of physical assets used in that connection, except assets on which allowance for depreciation is admissible under sub-section (2); and

(c) to the depletion of mineral oil in the mining area in respect of the assessment year relevant to the previous year in which commercial production is begun, and for such succeeding year or years as may be specified in the agreement;

and such allowances shall be computed and made in the manner specified in the agreement, the other provisions of this Act being deemed for this purpose to have been modified to the extent necessary to give effect to the terms of the agreement." (25)

[Shri Morarji Desai]

Mr. Deputy-Speaker: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4 as amended, was added to the Bill.

Clauses 5 to 8

Mr. Deputy-Speaker: Amendment No. 12 is out of order. The question is:

"That clauses 5 to 8 stand part of the Bill."

Shri M. E. Masani: May I know on what ground amendment No. 12 is out of order?

Mr. Deputy-Speaker: On the same ground as before.

Shri M. E. Masani: In any case I was going to say that, in view of the hon. Finance Minister's assurance that the need for relief in respect of the taxed reserves is being looked into and that measures will be taken by next year, I do not wish to press it.

Mr. Deputy-Speaker: The question is:

"That clauses 5 to 8 stand part of the Bill."

The motion was adopted.

Clauses 5 to 8 were added to the Bill.

Clause 9.—(Amendment of section 18)
Amendments made:

Page 6, lines 18 and 19,—

omit "not being a company" (26)

Page 6, line 41,—

for "any sum" substitute "any interest" (27)

Page 7, line 20,—

after "shall" insert "before making any payment in cash or." (28).

Page 9,—

for lines 5 to 9, substitute—

"(10) Notwithstanding anything contained in this section, no deduction of tax shall be made on any interest or dividend payable to the Government or to the Reserve Bank of India in respect of any securities or shares owned by it or in which it has full beneficial interest."

(29)

[Shri Morarji Desai]

Mr. Deputy-Speaker: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill

Clauses 10 to 17

Mr Deputy-Speaker: The question is:

"That clauses 10 to 17 stand part of the Bill"

The motion was adopted.

Clauses 10 to 17 were added to the Bill.

Clause 18.— (Amendment of section 58)
Amendment made

Page 10—

for lines 22 and 23, substitute—

'(u) in sub-section (2), for the brackets, figure and letter "(3A)", the brackets and figure "(3)" shall be substituted' (30)

[Shri Moraryi Desai]

16 hrs.

Mr Deputy-Speaker: The question is

"That clause 18, as amended, stand part of the Bill"

The motion was adopted.

Clause 18, as amended, was added to the Bill

Clause 19 was added to the Bill.

Clause 20.— (Amendment of section 2)

Shri Nathwani (Sorath): Sir, I beg to move my amendment No. 31 to clause 20.

*Page 11, line 35,—

add at the end "on account of wilful default of the assessee" (31).

The idea seems to be to penalise those assessee who are in arrears of

payment of their taxes. I do not see any justification for this provision in this Bill. Firstly, the Income-tax Act contains ample provisions for penalising an assessee who is in default. If you turn to section 46 of the Income-tax Act you will see that the income-tax officer is empowered to inflict a penalty which may extend to the whole amount which might be in arrear. Therefore, I cannot see any justification in introducing the provision here. In section 46, discretion is given to the officer concerned to see whether there is justification for the assessee not paying the tax dues. If we turn to section 45 also, the assessee may have income outside the taxable territories in countries which prohibit the sending out of remittances. In those circumstances, he is unable to pay. What is to happen in cases like that?

Under the Income-tax Act itself you have provided that in those circumstances he may not be considered to be in default whereas here, under the proposed change, such an assessee will be deemed to be in default and his liability will not be excluded. Is it fair? My submission is that unless an assessee fails to pay on account of wilful default his liability should not be excluded in computing the net wealth. I come to another part which says that pending an appeal. . . his liability should not be excluded but here again if we turn to section 45 of the Income-tax Act, discretion is given to the officer not to treat the assessee in default if he thinks that his appeal is not on technical or frivolous grounds.

Shri Easwara Iyer (Trivandrum): Clause 20 deals with wealth tax

Shri Nathwani: If you kindly read it, the proposed change seeks to exclude this liability in calculating his net wealth. Sub-Clause (m) says what net wealth is, it is the excess

*The original Nos. of the amendments given in brackets at the end of the text have alone been reproduced at the stage of final disposal.

[Shri Nathwani]

of assets over liabilities, and this liability will not be excluded in computing his net wealth whereas under the Income-tax Act, there is that provision. I consider these provisions very wholesome. They give power to the income-tax officer not to insist upon payment while his appeal is pending in a particular case. Special circumstances may exist when if he finds that his appeal is substantial and requires to be considered on merits then the assessee will not be treated as in default, whereas here, you will see that his liability should not be taken into consideration. These provisions are quite unnecessary and not justified. In the circumstances which exist in our country and which have been duly taken into account, they are not necessary. In the Income-tax Act there are sufficient provisions in sections 45 and 46 for penalising a wilful defaulter. There are ways of effecting recoveries and a summary procedure has been prescribed and therefore, I submit that the hon. Finance Minister and the department should also consider my amendment.....

Mr. Deputy-Speaker: The hon. Member can ask the hon. Minister here.

Shri Nathwani: Through him,....

Mr. Deputy-Speaker: He need not go further; he can ask the Finance Minister.

Shri Nathwani: I think it was a matter of detail in which the hon. Minister may be properly advised by the department. Very well. My submission is that sub-clause (1) is unjustified and the second sub-clause can be amplified by adding further that this should be done when an assessee is in default wilfully.

Shri Jaganatha Rao (Koraput): Sir, I beg to move: . . .

Page 11,—

omit lines 22 to 35. (38).

Shri Nathwani wanted a partial amendment. I feel that there is no need for the amendment sought to be introduced by the hon. Finance Minister. When the net assets have to be computed under the Wealth Tax Act the tax payable by the assessee under the various tax measures have to be given credit and remedy provided for the assessee under the various Acts cannot be taken away. When an appeal is pending, certainly the assessee cannot be said to be in default. I can very well understand where the assessment has reached a finality, when, for instance, the assessee does not appeal or having appealed, his appeal is dismissed and there is no further remedy open to him. If the assessee does not pay within 12 months of the final order, he can be considered to be in wilful default. When the taxation measures provide a machinery for exercising a right of appeal or getting a point referred to the High Court by the tribunal and also to the Supreme Court, certainly it cannot be considered or argued that the assessee is in default. I feel that the proposed amendments are not called for and the existing taxation measures do provide a remedy to tackle the assessee who is in wilful default.

Shri Morarji Desai: May I point out that the provision here is in respect of outstandings which are not less than one year. If they do not pay for more than a year, why should they be exempted? I have been pressed by all sections of the House to see that the income-tax arrears are recovered as quickly as possible and that we should devise ways and means to do that. This is one of the means to effect quick recovery.

Shri Nathwani: May I say that there may be genuine cases of difficulty? Clause 345 of the Income-tax Act provides for that.

Shri Morarji Desai: I will see that. As regards those cases about the foreign wealth which is included on account of the taxation on foreign income, we shall certainly consider that. But this provision is necessary.

Mr. Deputy-Speaker: Shall I put these amendments to the vote of the House?

Shri Nathwani: I do not press my amendment.

Shri Jagannatha Rao: I do not press mine.

Mr. Deputy-Speaker: Have the hon. Members leave of the House to withdraw the amendments?

The amendment Nos. 31 and 38 were by leave, withdrawn.*

Mr. Deputy-Speaker: The question is:

"That clause 20 stand part of the Bill."

The motion was adopted.

Clause 20 was added to the Bill.

Clause 21.—(Amendment of Schedule)

Pandit Thakur Das Bhargava (Hissar): Sir, I beg to move:

Page 11, line 37,—

for "paragraphs (a) (b)" substitute paragraph (a)" (50).

Page 12,—

after line 2, add—

'(iii) to Rule 2, the following proviso shall be added, namely:—

"Provided, however that the rate of 1.5 per cent shall apply to Hindu undivided families." (51)

As I have said yesterday, this involves consideration of the equities in regard to the Hindu undivided family. The rest of the amendments also proceed on the same basis. I consider that the time has come when the hon. Minister may kindly appoint a committee of which he spoke last year and that was the reason why I have give this notice. I know at this moment all these questions cannot be considered very seriously and they require much more consideration than can be given at this moment. This was the ground given last year; that was the ground given for the last thirty years. This must stop somewhere. I did not want to read this quotation yesterday. Today, with a view to just remind the hon. Minister, may I read some lines from the speech of the previous Finance Minister when he gave an assurance and also from the speech of the hon. Finance Minister himself when he agreed and said that he was also accepting that assurance? This was said by Shri T. T. Krishnamachari on 29th August, 1957:—

"So the whole question of income-tax law will have to be thought of. Some kind of revision is undoubtedly necessary. When it could be done, I am not in a

*The original Nos. of the amendments given in brackets at the end of the text have alone been reproduced at the stage of final disposal.

[Pandit Thakur Das Bhargava] position to say. But when we undertake it I can give this assurance that we shall have this question gone into. Of course, I will plead only my side, that tax consideration must be paramount. It will be open for somebody else to plead that some other consideration should be paramount. But we should not make it a thorny issue year after year, for the Hindu undivided family to suffer or to be discriminated either way. It must be settled in categorical terms. It has to be done. All I can say is: but not yet."

This is the last paragraph of his speech which I have read. Previous to that he spent about 10 or 15 minutes in elaborating this point and coming to the conclusion. He cited his own case as a case of hardship and then he came to the conclusion. When I raised the point, he said: "All right, I shall appoint a committee". Then he gave this assurance. After that, when we were considering another Bill I brought it to the notice of the hon Minister himself and he was pleased to say like this. When I pleaded for that committee, Shri Morarji Desai said:

"About examining the general question of Hindu undivided family, I myself am not aware of the various difficulties that are cited. I shall certainly try to consider all of them and I shall try to do whatever can be done."

Then, at the close of his speech I submitted:

"Before you put the amendments to vote, may I just enquire from the Minister if he is agreeable to the appointment of a committee which the previous Finance Ministers were agreeable to? They said they would appoint a committee."

Shri Morarji Desai: No! now, I would not give any promise which I cannot keep.

Pandit Thakur Das Bhargava: So, that means that the assurances given by the previous Finance Ministers do not stand. I am rather intrigued. One Finance Minister says that he will appoint a committee, but another Finance Minister says that he is not bound by that assurance. The assurances were given in this House.

Shri Morarji Desai: Again, my hon. friend is very unreasonable. I have not said that I do not accept it. I do not know what the promise given was. I must go into that. Simply because my hon. friend mentions them here, I cannot accept the liability immediately. Certainly, I accept all the promises given by my predecessors. I do not go by disowning any promises. What is the use of saying all this?"

From that, Sir, I understand that the hon Minister wanted that the assurances of the previous Finance Minister should be kept. I have just read out from the speech of the hon. Finance Minister, Shri T. T. Krishnamachari. He gave a categorical assurance that a committee will be appointed to go into this question. But, apart from that, even if that assurance has not been given, this assurance has been given in this House by at least six Finance Ministers before including the honourable Shri Mathai, Mr. Schuster, Mr. Blackett, Mr. Liaquat Ali Khan and others. It is a difficult question. Then I waited and waited. In 1928 or so I raised the question, and in subsequent years the matter developed so much that even the limit of taxable minimum for a Hindu joint family was doubled. Shri John Mathai doubled it. Even then we were not satisfied because on principle this was not correct.

The matter was then referred to the Investigation Commission. The Investigation Commission did not go into the question as it ought to have done, but, on the contrary, recommended some palliative saying that if

there are three or four members then three times the minimum may be taken to be taxable. Even that was not satisfactory.

In 1924 difficulty arose when the first Taxation Enquiry Commission was set up. They said that no estate duty can be fixed as long as the Hindu joint family remained as it was. Subsequently they got over it and the Estate Duty Bill was passed. I appeared before the Taxation Enquiry Commission as a witness. I submitted all that I had to say at that time. The question arose as to what will happen to the exchequer, and it was said that so much money will not come. I told the President that I was not concerned with that question and that I was only concerned with equity. I also said that if he wanted to increase revenue there were other ways of doing it, and he could tax air, water etc. Let him tax anything, all Hindus will pay, all Sikhs will pay, all those who come under the Hindu law will pay. But, I said, let him not discriminate between them and others.

The Taxation Enquiry Commission also accepted the recommendation of the Investigation Commission, and they said that in future instead of double the limit being the minimum treble the minimum will be regarded as the taxable minimum for the Hindu Joint family if there were three or more coparceners. That continued for a long time. But Shri T. T. Krishnamachari brushed all that aside with a stroke of the pen and took away all that concession without any reason or rhyme. I submitted to him here in this House that he ought not to take that away. I said that we fought for 28 years and got a small concession—it was not a very big concession. The concession should have been more. The Estate Duty Act now says that there will be notional partition at the time when the tax is assessed and the Hindu joint family will continue to be a joint family in spite of the fact that estate duty is charged from that. Therefore, charging of estate duty will make no difference so far as the constitution of a Hindu joint family is concerned.

There they have a different principle. As a matter of fact, notional partition will be taken, it will be taken as if the man died and whatever property would have fallen to his share or partition will be regarded as property of the deceased and tax will be realised on that.

If, as I submitted, for estate duty purposes you can accept a notional partition, why not accept a notional partition so far as income is concerned? Now, Sir, may I submit for your consideration the very great difference which the present system of taxation means to a Hindu joint family? If a person has got an income of Rs. 4 lakhs and he is in a Hindu joint family having five brothers, each will get about Rs. 1,000 after paying all the taxes, whereas if there are five brothers joint between themselves belonging to a Parsi, Muslim or Christian family and they work together as the members of a Hindu joint family do, each will be getting Rs. 4,000 a year, four times as much as the person in the Hindu joint family will get. Even labourers are taxed. Supposing in a family of ten members there is an income of Rs. 3,000 out of which one person gets Rs. 2,000 and the rest get only Rs. 100 each, all will be taxed at the rate of Rs. 3,000.

Sir, the difficulty has been pointed out many a time. I do not want to repeat all those arguments. Those arguments are quite open, as I have submitted yesterday. I requested the hon. Minister to kindly go through the speech of the hon. Shri T. T. Krishnamachari who also dealt with this question at great length, so that he may come prepared and give me a reply as to whether he wants to appoint a committee. If he wants to appoint a committee, I am not going to take the time of the House by moving all these amendments, but if he does not want to appoint a committee and does not regard the promise given by Shri T. T. Krishnamachari as sacrosanct, then I may be permitted to come out with all those arguments. Then I will try to convince him.

[Pandit Thakur Das Bhargava]

As a matter of fact, the Hindu joint family is not treated properly by this Government. We cannot make a distinction between Hindus, Muslims, Christians and all that. We must treat them as equal. In our Constitution, in the Preamble itself we only speak of the individual, we speak of the nation and the individual, we do not speak of anything between the two. So far as the family is concerned, the family has got no legal status. It is not a corporation. It cannot be sued, nor can it sue. It is not an entity for economic purposes. It is only a way of life. In spite of all these disabilities Hindus still go on with the joint families, though they know that so much has gone against them in regard to taxation. This has been very ably pointed out in the report of the Income-tax Investigation Commission. They have also given thought to this question and brought it out, that as a matter of fact this law acts and works as a social monster in separating these families forcibly, because then they are excessively taxed so much that they begin to think that they have to suffer if they continue the family. As a matter of fact, it has disrupted many Hindu joint families, and it is likely to disrupt. This kind of law which has the effect of disrupting Hindu joint families to this extent ought to be looked at with some care. So far no consideration has been paid to this aspect of the case. Even so far as the Investigation Commission is concerned, they said in so many words that, as a matter of fact, though the terms of reference were very wide, they were not going to consider the question and that they are not going to interpret it in a liberal way, but only in a restricted way to this extent, namely, how far the tax can be evaded by this man or that man so far as the revenue was concerned.

The Aiyar Committee which was appointed also said the same thing. So far as the consideration of revenue was concerned, they said they were not going to touch it. So far as the

Taxation Enquiry Commission is concerned, they also said in so many words that they are not going to consider it.

Since the Hindu law was on the anvil of the legislature at that time, there was the question whether the Hindu joint family should be allowed to exist. According to Shri Ambedkar's Hindu law, they wanted to extinguish the right of survivorship and vesting of property by birth and therefore, they were thinking that the Hindu joint family may go. It is very unfortunate for the Hindu undivided family that they did not accept that advice at that time. They raised the question as to why the ancient system of Hindu joint family should be treated in this way. Had they accepted it, all this controversy would have been over by this time and all persons would have been taxed as equal citizens of the State.

My humble submission is that so far as the Hindus are concerned including those who are bound by Hindu law, it is a question of prestige also. Even in Aurangzeb's time, the people were asked to pay poll tax because they were Hindus. This is also a kind of poll tax in the Congress regime. There is absolutely no difference between this tax and the one levied in those days. Even in the secular State, with the Congress Government, this sort of thing continues. It is absolutely intolerable that in this society only certain kinds of persons can be put under a handicap.

Shri Easwara Iyer: Whether it is Mitakshara or Dayabhaga?

Pandit Thakur Das Bhargava: If people think that those who belong to Dayabhaga are protected, it is not so, because in practice they are not protected. Both systems, Mitakshara and Dayabhaga, come under the purview of this law. As long as the father lives, only the Mitakshara families come under the mischief, but when the father dies and when there are

four brothers, all of them are taxed in this manner. So, both the systems come in. There is no difference between the two in this respect.

So, my humble submission is that after we accepted a principle in the Estate Duty Act that there can be a notional partition, there is no difficulty that every person's income should be taxed on this basis. As for his earnings, the joint family income may be found out from the notional partition, and the personal income is there. There will be no difficulty. Every person is to be treated as the citizen of India. I do not want any special treatment so far as the Hindus are concerned. I do not want that they should be given any concession at all. On the contrary, I want section 14 to be taken away. What is the effect of section 14? Only such persons have been given concessions who were rich. I do not know why. This was I think a device formulated by our former rulers. They wanted to say that "whereas we are taking more, we are also giving concessions", but that concessions went to the rich families only, and there were two kinds of properties—personal as well as income from the Hindu joint family. It was a policy of robbing Peter to pay Paul.

In an ordinary family, what is the position? I know the conditions in Punjab and to a certain extent the conditions in Uttar Pradesh also. There are no joint families according to the Mitakshara and Dayabhaga systems. As far back as 1894, the Punjab High Court held that there were no undivided families in Punjab consistent with the Mitakshara law. We have now passed the Hindu Succession Act. Survivorship has gone away. As a matter of fact, today, if there are four brothers, they keep their income separately to themselves, spend money and live separately. Yet, in the eye of the law, in the eye of the income-tax law, they can be taxed as one family, because they are presumed to be joint.

In regard to other matters also, so far as the Hindu family is concerned, the brothers have got the right to say, "I am separate now." He has to make only an unequivocal declaration, and he is separated. But the income-tax law is quite different. Section 25A of the Act says that whenever there is separation, the metes and bounds are not going to be recognised.

Shri Easwara Iyer: By registered deed

Pandit Thakur Das Bhargava: They are not going to recognise it. There are many anomalies. I do not want to go through the whole thing. When we had the Estate Duty Act, last time—I have got the proceedings here with me—I brought out the point that even the property of a living person, who is not dead, is liable by way of Estate Duty Tax, and there was no exemption at all for the Hindu joint family. On account of the peculiar construction of the Hindu joint family, many legal notions arose. Those which are favourable to getting revenue are given effect to and others are not considered. I admit the subject is difficult; it requires separate and considerate treatment. I have waited for one year and for 28 years before. The first Taxation Enquiry Commission thought in 1924 that the Hindu joint family cannot be considered. The next Taxation Enquiry Commission also refused to go into this question. They said, it is not settled as to what will be the state so far as the Hindu joint family is concerned. If the subject is left for another Taxation Enquiry Commission, it will take another 20 years and perhaps many Members of the House would have gone away to the other world by that time.

I would beg of the hon. Minister to look into this question. He told me last time that no equities will be considered. You kindly consider the question of equity and come to a decision. Appoint a small or big committee as you like. I am not asking you to do anything which is not national and not constitutional. I do not want

[Pandit Thakur Das Bhargava]

any favours for anybody. I only want that the Hindu joint family, governed by the Hindu law, may also be treated equitably on the same basis as other people. I do not propose to move other amendments if the hon. Minister agrees to the appointment of a committee.

Shri Morarji Desai: I admit I am at sea in regard to this matter. I had said last time that I would consider what assurances have been given by my predecessor. I was told the interpretation was that the assurance was not a complete assurance. I shall certainly carry out whatever assurance has been given, but I do not see of what help a committee will be. That is what I do not understand. If I find that a committee will be useful, certainly a committee will be appointed. At present, the Hindu law has been codified in almost all matters except the joint family. That is being considered by the Law Ministry. As soon as the Law Ministry finishes its consideration, I will know what to do. But till then, it is difficult for me to say anything.

As regards equal treatment, equal treatment can come in the moment the joint family is given up in the law. But if the joint family is to be kept up and is to be governed by Hindu law different from the laws of the other people, certainly there are going to be some discrepancies and other things. So, it is a question which is not so simple to be considered. I do not know what a committee can do. It will be a matter of principle to be examined and decided. Will a committee enable us to do that? That is the question before me. As soon as the Law Ministry finishes its consideration, I will be in a position to decide. If the committee is useful, that will be appointed. I am not averse to appointing a committee. But the question is when we appoint a committee in a matter where the issue is not so clear and the action may not be so clear, we create more difficulties, because the committee's recommendations may

not be such as can be accepted on account of some principle. We must decide that and then a committee will be useful. As soon as I find that it is so, I will certainly appoint a committee. Until then, it is difficult for me to say definitely that I will appoint a committee.

Pandit Thakur Das Bhargava: If the Law Ministry is looking into the question, can the question be referred to the Law Commission along with the income-tax law?

Shri Morarji Desai: That also I will have to ask them. I will see if it can be referred to the Law Commission.

Pandit Thakur Das Bhargava: Even if the Law Ministry gives its opinion, unless you bring a Bill and either dissolve the Hindu joint family or do something, the opinion of the Law Ministry will not be enough.

Mr. Deputy-Speaker: The hon. Minister says that if it can be referred to the Law Commission, he will consider it.

Pandit Thakur Das Bhargava: So far as the Law Ministry is concerned, we know its opinion beforehand. At the same time, even if the opinion is not known, that opinion will not be decisive so far as this question is concerned and merely the arguments will be made use of by the Minister.

Shri Morarji Desai: I do not think it will be decided by them

Mr. Deputy-Speaker: It will help the hon. Minister to decide and then to take some course.

Pandit Thakur Das Bhargava: May I hope that by the next year you will be pleased to give your decision?

Mr. Deputy-Speaker: Why should he not hope? He has lived on hope for so long? Why should he be impatient after so many years?

Shri Morarji Desai: Before next year I will certainly give a definite reply in this matter.

Mr. Deputy-Speaker: Then would he be pressing his amendments?

Pandit Thakur Das Bhargava: In view of the assurance of the Minister I do not press my amendments.

Amendments Nos. 30 and 51 were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That clause 21 stand part of the Bill"

The motion was adopted.

Clause 21 was added to the Bill.

Clauses 22, 23 and 24 were added to the Bill.

Clause 25.—(Amendment of section 5).

Shri Nathwani: I beg to move:

Page 13, line 38,—

after "building" insert—

"or in the repair, maintenance or improvement of a building or part thereof not in the occupation of the assessee or any of his dependents".
(33).

The object of the Government amendment is not to exempt repaired maintenance charges in respect of owner-occupied premises but, as it is worded, even if the owner is not in possession and he has let out the entire building and suppose he were to spend money by way of repairs, he will not get the exemption in respect of such repairs. I do not think that is the intention of the Government. Nevertheless, as it is worded, he will get exemption for whatever is spent only for construction of the building. The words "repairs, maintenance or improvements" are taken away from the exempted clause. Therefore, hereafter it can be argued that repair

charges in respect of a building not in possession of the owner should not be exempted. The avowed object is not to penalise owners who are not in possession or occupation. If you turn to clause 26, by way of comparison, the words used there are:

"taxes paid to a local authority in respect of any property in the occupation of the assessee or any of his dependents or both"

and this will not be exempted. But if he pays municipal or other taxes in respect of a property not in possession, then it will be exempted. Likewise, here also, repairs and maintenance charges in respect of property in his possession, let them not be excluded. May I also add that the real logical thing to do was to include in expenditure the annual letting value of the premises in possession of the assessee. For example, in the Income-tax Act an annual letting value of the premises in possession of an assessee is included in his income. Likewise, here also they should have gone the whole hog and provided that the annual letting value of the premises in possession of the owner would be treated as expenditure. They have not done that. They have merely touched the outskirts, or the fringe of the problem, and they seek to exclude only repair and maintenance charges of the premises in possession of the owner. I think that, keeping in mind Governments' own avowed object, my amendment is in order and should be found acceptable.

Shri M. R. Masani: I have an amendment No. 13 which reads as follows:

Page 13,—

for lines 35 to 38, substitute—

"(i) in clause (e), for the words "or in the construction, repair, maintenance or improvement of any immovable property belonging to him", the words

[Shri M. R. Masani]

"or in the construction of any immovable property belonging to him or the repair, maintenance or improvement of any immovable property which is not self-occupied" shall be substituted.' (13),

I hope it is in order.

Mr. Deputy-Speaker: It is in order.

Shri M. R. Masani: I endorse the points made by the preceding speaker. My amendment No. 13 though in slightly different terms, has the same purpose as Shri Nathwani's amendment No. 33, and I would request the Minister to accept one or the other of the amendments, whichever he feels will carry out the purpose he has in view.....

Shri Morarji Desai: I shall accept it. The hon. Member need not pursue it.

Shri M. R. Masani: Which one—33 or 13?

Shri Morarji Desai: No. 33.

Mr. Deputy-Speaker: The question is:

Page 13, line 38,—

after "building" insert—

"or in the repair, maintenance or improvement of a building or part thereof not in the occupation of the assessee or any of his dependents"

The motion was adopted.

Amendment No. 13 was, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That clause 25, as amended, stand part of the Bill".

The motion was adopted.

Clause 25, as amended, was added to

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Clause 26 (Amendment of section 6)

Fandit Thakur Das Bhargava rose—

Mr. Deputy-Speaker: Amendments No. 52 and 53 may not be in order.

Fandit Thakur Das Bhargava: No. 56 I am sorry.

Mr. Deputy-Speaker: Amendments No. 52 and 53 are out of order.

The question is:

"That clause 26 stand part of the Bill".

The motion was adopted.

Clause 26 was added to the Bill.

Clause 27 to 29 were added to the Bill

Clause 30 (Amendment of Act I of 1944).

Shri S. L. Saksena: (Maharajgarh): Sir, I have very carefully....

Mr. Deputy-Speaker: Let me first note down all the amendments that are to be moved. What is Shri Saksena's amendment number?

Shri S. L. Saksena: None.

Shri Tangamani (Madurai): Nos. 54 and 55.

Mr. Deputy-Speaker: No. 54 is out of order. No. 55 is in order.

Shri Ambar (Ratnagiri): No. 35.

Mr. Deputy-Speaker: No. 35 is out of order.

I might first read the number of amendments to clause 30 which are out of order. Amendments No. 1, 18, which is the same as No. 1, 22, which also is the same as Nos. 1 and 15, No. 44, which also is the same as Nos. 1, 15 and 22, No. 23, 41, 42, 2, 16, 3, 4, 5, 6, 35, 46, 54 are out of order.

Shri Nathwani: I want to move amendment No. 38, which I hope is not out of order.

Mr. Deputy-Speaker: Amendment No. 36 is in order.

Shri Nanjappa (Nilgiris): No. 16.

Mr. Deputy-Speaker: Perhaps I have said that it is out of order.

Shri E. D. Misra: No. 2.

Mr. Deputy-Speaker: Amendment No. 2 is also out of order.

I have read that. Perhaps the hon. Member has not heard it.

Shri Prabhat Kar (Hooghly): Is amendment No. 45 out of order?

Mr. Deputy-Speaker: No, it is not out of order.

Shri Prabhat Kar: No. 48?

Mr. Deputy-Speaker: No. 48 also is in order. Both No. 45 and No. 48 will be treated as moved.

Shri Prabhat Kar: No. 49?

Mr. Deputy-Speaker: No. 49 also is quite in order and will be treated as moved.

Shri Prabhat Kar: Are amendments No. 44, 46 and 47 out of order?

Mr. Deputy-Speaker: No. 44 and No. 46 are out of order

No. 47 is in order.

Shri Assar: Nos. 17 and 18.

Mr. Deputy-Speaker: Nos. 17 and 18 are in order.

Shri K. S. Ramaswamy (Gobichettipalayam): No. 19.

Mr. Deputy-Speaker: No. 19 is in order.

Shri Nanjappa: No. 20.

Mr. Deputy-Speaker: No. 20 also is in order.

Shri M. H. Rahman (Amroha): No 5.

Mr. Deputy-Speaker: No. 5 is out of order.

The amendments Nos. 17, 36, 45, 47, 55, 18, 48, 19, 49 and 20 may be moved.

Shri Assar: I beg to move:

Page 16, line 4,—

for "18" substitute "12" (17).

Shri Nathwani: I beg to move:

Page 16, line 9,—

after "tobacco" insert "generally" (36).

Shri Prabhat Kar: I beg to move:

Page 16,—

omit lines 19 to 21. (45).

Page 16,—

omit lines 25 to 26. (47).

Shri Tangamani: I be to move:

Page 16,—

omit lines 27 to 30. (55).

Shri Assar: I beg to move:

Page 16,—

omit lines 27 and 28. (18).

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

Page 16, line 28,—

after "gallon" insert—

"in the case of non-agricultural purposes and forty naye paise in the case of agricultural purposes" (19).

Shri Prabhat Kar: I beg to move:

Page 16,—

omit lines 29 and 30. (49).

Shri C. Nanjappan: I beg to move:

Page 16, line 30,—

after "per ton" insert—

"excluding diesel oil used in lift irrigation for agriculture" (20).

Mr. Deputy-Speaker: The amendments are before the House.

Shri S. L. Saksega: Mr. Deputy-Speaker, Sir, from the speech of the hon. Finance Minister I saw that he had given great thought to the question of the duty on khandsari. I am grateful to him for the study which he has made, but I am very sorry that he has still not been convinced to our point of view.

Just now he said that an average crusher does not crush 100 mt^{cs} of cane daily as some people asserted, but it crushed 250 maunds of cane per day is crushed, then in the whole season 25,000 maunds of cane will be crushed and that will only produce khandsari sugar to the extent of 1,500 maunds. Now he has put a levy. Who is the person who should be taxed? There are varying estimates about the income on khandsari. I have tried to get the official estimates. There was a fact-finding committee appointed by the Ministry of Food and Agriculture recently. They have come to the conclusion that the average profit of khandsari units is Rs. 3-8-0 per maund. I have figures published by the U.P. Government. They have four co-operative societies in this in four parts of the province. Their figures also show that the profits in these co-operative societies have been Rs. 3-40 on the average. The profit per maund on the average may be taken to be Rs. 3-5 or Rs. 3-4. That is the Government's own estimation. The estimate of the manufacturers is much less. I will take the higher figure of the Government. The factory owners also gave figures to the enquiry committee. They also put that

figure. If 1,500 maunds is the quantity of sugar which is manufactured by an average unit, that means that a person who has got that plant will only earn about Rs. 5,250 in a year. Should a man who has got a plant, whose income in the year for the plant is Rs. 5,250, or Rs. 450 per month including Income-tax, be taxed? That is the whole problem.

I say that such a small industry should not be taxed for many reasons. The owner is a middle-class person who has tried to set up an industry in the villages. That gives a lot of employment. That does not need the import of foreign machinery and that serves the needs of many agriculturists, many cane-growers who cannot take their cane to the factory. Therefore I say that this tax is a tax on people who are very small, middle-class people who have set up the khandsari industry and who are thereby earning in a year about Rs. 5,000. This class of people should not be taxed. The tax which is imposed on them will take away about more than two-thirds of their income. That means, out of Rs. 5,250, the income that will remain now will be Rs. 1,500. That is a very low income. That discourages industry.

This imposition will lead to the process of giving up power for driving centrifugals. This is against the recommendation of the Karve Committee and the Planning Commission itself. Both of them have said that a ceiling should be set on the further expansion of the sugar factories provided the Khandsari process can be improved, and the quality of the sugar can be improved. They should think of doing it. If you bar the use of power for driving the machinery, how can they become competent enough to compete with the factory sugar? They cannot produce better sugar if they go on the old process.

He has said that this is a question of employment. I will quote and

[Shri S. L. Saksona]

show that the employment potential is not very different. A khandisari producer using power driven crushers and bullock driven crushers, employs 230 persons in a year. A plant producing about 1,500 maunds of sugar employs 144 persons. The difference is only 9 per 100 maunds. It is not much of a difference in the employment potential. If we can improve the efficiency of the khandisari industry by using electrically driven centrifugals without affecting the employment potential very much, I think this should be encouraged.

Then, the All India Khadi and Village Commission has set a target of production of 7.5 lakh tons of khandisari by 1961. This target cannot be achieved if duty is imposed. My hon. friend Mr. Dassapa gave a strange argument. He is a member of the Sugar Wage Board. I was surprised at his argument. He said, how did khandisari exist before the duty on factory sugar was doubled and a big differential in taxation on the two sugars was created in 1957. He has not seen the figures. I will show him figures for the last 30 years since protection was granted. You will find from the figures that khandisari sugar produced in 1932-33 was 2,75,000 tons. Since protection was granted it has gone down to 1,25,000 tons, 91,500 tons, 1,00,000 tons etc. It means that from about 3,00,000 tons it had come to 1,00,000 tons nearly in 1957. After the duty was enhanced on white sugar in 1957 this production has become a little better. It has risen to 2,00,000 tons during the last season. We are still trying to reach the target fixed by the Second Plan, namely, to reach 7,50,000 tons. Now, immediately, as it begins to revive we come down upon this industry by imposing this Excise Duty and say 'You will not produce more'. This, Sir, is not fair. The hon. Finance Minister feels hurt when we say that he has imposed this duty because of propaganda of the mill-owners. He himself said, while presenting his

Budget for the year 1959-60, as follows:

"Khandisari sugar is now exempt from excise duty but pays the usual sales taxes. There has always been a fiscal preference in favour of this sugar but, with the recent substantial increases in the duty on crystal sugar, this preference has further widened resulting in the shift of production to this form of sugar. There are cogent reasons for reducing the margin and this is being done."

It is clear that he has been affected by the propaganda of mill-owners who said that if this industry is given preference it will sometime become a formidable rival. We have given various protection to the sugar industry during the last thirty years. With all that, if it cannot face competition from a cottage industry like khandisari, it has got no right to exist. The whole country has suffered to the extent of crores and crores of rupees by way of protection given to this industry. We could even have got foreign sugar much cheaper. Now that they have built up this industry, to say that they cannot compete with khandisari sugar is, I think, not correct. I think there will be no case for it.

The complaint that we hear is this. In the last year and this year they say that about 23 factories have closed down in the whole of India. I find that a number of factories have doubled their capacity. By doubling your capacity you are making your duration short. Still you impose restrictions on khandisari which is unfair. For khandisari, you utilise the surplus cane of every factory zone. Every fourth year there is a big crop and a small crop according to a cycle. This year we have lowest crop. Next year it will be bumper crop.

Now, everybody knows that canes get dried up in May and June when they pay less for the cane. This is a very important thing to be taken

[Shri S. L. Saksena]

into consideration. In U.P. 2,00,000 tons of khandsari was produced last year. That means, one-tenth of the production of white sugar. To crush that amount of cane by the sugar factories you will require at least 50 more factories in Western U.P. alone. You cannot do that; you cannot have so many factories in U.P. There is nothing in the Plan either. Therefore, what will happen is that if this industry is closed, and the cane-growers are thrown at the entire mercy of the factory owners, the result will be that they will have to burn their cane or they will have to wait for the months of May and June. Therefore, I would point out to the Finance Minister that the people he has taxed are people who never deserve to be taxed. They are the smallest industrialists. He calls them entrepreneurs, but they are genuine cottage industry workers who have capitalised the industry against heavy odds. I have seen Gorakhpur, and it was a flourishing area for khandsari before 1930 or so. But, after protection, all that has been destroyed. There are still those huge buildings, but there is no production there, because they cannot compete with the mill-owners.

The khandsari industry in the Rohilkhand and Meerut Divisions is so closely inter twined with the texture of the rural life of the people that somehow they have been able to carry on till now, but with very small profits; in fact, the profits which they are making are just average profits. When that is the position, if you want that this industry should prosper, that we should attain the target that you have fixed, then it is very necessary that at once you must remove these restrictions completely. I am glad the Finance Minister has said that he is still open to conviction, and that he is still considering the matter. But the duty must be removed immediately and without much lapse of time, for once the units close down, it is very difficult to revive them. Therefore, I would urge the Finance Minister that

he should reconsider his proposal. The tax which he has imposed will not yield him much revenue either, because it is very difficult to find out whether khandsari is produced by power-driven pumps or hand-driven pumps. This will lead to much evasion and much corruption among the staff.

In view of all these things, I would urge that the tax should be removed completely. Moreover, I would urge that this is an industry which does not deserve to be taxed; on the other hand, it needs to be encouraged. The All India Khadi and Village Industries Commission have in fact got a plan to spend Rs. 8 crores for the development of this industry. That plan should be allowed to be implemented, and they are themselves paying subsidies on the purchase of power-driven centrifugals, but you are putting a duty upon these. Therefore, I say that if you want that your plan should succeed, you should not yourself sabotage it, for, if you impose this Excise Duty it will mean that the industry cannot progress in the manner in which it should progress to attain its target.

The sugar factory owners have no right to complain of competition from the khandsari industry. Today, the control price for white sugar is Rs. 36 a maund. But if you go to the Kanpur market, you will find that sugar is being sold at Rs. 39 per maund f.o.r. Black-marketing is going on like anything. In fact, only the other day, I saw a statement made by the Kanpur Sugar Merchants' Association, which says:

"Some of the mills, it is alleged by the Sugar Merchants' Association, are selling their quotas in the black-market while others to fictitious parties indirectly. Some factories sell a part of their releases to genuine dealers and dispose of the balance either in the black-market or to fictitious parties. The fourth quota, which

[Shri S. L. Saksena] was released on March 26, is being withheld from the market by many mills."

So, this is the condition. The controlled price of factory sugar is Rs. 36 per maund, but it is being sold at premiums of Rs. 3 or so. This is the way in which the mills are fleecing the consumers. So they are afraid of the progress of khandsari industry for, if there is competition from the khandsari industry, then there will be a check on their profiteering; and the consumers will not be fleeced so cruelly. Therefore, I say that in the interests of the consumers and the cane-growers and also the middle-class people who run these industries, this Excise Duty should be removed.

Shri Prabhat Kar: I would request the hon. Minister to consider how the tax on motor tyres and also on diesel oil affects the common man. Today, in spite of the great effort made by the railways, it is not that there is a railway line going up to each and every village. Today, most of our people in the villages can have a link with the railways or even with the cities, for that matter, only through road transport. These taxes on tyres and diesel oil will automatically have to be borne by the common people, because there will be a rise in passenger and goods fares. We know how it is not possible for the common man to bear this burden.

It is estimated that the tax on motor tyres will yield Rs. 1.75 crores and that on diesel oil Rs. 7.50 crores. This will fall indirectly on the common people. The motors which the small cultivators use will cost them more because of the tax on diesel oil, and again it will affect the common man who is already overburdened by the taxes.

I can give you an instance. In my part there was a small narrow gauge railway which was dismantled with the idea that the people would be given the facility of road transport. If railways are withdrawn with a

view to give facilities to the people there through road transport, and if taxes on tyres and diesel oil are levied to extract Rs. 8 or Rs. 9 crores from the common man, I do not know how the common man will have the benefit of road transport, and how the private sector will come forward to run buses and trucks. This, in fact, will be a burden on the common man, and it is necessary that the hon. Finance Minister should consider it.

Secondly, road transport is essential. There should be further improvement of road transport but the present taxes will have a disquieting effect on road transport. I would not object if it was merely taxing motor tyres bought by persons who can buy motor cars. Actually, the taxes are going to affect the common man using the trucks and buses for conveyance and transport of goods, and the small producer sending goods from the village to the city. This will also raise the price of the commodities. I therefore request the hon. Finance Minister to consider dropping these taxes.

He has already agreed to consider the question of the taxation on companies. He has said that it will come into effect from 1960-61 and in the meantime he will consider it. Similarly, let him also consider this aspect, and on whom this tax burden will fall, whether it is going to affect the pocket of the common man or the small business man and whether it will not result in the prices of commodities going up. He can find out exactly how it will affect the persons who are already overburdened with taxes. Let him not pursue the tax proposal simply because it has been made; let him reconsider the proposal for taxing motor tyres and diesel oil.

Mr. Deputy-Speaker: Shri Tangamani. The hon. Member should be brief. I have to look to all sides.

Shri Tangamani (Madurai): My amendment 55 deals with sub-clauses

[Shri Tangamani]

(f) and (g) relating to refined diesel oil and diesel oil not otherwise specified. In this connection I would also mention certain connected items.

The proposed rate on diesel oil is 80 naye paise per gallon while the existing rate is 40 naye paise. Arguments against the imposition of the additional 40 naye paise have already been advanced, but I would like to bring to the notice of the hon Minister the fact that he has received intimation that as soon as the proposals were announced on the 28th February, certain things happened so far as diesel oil is concerned. From the 26th February onwards, the 26th, 27th and 28th, diesel oil which was more or less stocked by these 4 or 5 oil companies has started moving. In other words, the excise which is to be imposed at the place of import has more or less been evaded. I would request the hon Minister to look into this matter whether from the 26th to the 28th there has been huge movement of this diesel oil from the place of import to the various agents. This has become one of the ways of avoiding excise duty. If Government makes enquiries it will be in a position to find out how much has been evaded.

17 hrs.

The second point which I would like to mention is on the question of non-essential vegetable oils. The hon Finance Minister was pleased to announce certain concessions so far as small units are concerned. The present rate is that the first 75 tons are exempted. From 75 to 125 tons the rate that is applicable is Rs 70 per ton, and over and above 125 tons, the rate is Rs 112 per ton. But, according to the new proposal the exemption has been removed and Rs 112 per ton is the uniform rate which is being imposed, except, of course, up to 75 tons.

But, he was pleased to announce that up to 75 tons he will be com-

pounding and the compounded rate will certainly become known to us. But I would like to plead with him that the concession that these people will be getting as a result of compounding will be Rs 11 lakhs and for the whole year Rs 12 lakhs, which will not really mitigate the sufferings of the people. I would again request the hon Minister to look into the matter and see whether a reduced compounded rate would not meet the ends of justice, because, already the estimated full yield is going to be Rs 440 lakhs and if Rs. 12 lakhs are reduced it is not going to be much. If considerable reduction is made it will help the small industries, particularly the small unit owners of the pintoys and the rotaries.

So, I again plead with him to see that the compounded rate for non-essential vegetable oils is reduced.

श्री आसतर (रत्नागिरि) उपाध्यक्ष
महोदय, मेरा सशोधन क्लोज नम्बर ३०
के आइटम नम्बर ३ के लिये है। वह क्लोज
इस प्रकार है

"(iii) granule ('rawa') of tobacco capable of passing through a sieve made of wire not finer than 24 SWG (0.022 inch diameter) and containing not less than 18 uniform circular or square apertures per line inch"

मैंने यह प्रपोजिशन दिया है कि १८ के बजाय १२ कर दिया जाये। सरकार का इस कानून से खास उद्देश्य यह है कि गरीब लोगों को सस्ते भाव से तम्बाकू मिल सके। लेकिन इससे वह उद्देश्य पूरा नहीं होगा। इससे बड़ी परेशानी पैदा हो जायेगी। इसका परिणाम यह होगा कि जो रबा नीचे गिरेगा वह बस्ट हो जायेगा जो कि खाने के काम में नहीं आता। उसमें रेंटी होती है जो कि स्वास्थ्य के लिये भी हानिकारक होती है। यह इसमें महत्व की बात है। इसीलिये मैंने सशोधन दिया है कि १८ के स्थान पर १२ कर दिया जाये।

[श्री भास्कर]

भरकर यह न कर सकें तो जैसा पहले १४ था वही रहने दें ।

उपाध्यक्ष महोदय : आप कौन से संशोधन के बारे में कह रहे हैं ।

. श्री भास्कर : १७ । कहा जाता है कि हमने टैक्स बढ़ाया नहीं है लेकिन इसका परिणाम यह होगा कि खाने की तम्बाकू पर १ रुपये २० नये पैसे का टैक्स लग जायेगा क्योंकि इस्ट से जरूरी नहीं बनता, वह तो सीफ से बनता है । सीफ ही खाना जाता है । सरकार चाहती है कि गरीब लोगों को सस्ती तम्बाकू मिले लेकिन इससे वह उद्देश्य पूरा नहीं होता । परेशानी ज्यादा होती है । इसलिये मेरा सुझाव है कि इस सब क्लॉज में १८ के स्थान पर १२ कर दिया जाये । मेरी मंत्री जी से प्रार्थना है कि इस बारे में इस चीज को ध्यान में रख कर विचार किया जाये ।

दूसरी बात मैं डीजल आइल के बारे में कहना चाहता हूँ । यहाँ पर मंत्री जी ने बतलाया है कि पेट्रोल का उत्पादन हमारे देश में बढ़ रहा है और डीजल और पेट्रोल का कम्पटीशन न हो इसलिये हमने डीजल पर टैक्स लगाया है । मेरा दूसरा प्रमैडमेंट डीजल के बारे में है । मुझे लगता है कि मंत्री जी ने टैक्स लगाने का जो कारण दिया है वह सही नहीं है । वह कहते हैं कि हम पेट्रोल का उत्पादन बढ़ा रहे हैं और डीजल हमको बाहर से लाना पड़ता है । पर हमारे देश में ट्रक बनाने के जो कारखाने हैं उन में एक को छोड़कर बाकी सब डीजल के ट्रक तैयार कर रहे हैं । सिर्फ एक कारखाना पेट्रोल के ट्रक बनाता है । इतना ही नहीं । हमारे देश में जितना स्टेट ट्रांसपोर्ट चलता है उसमें डीजल की ट्रक चलायी जाती है । मैं पूछना चाहता हूँ कि जब आप पेट्रोल का कंजम्पशन बढ़ाना चाहते हैं और डीजल और पेट्रोल का कम्पटीशन नहीं होने देना चाहते तो आप स्टेट ट्रांसपोर्ट में पेट्रोल के बस और ट्रक क्यों नहीं चलाते । सारे देश में आपने डीजल से चलने

वाले ट्रक बनाने के कारखाने खोल रखे हैं । लेकिन आज कहते हैं कि डीजल और पेट्रोल में कम्पटीशन को रोकने के लिये यह टैक्स लगाया जा रहा है । यह सही बात नहीं है । इससे बड़ा बुरा परिणाम आने वाला है । इस पर सरकार को विचार करना चाहिये ।

दूसरे हम देश के अन्दर ट्रांसपोर्ट बढ़ाना चाहते हैं, हम उद्योग में आगे बढ़ना चाहते हैं, छोटी इंडस्ट्रीज को बढ़ाना चाहते हैं । लेकिन जब हम डीजल पर टैक्स लगाते हैं हम यह नहीं देखते कि इसका उद्योग पर और खेती पर क्या परिणाम होगा ।

आज के जमाने में दुनिया डीजल की तरफ जा रही है । अमरीका में भी जहाँ की पेट्रोल बहुत मस्ता पैदा होता है आज प्रवृत्ति डीजल की तरफ है । इसलिये मैं प्रार्थना करता हूँ कि सरकार को इस बारे में फिर विचार करना चाहिये । सरकार की ओर से जो रोड ट्रांसपोर्ट रिआर्गेनाइजेशन कमेटी नियुक्त की गयी थी उसने भी अपनी रिपोर्ट में इस डीजल के टैक्स का विरोध किया है । इस बारे में मैं उसकी सिफारिश आपको पढ़ कर सुनाता हूँ

"The Committee on an examination of all aspects has come to the conclusion that the real solution lies in obtaining for this country the necessary quantity of diesel oil because they are convinced that it is worthwhile paying the cost. In their view, every possible effort needs to be made to increase the proportion of diesel oil coming out of the refineries. For the rest, the necessary quantities of diesel oil should be imported and the foreign exchange needed for it has to be found. Transport affects the life of India's 600,000 villages and their prosperity and well-being in a visual way and the Committee believes that in a proper system of priorities the needs of foreign exchange for road transport would find a very high place."

इसलिये मेरी प्रार्थना है कि डीजल के टैक्स के बारे में विचार किया जाये ।

Mr. Deputy-Speaker: Shri Bharucha Hon. Members who have spoken in the general discussion would be very brief.

Shri Naushir Bharucha: Sir, I would only speak for five minutes and on one subject. With regard to the diesel oil tax, probably the hon. Finance Minister did not know where its repercussions will extend and in what directions, when he imposed it. One unexpected repercussion of this duty is on electrical undertakings in India.

Sir, there are certain generating plants which are run on diesel oil, and in the business of electricity generation the cost of fuel—in this case, diesel oil—would be 65 per cent of the total operating cost. In no industry the cost of fuel bears such a high percentage to the entire operating cost. If the cost of fuel is 65 per cent, it means that the bulk of operating expenses go for that and the duty will be very heavily borne by that industry. In England and even in India a special fuel clause is kept so that when the price of fuel goes high on that basis the rate of sale of electricity is adjusted.

My submission is this. If the present 100 per cent increase in duty is maintained, the electricity undertakings will inevitably have to raise their rates. Already the rates of electrical energy are very high. Therefore they should be given a special exemption. The question arises, as to how this exemption is to be given, and the hon. Finance Minister pointed out that the benefit may be passed on to someone else. But in this particular industry it will not be so.

Sir, the generation of electricity bears a certain relation to the fuel consumption. In order to produce one unit of energy about 1.2 pounds of fuel, that is, coal, for instance, is necessary. There is also a relation, similarly, between diesel oil and the output of energy but I cannot say what the percentage exactly is. But there is a definite relation between

the consumption of fuel and the amount of electricity generated. If upon that basis we deal with an electricity company for relief, we can find out how many units of electricity have been generated in the course of one year and see what will be the consumption of diesel oil by that particular concern bearing in mind also the thermal efficiency of the plant. In that case a device can be worked out, a formula can be evolved whereby refund of duty can be given in proportion to the diesel oil used which can be calculated having regard to the units generated during the course of the year. Therefore, it is very easy to provide for refund.

I, therefore, particularly request the hon. Minister to bear this in mind that a very heavy incidence is imposed on the electrical undertakings, and unless relief is given in some form the ultimate burden will be shifted on to the consumers of electricity.

श्री० राजबीर सिंह (रोहतक): उपाध्यक्ष महोदय, मैं वित्त मंत्रालय और श्री मोरारजी देसाई का शुक्रिया अदा करना चाहता हूँ कि उन्होंने कुछ रियायतें सन्धसारी पर दीं और श्री देसाई ने यह वायदा किया कि खेती के काम के सिलसिले में जितना डीजल आयल इस्तेमाल होता है, उस के बारे में वह सोचेंगे कि किस तरह से किसानों को इस टैक्स से बचाया जा सकता है। उपाध्यक्ष महोदय, आप जानते हैं कि पिछली बका जब गेहूँ की फसल आई, तो उस की कीमत १६ रुपये मन थी और ५० पी० में वह २८ रुपये मन हो गई और पंजाब में २५, २६ रुपये मन तक गई। आज फिर दोबारा गेहूँ चौदह, पन्ध्र रुपये मन के हिसाब से बिक रहा है और आज भी सरकार ने अपनी नीति का प्लान नहीं किया है कि गेहूँ की क्या कीमत होनी चाहिये, हालांकि ग्राइस सपोर्ट पार्लिसी का फैसला हो चुका है। लेकिन इस के साथ ही साथ अगर कोई चीज खेती की कीमत—कास्ट—को बढ़ाती है, उस के टैक्सेशन

की बढ़ने दिया जाये, तो मैं समझता हूँ कि यह कायदाकारों के साथ न्याय नहीं होगा। यही नहीं, बल्कि देश के कमजूरों के साथ भी यह न्याय नहीं होगा। खेती को पैदावार बढ़ाने के लिये बहुत जरूरी है कि टैक्स और न बढ़ाया जाये, बल्कि ज्यादा से ज्यादा सहूलियत दी जाये। जैसा कि श्री मोरारजी देसाई ने कहा, किसान इस देश के कौन कौन में हैं और खेत को पैदावार बढ़ाने के लिये इन सारे मायमियों के सहयोग की जरूरत है और वह सहयोग आप तब ले सकते हैं, जब कि आप उनको सहूलियत दें, उन को पैसा दें। आज को-ओपरेटिव का बड़ा जिन किया जाता है, लेकिन यह ताज्जुब की बात है कि को-ओपरेटिव को दूसरे बैंक जितना भी रुपया लेने का अधिकार नहीं है, उतना रुपया वे रिजर्व बैंक से कर्ज नहीं ले सकते हैं जितना कि दूसरे बैंक ले सकते हैं।

जहाँ तक खंडसारी का वास्ता है, मुझे खुशी होती है अगर माननीय मंत्री कहते कि सल्फुडेशन प्लांट की खंडसारी पर टैक्स होगा और बिजली से तैयार खंडसारी पर नहीं होगा। यह कितनी भोजब दान है कि एक तरफ हमारे देश का एक मंत्रालय बिजली का प्रसार करना चाहता है और बित्त मंत्रालय गावों में बिजली पहुंचाने के लिये इमदाद देता है, घाट देता है और दूसरी तरफ अगर गावों में बिजली का इस्तेमाल हो, तो उस पर टैक्स लगाया जाये। यह बात समझ में नहीं आती है। गावों में सबसे को-ओपरेटिव बनाने के बारे में हम मदद न फैसला किया, कांग्रेस पार्टी ने फैसला किया। खंडसारी का बड़ा यूनिट सर्विस को-ओपरेटिव को धारणभारण करने में बहुत ज्यादा मददगार हो सकता है।

जहाँ तक डीजल आयल पर टैक्स का वास्तुक है, जो को-ओपरेटिव काम करते हैं—चाहे वे को-ओपरेटिव फार्मिंग के तौर पर काम करते हों और चाहे वेटर को-ओपरेटिव फार्मिंग के लिये—अगर उन्होंने अपना परिष्कण 70 LSD—5.

सैंट लगाया हुआ है, तो उस का टैक्स माफ होना चाहिये। जहाँ तक खंडसारी के टैक्स का वास्ता है, अगर किसी को-ओपरेटिव का खंडसारी का सल्फुडेशन प्लांट हो, तो उस का टैक्स भी माफ होना चाहिये।

Shri K. S. Ramaswamy (Gobichettipalayam): I am glad that the hon. Finance Minister today assured the House that he would consider the question of giving exemption to the agriculturists in the matter of additional taxation on diesel oil. He also said that ultimately the people should produce foodgrains. Yes. Government is not really producing but the farmers produce foodgrains. But the farmers expect help from the Government.

We know that the cost of production in agriculture has gone up very much. We want to help the agriculturists by so many methods and also we advocate mechanisation of agriculture. When they introduce diesel engines to mechanise irrigation we impose a tax. This additional 40 nP. per gallon of diesel oil is affecting them very much.

I want to place some figures before the House. Suppose a person owns 10 acres of garden land and has a 10 H.P. engine. If the engine works for a day, the consumption of oil is about four gallons. He has normally to use the engine for eight months in a year. If we work out the cost, it will mean that he has to pay Rs. 1.60 nP. per day by way of this taxation; that is, about Rs. 384 per year. Normally, the income from 10 acres of land is Rs. 3,000 per year. That means the tax is about 13 per cent. Not only this. In 1957-58 also, the tax of the same kind, about 40 nP. was imposed. That means, within two or three years, the tax has gone up by 26 per cent on the income.

Besides this, the Madras Government—I do not know about the other State Governments—had imposed an additional levy of four annas per gallon. So, the cost of oil has gone

[Shri K. S. Ramaswamy]

up so much. Further, when the cost of everything else is also going up, how can we ask the farmers to produce more and give his produce at the fair price or at a reduced price? Unless they can produce more they cannot sell the produce at a low price. So, our Minister realises very well that relief should be given. I earnestly request him to go through the matter fully. With the aid of the officers in his Ministry, he can find a solution. I request him to announce this before the end of this session.

Shri Nanjappa (Nilgiris): My amendment is regarding the diesel oil that is very crude and that is used for agricultural purposes only. Even during the presentation of the budget, the hon. Minister agreed that oil used for agricultural purposes should not be taxed. But it is nearly two months since the announcement was made and yet no solution was found out. My amendment does not relate to refined oil or vaporising oil that is used for other engines.

In my district, agriculture is carried on by lift irrigation only; more than 95 per cent of agriculture is done by lift irrigation, either by electric motor pump set or oil-worked pump set. My district is very poor in rainfall and the level of water is very deep. Without the aid of electric power or oil engine, water cannot be lifted up. Even now the agriculturists find agriculture not at all paying and they are discarding it and going to towns in search of some other job. So, the additional imposition of taxes will make agriculture almost impossible.

I am only suggesting this regarding the crude oil. He can leave out the other oils. For agricultural purposes, the engine used is not less than 5 H.P. I request the hon. Minister to give not anything more than what is required, but also not a percentage less than what is required. Afterwards, he can increase it if he suspects that even this oil will be misused. He has

already conceded it and I only request him to announce that concession very early and find out a solution.

Shri Nathwani (Sorath): I want to say one word about the explanation in clause (b) of clause 30. But before that, I want to say one or two things. In the notes on clauses, it has been explained that sub-clause (b) is merely of a clarificatory nature. But in fact, it is not so. Important reforms are sought to be made.

I believe it was in 1957 when we switched over to what was supposed to be an improved method of classification of assessment for unmanufactured tobacco. Unfortunately, our hopes were not realised. It resulted in a great fall in revenue and it has led to malpractices. So, I am glad now an attempt is made to improve the thing. But I may be pardoned if I say that this attempt will not serve its purpose, because now it has been provided that, in order to attract a lesser rate of assessment, unmanufactured tobacco should not only be in one of the four physical forms, but it should not be actually used for certain purposes. So, the assessment will be by two stages. It may be that at the time of its assessment in physical form, it would attract a lesser rate; but still, the department will have to watch and follow the unmanufactured tobacco to the ultimate dealer or to the ultimate manufacturer who utilizes it. If he uses it either for bidi or cigar he will have to pay a higher rate and, therefore, he will have to pay the excess. This would involve complications and I do not know how far this method would prove effective.

Then there is one thing about sub-clause (iii). Granule has now been specified as one capable of passing through a sieve made of wire of a specified size. My attention has been drawn to the fact that such wire is not readily available and in some

parts this kind of 'rawa' is not being passed by the department. If so, it is rather unfortunate, because the trade will come to a standstill.

Then I come to the explanation. Really, I fail to understand its real purpose. Because, in the explanatory note it has been stated that "such varieties as are actually used" (I emphasize the term "actually used") "will fall under the explanation". If it were to be actually used for bidi purposes, then it would not fall under the main part, substantive part, and it would not attract less rate, because that part, substantive part, requires two things. One is that it should not actually be used for certain purposes, i.e., for the manufacture of bidi etc. Therefore, if any variety of tobacco is actually used for bidi, it would not fall under the main part. So, there was no justification for doing it. But I am given to understand that is not the idea. The idea underlying this explanation is to see that such varieties which are normally, ordinarily or generally used for the manufacture of bidis should be subject to a higher rate of assessment, irrespective of its final use. Then I can see the purpose of the explanation. The explanation is justified. But, then, my submissions are two-fold. Firstly, the extent of use is not indicated. All varieties of tobacco are capable of being used in the manufacture of bidis. In the past such a power was given to the Collectors, it had been misused and adverse remarks are made by the Tobacco Enquiry Committee. Therefore, though I have no reason to say that hereafter no due precautions will be taken in administering the provisions of the explanation, still I thought that the meaning would have been better brought out by introducing the words: "normally" or "ordinarily" or "generally" before the word "use" in the explanation, so that the whole meaning is made very explicit and Government can vail of the explanation only when this kind of particular variety is generally used for manufacture of bidis. I thought

such an explanation would render the meaning more explicit. But, it is, however, for the Finance Minister to accept it or not.

Before I resume my seat I want to say that I have given some consideration to the tariff structure on tobacco and I do not think we will arrive at a very satisfactory solution till we adopt a uniform system by levying a certain rate on all varieties of tobacco. The rate may be fixed at a lower rate and, if it is possible to tax, we may tax manufactured bidis also by way of additional tariff. Otherwise, the problem seems to be teeming with many difficulties and the trade will also have to suffer. I hope that this matter will receive due consideration. I know that it has been receiving and it will continue to receive due attention from the Finance Minister. That is all I have to say.

श्री राम शरण (मुरादाबाद) :
उपाध्यक्ष महोदय, मैं इस धारा के सम्बन्ध में यह कहना चाहता हूँ इसमें जो पांच रुपया और माठ नए पैसे पर हंडरवेट के हिसाब से कर लगाया गया है खंडसारी पर, उसके सम्बन्ध में बाद में वित्त मंत्री महोदय ने जो दो विभाग कर दिए, एक सलफिटेसन प्लांट और दूसरा नान-सलफिटेसन प्लांट, इसके लिए मैं उन्हें बचाई देना चाहता हूँ। अनेकों सलफिटेसन प्लांट्स से जो चीनी बनती है उसको खंडसारी कहना किसी प्रकार से भी ठीक नहीं है, और मैं समझता हूँ कि खंडसारी के साथ प्रत्याय करना है। उससे तो उसी प्रकार की चीनी बनती है जैसे कि चीनी मिल से बनती है, किन्टल के तौर पर वह होती है। इस वास्ते उसको खंडसारी से अलग करना ही ठीक है।

इसके प्रतिरिक्त इसमें यदि एक और विभाग कर दिया जाता यानी जो नान-सलफिटेसन प्लांट्स हैं, उनमें भी इस प्रकार के प्लांट्स हैं जिन्होंने कि बड़े-बड़े क्लार्स लगा रखे हैं और बाद में क्लार्स से रख

[श्री राम शरण]

निकाल करके, राब बना करके, वे सेंटी-प्युगल मर्यान्स काम में लाते हैं और इस तरह से बड़े पैमाने पर चीनी बनाते हैं। इसके अतिरिक्त देहातों में जो कोल्डू से रस निकाला जाता है देहात में ही उस रस से राब बनाई जाती है। प्राये चल कर वह सेंट्रिप्युगल मशीन लया लेते हैं चाहे वह हाथ से उसको चलायें या दो या तीन हास पावर की मशीन से चलायें। इस तरह से भगर यह तीसरा वर्गीकरण कर दिया जाता तो दूसरे नम्बर पर जो ब्राभोद्योग है, ग्रामों में पैदा होने वाले रस को राब से जो चीनी बनाई जाती है चाहे वह हाथ से चलाई जाय या दो या तीन हास पावर से चलाई जाय, वह भी गच्छा होता। इस के सम्बन्ध में मैं यह कहना चाहता हूँ कि दूसरे वर्गीकरण की जो खंडसारी से उस के ऊपर जो कर लगाया गया है वह सवा तीन ६० मन के हिसाब से पड़ता है। सवा तीन ६० मन का कर बर्दाश्त करना उसके लिये कठिन होगा क्योंकि यह उद्योग अधिकतर यू० पी० के पश्चिमी जिलों में होता है। इन पश्चिमी जिलों में मेरठ और रहैलखंड के जो डिबीजन हैं उनमें होता है। और इन उद्योगों पर उत्तर प्रदेश सरकार ने जो कर हाल में लगाये हैं उनसे मालूम होता है कि उसका कर लगभग २६० फी मन के हिसाब से बढ़ जाता है। वित्त मंत्री का कयाल है, जैसा कि उन्होंने आज फरमाया, कि उत्तर प्रदेश सरकार के कर कुछ जरूर बढ़ते हैं लेकिन इतने अधिक नहीं हैं। इसकी तफसील मैं थोड़े धांकों से बतलाना चाहता हूँ और वह इस प्रकार है कि उत्तर प्रदेश में हर बेल पर ३०० ६० कर लगाया गया है और बेल में १५,००० मन गन्ना पैसा जाता है। इससे कुछ अधिक भी हो सकता है और कुछ कम भी हो सकता है, लेकिन भीसत १५,००० मन का है।

भगर १५,००० मन के हिसाब से ही जो से तो उसमें करीब १,००० मन राब बनेगी, जिसमें से ६०० मन खंड बनेगी। भगर ६०० मन खंड पर ३०० ६० कर लगाया जाय तो ५ भा० से कुछ अधिक की मन यह बेल का कर बढ़ जाता है। इस प्रकार से उत्तर प्रदेश में राब के ऊपर जो कर लगाया गया है वह इस प्रकार से है कि २ मन राब से एक मन खंड बनेगी दोनों किस्म की। भगर दोनों का विचार किया जाय और राब की कीमत आज कल करीब साढ़े १८ ६० मन के करीब है, पहले यह २२ ६० फी मन राब थी, यह भी, तो इस प्रकार से ३७ ६० फी मन तो राब की कीमत है जिस पर २ परसेंट के हिसाब से १२ भा० कर बढ़ जाता है। इन दो करों के अतिरिक्त चूंक शीरे पर भी कर लगता है इसलिये १८ पैसे के करीब मन पर शीरे पर कर लग जायेगा। इसके अतिरिक्त बेल पर डिस्ट्रिक्ट बोर्ड का टैक्स है जो कि सिर्फ ५ फी मन खंडसारी पर होगा। इसके अतिरिक्त प्राब्राय टैक्स भी है जो करीब ६ भा० के पड़ जाता है। यदि इन सबको मिला लिया जाय तो उससे पता चलता है कि १६० साढ़े १५ भा० फी मन के करीब उत्तर प्रदेश की सरकार का कर हो जाता है और जो कर यहां पर लगाये गये हैं भगर उनका विचार किया जाय तो यह सवा ३६० मन के हिसाब से हो जाता है। इस तरह से कुल मिला कर एक मन खंडसारी पर ४ ६० साढ़े १५ भागे या ५ ६० के करीब कर हो जाता है। जब खंडसारी बनाने वाले पर ५ ६० फी मन का कर पड़ जाता है तो क्या वह इसको बर्दाश्त कर सकेगा?

इसके सम्बन्ध में मुझे यह भी कहना है कि अभी हाल में जो हमारी फूड रैंड ऐग्रिकल्चर मिनिस्ट्री है उसने एक क्लेब फार्मिंग कमेटी बिठाई थी।

उसने सब 'भाकड़े' देल कर यह तय किया था कि खंडसारी की जो कीमत पड़ती है उसे देखते हुए अगर वह सब ३१६० के हिसाब से बिके तो उसमें साढ़े ३६० का मुनाफा होता है एक मन पर। उन्होंने उस वक्त गन्ने की कीमत १६० १ भा० फी मन लगाई थी लेकिन गन्ने की कीमत जो आज कल चल रही है वह मिल पर तो १६० ५ भा० फी मन है और मिल से दूर पर १६० ४ भा० फी मन है। गन्ना इस मौसम में आसानी से बिका है। लेकिन अगर १६० ४ भा० का भाव ही ले लें तो उससे ३६० अधिक दाम उस का हो जाता है। इस प्रकार से बजाय साढ़े ३६० के मुनाफे के वह केवल ८ भा० मुनाफा फेस्ट फाईंडिंग कमेटी के हिसाब से हो जाता है। इन सब बातों को देखते हुए अगर मुनाफा ८ भा० रह जाता है और यह कर ५६० बढ़ जाता है, जैसा कि मैंने बतलाया, तो कंत काम चलेगा? केन्द्र ने उत्पादन कर लगाया, उसके साथ साथ हमारी यू० पी० गवर्नमेंट ने भी २६० का कर लगाया है, इन दोनों करों के लगने के बाद जो यह इन्स्टी है वह कैसे उसे बरदाश्त कर सकेगी? नतीजा यह होगा कि जब क्लार्स से रस निकाला जायगा और राब बनाई जायगी और उस पर कर नहीं लगेगा तो इस प्रकार से जो साधारण कोलू है उनकी जगह क्लार्स ज्यादा चलेंगे और उससे ज्यादा राब बनाई जायेगी हालांकि उनको हाथ से चलने वाला या सेंट्रिफ्यूगल कहा जायगा। जहां तक इस विभाग के नीचे के कर्मचारियों की सूचना मिली है, वह तो यही कहते हैं कि वह सेंट्रिफ्यूगल या पावर से ही क्यों न चलायें जायें, लेकिन वे हाथ से चलाये जाने वाले दिखलाये जायेंगे। इसके सम्बन्ध में हमारे वित्त मंत्री जी की तजवीज बहुत अच्छी है जो कि उन्होंने पेश की है कि वह इस ब्यूटी को कम्पाउंड कर देंगे। यानी सेंट्रिफ्यूगल पर जो कर लगेगा बजाय उसके पूरा हिसाब कर के लगाया जायगा और वह

उसको एक ही जगह पर कर देंगे। दोनों तरह की मशीनों से वह कर बसूल किया जायगा। लेकिन मैं कहना चाहता हूँ कि इसमें भी कुछ कमी की जाय। इस किस्म से जो हिसाब पड़ता है वह न लगाया जाय बल्कि कुछ कम करके लगाया जाय तो सम्भव है कि वह उद्योग चल सकें, वरना यही मालम होता है कि यह उद्योग इतना बड़ा कर बरदाश्त नहीं कर सकेगा।

इस प्रकार से हममें बहुत करप्शन भी आयेंगा। लोग हाथ से मशीनों को चलाना दिखलायेंगे और चलायेंगे वे पावर। और इस प्रकार इस पावर का इस्तेमाल दूसरे उद्योग चला कर किया जायेगा चाहे वह घाटा पीमने का काम करें या दाल बनाने का काम करें या कोई दूसरे ही काम करें। नाम तो यह होगा कि वह पावर के जरिये खंडसारी बनायेंगे जब कि काम आयेंगी वह दूसरे तरह से। इस प्रकार से करप्शन बढ़ेगा यदि इतना अधिक कर लगाया गया। इसलिये मेरा निवेदन है कि इन भाकड़ों को देखते हुए, खास तौर पर जो उत्तर प्रदेश की सरकार के कर है उनका विचार कर के, देखा जाय कि यह कर घटाये गये हैं या नहीं और और भी घटाने की गुंजाइश है या नहीं।

Shri Rajendra Singh: Mr. Deputy-Speaker, I am very grateful to you that you have given me time.

The Finance Minister is supposed to be a very serious man in the political life of this country.

Shri Raghunath Singh: Is there any doubt about it?

Shri Rajendra Singh: I do also feel that he is such a man. But, he is serious not because he has the breadth and width of imagination and vision, but because he is known for his theological bigotry so far as economic and financial outlook are concerned.

[Shri Rajendra Singh]

While speaking day before yesterday, he said that on the question of nationalisation of banks, no matter from what quarter these suggestions and demands are made, he would not lend his countenance. In a planned economy, planning is not something confined to a communist country or a socialist country. The economic development of every country reaches this climax where every sort of economic system has to plan. Planning is inescapable today, no matter what the system and what the country is.

Mr. Deputy-Speaker: We are now discussing clause 30.

Shri Rajendra Singh: The question is whether the plan is operating from within or from without, whether it is organic or inorganic. In one type of planning the State itself enters into the economic activity whereas in the other case the State simply controls and manages. The hon. Finance Minister does not seem to feel this difference between public control and public ownership.

You find that various persons have decried the imposition of tax on khandsari sugar. The hon. Minister thinks himself to be so wise that he feels that all those who are talking like that are not well-informed. His concept of socialism, his imagination to look at things, his readiness to understand things are all evident and obvious. With this Finance Minister we have to carry on. Nobody knows when the bolt would come from the blue. Today he is there. Tomorrow he may be thrown out. By every speech that we make here, we seek to educate the people. We want to make our feelings felt on the people of our country. I do not mind if the hon. Minister helps the capitalist section by imposing this duty on khandsari sugar. But I would say that the country has reached such a political consciousness that if any misbehaviour continues in the matter of something relating to the public

interest, no matter howsoever mighty and high the person may be, he will be thrown away.

We talk about foreign exchange. We say we must do everything to conserve our foreign exchange. In that respect, we are trying to subsidise articles which are to be exported. I could not go into the details because I do not have much time.

Tea industry contributes 40 to 45 per cent of the cargo that we export outside. The share of cargo given to Indian shipping is much less than what the foreigners are having. We had the termination of the bulk purchase contracts by the U.K. Government in respect of tea. In March 1951, the system of freight for the liner conference constituents came to an end. But the Indian Tea Association gave an assurance to the Tea Board that they would give certain specific allocation to Indian lines. Several years have passed, but we find that that promise was not fulfilled to the extent to which it was agreed to. It can be seen that the Indian lines earned freight to the tune of Rs. 2,70,624 as against freight on tea earned by all lines to the tune of Rs. 1,02,25,000 odd. So, it is quite evident that Government are not alive to this aspect of the matter. In spite of the fact that we have our High Commissioner in England and in other countries, which consume our tea, we could not work through them; we could not pass on instructions to them that for the tea that we export, our Indian shipping should get enough quota so that we could earn foreign exchange

So is the case with tobacco. We export nearly 50,000 tons from the Guntur district through the ports of Visakhapatnam, Madras and Kakinada. Even here, our shipping lines are not getting enough of cargo, though their tonnage has increased tremendously during these few years.

I have placed these facts before you to show how Government are negligent of the interests of this country.

Sir, the Prime Minister is very much fond of planning. While speaking inside Parliament, outside Parliament, and in fact, whenever he has an occasion, he talks of planning and he talks of the Plan. I do not say that is bad. In fact, that is the thing that worries us as much, if not more than it worries him.

But what should be the type of planning? The basic concept of socialism is to bring about a sense of equality, freedom and opportunity to one and all. It is not merely having savings, investment, productivity and so on; these things are basically capitalistic assumptions, and it is these arguments which are being poured out day in and day out. The question is whether we are trying to create a feeling in this country that all our economic endeavours and all our political endeavours are being planned for the broad masses of our country. Every socialist planning requires heat and light, heat to inspire the heart and light to see the things. But in this country, the talk of planning is just mere deception; it is just to fool the people. I do not have enough time to elaborate my points very clearly, but anyway, I hope the Prime Minister will give consideration to the basic issue of planning.

Mr. Deputy-Speaker: Now, Shri Balmiki can have five minutes if he wants, to speak on clause 30 only. Otherwise, I am feeling nervous as to what the reader of the debates might think of me and the Member who has spoken.

श्री बाळमीकी (बुलन्दशहर रजित—
अनुसूचित जातिया) उपाध्यक्ष महोदय,
इस बिन्दु की धारा ३० पर मेरा भी एक
छोटा सा प्रमेडमेंट है. . .

उपाध्यक्ष महोदय : आपके प्रमेडमेंट
का नम्बर क्या है?

श्री बाळमीकी : मिस्ट्र नम्बर १ में ६
नम्बर का मेरा प्रमेडमेंट है।

उपाध्यक्ष महोदय : वह प्राउट प्राउट
मार्डर है लेकिन अगर आप कुछ बोधना चाहें
तो बोल सकते हैं।

श्री बाळमीकी : फिर भी मैं आपकी
इजाजत से उसे पढ़ देना चाहता हूँ. . .

उपाध्यक्ष महोदय : उसे पढ़ने की कार्य
करत नहीं। आपको जो कुछ कहना है
तैसे ही कह दीजिये।

श्री बाळमीकी : जैसे कि मेरे मसौदा,
का भाव है यहाँ पर खंडसारी के बारे में जो
कि हमारे उत्तर भारत की खास तौर से
उत्तर प्रदेश की और उत्तर प्रदेश में भी
पश्चिमी जिलों की और पश्चिमी जिलों में
भी खास तौर पर मेरठ डिवीजन का यह
खंडसारी जो एक खास उद्योग है उस पर
यह जो ड्यूटी लगाई गई है उससे इस
इंडस्ट्री को बड़ा प्राधात पहुँचा है।
यह बात भवश्य है कि हमारे
माननीय वित्त मंत्री महोदय ने खंडसारी
उद्योग को ड्यूटी के सम्बन्ध में थोड़ी छूट
देने की घोषणा की है लेकिन वह मेरी मसला
में नाकाफी है और उस छूट के देने से यह नहीं
मसला लेना चाहिये कि यह खंडसारी का जो
उद्योग है वह पनप सकेगा। वह ऊपरी ढंग से
भने ही कुछ ठीक चलता हुआ दिखाई देता
हो लेकिन मैं यह चेतावनी देना चाहता हूँ कि
अगर खंडसारी पर हमो तरह से ड्यूटी जारी
रही तो यह उद्योग पनप नहीं सकेगा और
प्रपना दय तोड देवा।

दूपरी योजना में जैसे तो छोटे उद्योग
बच्चों को प्रोत्साहन देने के लिए काफी बातें
कही गई है लेकिन वास्तविकता यह है कि
हमें देश में छोटे-छोटे उद्योग धंधे बढ़ते
और फरजे-फूलते दिखाई नहीं दे रहे हैं।
देश में बड़े-बड़े उद्योग धंधे भी ही पनने
हैं, और उन बड़े बड़े कारखानों में

[श्री बाल्मीकी]

मशीनीकरण के द्वारा कुछ बोड़े से लोगों को भले ही अधिक मुनाफा मिल रहा हो लेकिन उसके द्वारा बेकारी का इलाज होता नहीं दिखाई देता। मशीनीकरण और बड़े-बड़े कारखानों के जरिए बोड़े से लोगों को भले ही काम मिल जाय लेकिन हजारों लोगों की बेकारी का उससे इलाज नहीं हो सकेगा।

इस खडसारी उद्योग में किशन और मिडिल क्लास के लोग काम करते हैं और मेहनत से काम करते वे इस उद्योग का चलाते हैं। अब इस तरीके १-२ २-२ या ३-३, हीस पावर के छोटे-छोटे इंजन लगा कर जो खडसारी बनाने का काम करते हैं खाली उनको ही इस एक्साइज ड्यूटी से छूट न देने से कोई बड़ा लाभ होने वाला नहीं है क्योंकि खडसारी का उद्योग दो तरीके से चल रहा है। एक तो वह है जिसमें बड़े-बड़े सलिकटेसन प्लांट्स चल रहे हैं और जो कि ७५ हीस पावर के प्लांट्स होते हैं और एक छोटे से कारखाने के रूप में चलते हैं और जिन्हें ७०-७० हजार रुपया कर्जा दिया जाता है। लेकिन इस खडसारी के काम में छोटे-छोटे क्लास लगा कर, बैल की सहायता से, बच्चों की सहायता से और घर वालों की सहायता से जो लोग इस खडसारी बनाने के काम को करते हैं हुल्का सा बिजली का प्रयोग करते हैं उनको कर्जा या सहायता देना तो दूर रहा बल्कि जो पहले उनको सहायित हासिल थी उसको भी वापिस के लिया गया।

मुझे यह बड़े अफसोस के साथ कहना पड़ता है कि इस देश के अन्दर आमतौर से बड़े आदमियों की ही बात सुनी जाती है जो कि शान्शीकत के साथ में और बड़ी बड़ी पार्टिया करके अपनी बात कहते हैं। जो इन्डिस्ट्रियल में फीट फार्इंग कमेटी मुकदर हुई थी उन्में अपनी रिपोर्ट में

यह कहा है :

"The large-scale expansion of the khandsari industry currently in progress, if allowed to proceed unhindered, may lead to serious problems in the future."

लेकिन मैं सचकता हूँ और मैं यह कहने के लिए तैयार हूँ कि यह भय बिल्कुल गलत है और इसमें कोई अनुभव नजर नहीं आता है। मैं यह कहने के लिए तैयार हूँ कि अगर देश में चीनी के सारे कारखाने बंद कर दिये जाय और उसके स्थान पर छोटे-छोटे उद्योग खंचे शुरू कर दिये जाय और उनमें सुधार के लिये बिजली का प्रयोग शुरू कर दिया जाय तो उसमें देश का हित ही होगा और बहुत हद तक हम अपने देश में जो बेकारी फैली हुई है उसको दूर करने में समर्थ होंगे। खडसारी के बारे में भी यही बात है। चीनी के बड़े-बड़े कारखानों की मैं बात नहीं करता लेकिन अगर खडसारी का जो छोटा उद्योग है इसको सरकार प्रोत्साहन दे और उसको फलन-फूलने और पनपने की सुविधा प्रदान करे तो आज जो देश में एक दुःखद वातावरण नजर आता है वह नजर नहीं आयेगा और हम देश के हजारों व लाखों लोगों को रोजी मुहैया कर सकेंगे और उनकी बेकारी की समस्या को कामयाबी के साथ हल कर सकेंगे। पूज्य बापू जी कहा भी करते थे कि कुछ

17.55 hrs.

[Mr. SPEAKER in the Chair]

बड़े-बड़े कारखानों से बोड़े से ही लोगों को काम मिलता है लेकिन छोटे व कुटीर उद्योगों से और खडसारी व तेलघानी के कोल्डुर्घों से जो कि हाथ से खडसारी बनाते हैं, और तेल निकालते हैं उससे हजारों आदमियों को रोजी मिलती है।

अब आपने जो खडसारी पर यह एक्साइज ड्यूटी लगाई है उसके अरिष्ट

बे लोग भी कि छोटे-छोटे कोलु लगा कर धीर हाथ से खंडसारी बनाते हैं और खंडसारी को साफ करने के लिये बिजली का प्रयोग करते हैं उन पर बड़ा प्रतिकूल असर पड़ने वाला है। इसके प्रतिरिक्त आपका यह एक्साइज का विभाग बैसे ही बदनाम है। आपका तम्बाकू का विभाग भी काफी बदनाम है और मुझे आशंका है कि खंडसारी पर जो ड्यूटी आप लगा रहे हैं उसमें आप उनको भ्रष्टाचार करने की ओर प्रोत्साहन दे रहे हैं और वह इसमें भी भ्रष्टाचार करने से बाज नहीं आयेगे। आपके हाथ में कुछ नहीं पड़ेगा। मैं दावे के साथ यह कहने के लिए तैयार हूँ कि आप टैक्सों और ड्यूटी आदि की बसूली के लिए दुनिया भर का टीमटाम रखते हैं और स्टाफ आदि पर काफी रफ्या खर्च करते हैं लेकिन जितनी बसूली आपको उस रूप में मिलनी चाहिये वह नहीं मिलती है और आपके पत्ने जितना पकना चाहिये नहीं पकता है।

फैक्ट फार्मिडिंग कमेटी ने खंडसारी के ऊपर जो रिपोर्ट दी है उसमें यह भी सिफारिश की है कि उत्पादन कर न लगाकर एक बेल पर २०० रुपया की एक्साइज ड्यूटी लगाई जाय और एक क्रसर पर ५०० रुपये की लाइसेंस फीस लगाई जाय। ठीक है और मैं यह मान सकता हूँ कि आप यह एक्साइज ड्यूटी उनसे वसूल करें लेकिन साथ ही आपको उन छोटी खंडसारी इंडस्ट्रीज को सहूलियत और प्रोत्साहन भी तो देना चाहिये ताकि वे ठप्प न हो जाय। ऐसा तो न हो कि एक भादमी जो कि बोझ के मारे लड़खड़ा कर चल रहा है और उसके सिर पर ४, ५ गठेरियाँ रक्खी हुई हैं तो आप उसको रिलीफ देने और उसको गिरने से बचाने के लिए ऊपर से एक छोटी सी ही गठरी उतार लें। इस तरह तो उसके बोझ में कोई खान कमी होने वाली नहीं है। ठीक यही बात मुझे खंडसारी उद्योग को सरकार द्वारा की गई राहत और सुविधाओं के बारे में

कहनी है। आपने इस इंडस्ट्री को छोटी मोटी जो सहूलियत दी भी है वे मुझे काफी नजर नहीं आती और चूकि मैं चाहता हूँ कि यह खंडसारी उद्योग जिसमें कि हमारे हजारों गरीब किसान और मींसल क्लाम के लोग लगे हुए हैं वे बेकार न हो जाय, मैंने यह सशोधन दिया है:

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(ii) sub-item (2) of Item No. 8. the following proviso shall be added, namely:—

“Provided that the khandasari sugar in the manufacture of which power is used at the stage of centrifuging only and does not exceed 10 BHP. shall be exempt from excise duty”

हालांकि मेरा यह सशोधन घाउट आफ आर्डर करार दे दिया गया है और माना नहीं गया है लेकिन फिर भी मैं उसके पीछे जो भावना और मतव्य है उससे विनमनी महोदय को परिचित करा देना चाहना हूँ। अगर सरकार और मंत्री महोदय चाहते हैं कि इस देश में खंडसारी का उद्योग पनपे और छोटे-छोटे उद्योग बचे इस देश में आरी रहें तो यह जरूरी हो जाता है कि आप दस होर्स पावर तक यह सारी एक्साइज ड्यूटी खंडसारी पर से हटा दें। लेकिन दस होर्स पावर तक ऐसा करना सम्भव न हो तो ५ होर्स पावर तक और अगर उतने पर भी मुमकिन न हो तो कम से कम ३ होर्स पावर तक तो अवश्य ही यह ड्यूटी की छूट देने का घोषणा कर दें। यह आवाज जो मैं इस मदन में इस समय उठा रहा हूँ वह जैसा कि हमारे सीधे हाथ पर बैठे हुए आई कहा करते हैं कि ऐसा हम लोग वोट हासिल करने के लिए कहते हैं, मैं उन्हें यकीन दिलाना चाहता हूँ कि ऐसी कोई बात नहीं है और ऐसा हम वोट हासिल करने के लिए नहीं कहते हैं बल्कि यह आवाज इसलिए उठाते हैं कि

[श्री बाल्मीकी]

इन छोटे-छोटे षर्षों में हमारे, देश के हजारो किसान और मिडिल क्लास के लोग लगे हुए है और उनकी पहली ही आर्थिक अवस्था शोचनीय है और उनकी कमर झुकी हुई है और इसका ध्यान रखना चाहिये कि कहीं उन पर इतना अधिक बोझ हम और न डाल दें कि वे बिलकुल गिर जाय और उनकी कमर की हड्डी ही टूट जाय। इसलिए मैं चाहता हू कि छोटी-छोटी खडसारी इस्ट्रीज पर से यह एक्साइज ख्यूटी हटा ली जाय।

मुझे ध्याना है कि वित्त मंत्री महोदय मेरे सक्षोषन के मतव्य पर गम्भीरतापूर्वक ध्यान देंगे और हजारो किसानो और मिडिल क्लास के लोगो को जो कि इस खडसारी उद्योग में लगे हुए हैं उनको इस एक्साइज ख्यूटी को हटा कर गहत पहुँचायेंगे और इस काबिल बनायेंगे कि वे अपना काम जारी रख सकें।

हमारी सरकार देश में बड़े-बड़े ईम बना रही हैं, बड़े-बड़े कारखाने स्थापित किये जा रहे हैं और सरकार लाखो रुपये उन पर खर्च कर रही है। मैं वित्त मंत्री महोदय से इसकी तो कोई शिकायत नहीं करता कि उत्तर प्रदेश के साथ हम विषय में कुछ सीतेले बेटे का मा व्यवहार किया गया है लेकिन इतना जरूर कड़गा कि यह छोटे-छोटे उद्योग षषे जिस तरह पनपने चाहिये थे, नहीं पनप रहे हैं। मैं मंत्री महोदय को और सरकार को बड़ी विनम्रता के साथ ध्यानाह कर देना चाहता हू कि अगर उस उत्पादन कर को खडसारी पर 21ी तरह चलने दिया गया तो यह देश के लिए बड़ी खतरनाक साबित होगी। इन षर्षों के माथ में अपना धासन ग्रहण करते हुए पुन मंत्री महोदय से यह अपील करता हू कि वे मेरे सक्षोषन के मतव्य को ध्यान में रखते हुए खडसारी उद्योग को प्रोत्साहन देने की कोशिश करेंगे और उसको पूरी 1६ धाने खूट देने

की कोशिश करेंगे। तभी कहीं यह कुटीर उद्योग जीवित रह सकेगा।

Shri Morarji Desai: Sir, I have spoken on khandsari at length before and I do not think any useful purpose will be served by repeating those arguments again and again. I am very sorry that, giving consideration to all the amendments, I am not able to accept any one of them. Therefore, I oppose them.

Mr Speaker: Does any hon Member want to put any specific amendment to the vote?

Now, I will put all the amendments together

The amendment Nos. 17, 36, 45, 47, 55, 18, 19, 49 and 20 were put and negat ved

Mr Speaker. I think there are no Government amendments to clause 30 There are no amendments to clause 31 I will put clauses 30 and 31 together

The question is

‘Clauses 30 and 31 stand part of the Bill’

The motion was adopted.

Clauses 30 and 31 were added to the Bill.

The First Schedule

Mr Speaker: Has the hon Minister got any amendments to the First Schedule?

Pandit Thakur Das Bhargava: I have got some amendments

Mr. Speaker: I think they are out of order. Items 21, and 56 to 62 are out of order I think the hon Member's amendments come among these.

Pandit Thakur Das Bhargava: I would like to know the grounds on

which they are out of order because such amendments have been moved in the House before.

Mr. Speaker: Hon. Member will see article 274(1).

18 hrs.

Pandit Thakur Das Bhargava: The object is that the tax may be lessened and any amendment which asks for lessening a tax is not out of order. The amendments are not for enhancing any tax

Shri Morarji Desai: Variation also requires sanction of the President; that would lessen the share of the tax.

Pandit Thakur Das Bhargava: That would mean that whatever is given in the Finance Bill must either be accepted or rejected.

Mr. Speaker: With respect to article 117(1) a recommendation is not necessary. Under article 274(1), there is no such exemption. Article 117(1) says:

"A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President and a Bill making such provision shall not be introduced in the Council of States."

That is with respect to money bills, taxation, etc. It goes further:

"Provided that no recommendation shall be required under this clause for the moving of an amendment making provision for the reduction or abolition of any tax."

But article 274(1) says:

"No Bill or amendment which imposes or varies any tax or duty in which States are interested.... shall be introduced or moved in either House of Parliament except on the recommendation of the President."

There is no such proviso here.

Shri Morarji Desai: The surcharge is shared and it is distributed.

Pandit Thakur Das Bhargava: That refers to taxation in which States are interested. But I am moving an amendment to this surcharge which is for the Union. The surcharge on income-tax is meant only for the purpose of the Union and not for the States.

On page 18 of the Bill it says:

"A surcharge for purposes of the Union equal to the sum of....."

Mr. Speaker: Yes. It is said that it is for purposes of the Union. But it is to be distributed?

Pandit Thakur Das Bhargava: It may ultimately be distributed. But this is a tax for the purpose of the Union. Even in the income-tax is not the Union interested. A part of it may go to the States but the Union is also interested.

Mr. Speaker: How does the hon Minister justify this?

Shri Morarji Desai: I believe that some share has to be given to the State from the surcharge.

I find, Sir, that surcharge is not shared. It is only for the Union.

Mr. Speaker: All right I will allow the amendments.

Pandit Thakur Das Bhargava: I beg to move:

Page 17,—

(i) in line 14, column 2, add at the end—

"per every branch and if there are more than one minor coparcener in the family the total income shall be increased with the amount of three hundred rupees per minor in each branch." (56)

[Pandit Thakur Das Bhargava]

(ii) in line 16, column 3, add at the end—

"per every branch and if there are more than one minor coparcener in the family the total income shall be increased with the amount of three hundred rupees per minor in each branch."

Page 18,—

after line 22, insert—

"(ia) Rs. 9,000 in the case of every Hindu undivided family which at the end of the financial year satisfied each of the following conditions, namely:—

(a) that it has at least three members or more entitled to claim partition who are not less than eighteen years of age; and (57)

(b) that it has at least three members entitled to claim partition who are not lineally descended one from any other living member of the family;"

Page 19,—

after line 34, insert—

"(ia) Rs. 22,500 in the case of every Hindu undivided family which satisfies at the end of the financial year each of the following conditions, namely:—

(a) that it has at least three members entitled to claim partition who are not less than eighteen years of age; and

(b) that it has at least three members entitled to claim partition who are not lineally descended one from the other and who are not lineally de-

scended from any other living member of the family;"

(58)

Page 20,—

after line 37, add—

"Provided that in the case of the Hindu undivided family, the rates shall be as follows:—

- | | |
|---|--|
| (1) On the first Rs. 40,000 of total income, if there are two coparceners | Nil. |
| (2) On the first Rs. 60,000 of total income, if there are three or more coparceners | Nil. |
| (3) On the next Rs. 4000 of total income | 5% divided by the number of Coparceners. |
| (4) On the next Rs. 5000 of total income | 15% divided by the number of coparceners. |
| (5) On the next Rs. 10,000 of total income | 20% divided by the number of coparceners. |
| (6) On the next Rs. 10,000 of total income | 30% divided by the number of coparceners. |
| (7) On the next Rs. 10,000 of total income | 35% divided by the number of Coparceners. |
| (8) On the next Rs. 10,000 of total income | 40% divided by the number of coparceners. |
| (9) On the balance of total income | 45% divided by the number of coparceners. (61) |

Sir you took the Chair only just now. Before that I pleaded with the hon. Minister and he has been pleased to say that he will appoint some committee. In regard to the broad question of Hindu joint family I am not going to trouble the hon. Finance

Minister at this stage, but consistent with what he has done already in regard to income-tax and other things. I want to draw his attention to the fact that Government has already accepted, so far as the Hindu joint family is concerned, that double the minimum will be the minimum taxable for a Hindu joint family if there are more than one member. Sir, before Shri T. T. Krishnamachari brushed aside all the concessions, the Taxation Enquiry Committee and the Investigation Commission had both opined that so far as the Hindu joint family is concerned three times the minimum amount for an individual will be regarded as the minimum for the joint family if the joint family consists of three members or more.

Mr Speaker: If the hon Member feels weakness I have no objection to his speaking from his seat.

Pandit Thakur Das Bhargava: Very kind of you, Sir, but I will keep on standing because I can bear this now.

I was submitting, Sir, that if the previous Finance Minister had given any reason whatsoever as to why he took away this concession, I would not have troubled the hon Finance Minister here. He said that the only consideration was that it brought money. The present Finance Minister told us, and he means it I know it for a fact, that if equity does not require it he will not charge it, but if equity considerations are there and mere money considerations are excluded all these amendments should be accepted. But I know it that if on the basis of equity these persons are not to be charged the hon Finance Minister is not going to do it. I am submitting that according to the finding of the Investigation Commission which consisted of very eminent lawyers and others, when a family consists of more than two persons three times the limit should be for the Hindu joint family. This was adhered to and acted upon for years together until by a stroke of the pen Shri T. T. Krishnamachari without giving any reason except that it brought money, took away that concession. I do not think the present

Finance Minister upholds that act of Shri T. T. Krishnamachari.

There is absolutely no reason why this concession should not be given to the Hindu joint family. Unless there are two members, there cannot be a joint family. There is no point in making it double the limit. Even if there are three or four members—actually there are more—even then there is no concession, but at least there is equity. If there are three persons in a joint family, the only advantage they get is that they are taxed like all others. There is no special advantage. That is why my amendment says that where there are three members or more the limit may be Rs 9000 and not Rs 3000.

If the Government accepts the theory even in regard to two persons about income tax, what is the logic what is the principle that in regard to super-tax they do not accept this principle? The hon Minister may be pleased to find in the report of the Investigation Commission that in regard to super-tax also the same principle should apply as in the income tax. Previously it was Rs 75,000 as minimum limit for a Hindu undivided family whereas for an individual it was only Rs 50,000. That was in 1928-29. Subsequently in regard to supertax the individual and the Hindu joint family were approximated. Therefore, my humble submission is that so far as the Hindu joint family is concerned, after all, you know that there is the principle of Euclid the whole is greater than the part. In a Hindu joint family, there may be 10 families, with husband and wife and children. What do we find here? The individual family of husband and wife, and the joint family consisting of many branches and families and of married people, and all of them are treated on the same basis. If there is one child in a family "all right, he gets the advantage of Rs. 300." If the husband and wife with one child are there, they get the advantage of Rs 300. But they do not know that, say, in 10 branches, every family may be producing 10 children one in each branch. After all, if there are ten

[Pandit Thakur Das Bhargava]

pairs of married people, consisting of husband and wife, the same amount cannot be sufficient for the joint family as there are ten children. Therefore, I am submitting that as many minor children as there are, each should get a reduction at least Rs. 300 on the basis of an individual. On these bases alone I think these amendments must be accepted.

So far as amendments 58 and 62 are concerned, I am not moving them, because, as a matter of fact, they embody my suggestion for future action which will come only when the Minister would agree after he sees the report of the Committee or Commission which he proposes to appoint. After that he may consider them. So far as his own Bill goes, logically and on principle, these concessions should be given to the Hindu joint family which were wrested from it without any reason or rhyme by the previous Finance Minister on grounds or revenue alone. I, therefore, think that on the principle of equity, the hon. Minister will agree with me and accept these amendments.

Shri Morarji Desai: The question of equity is a very difficult one to decide in this case. If there are ten members, then it ought to be ten times. But we have done the minimum, and that is what was done last time. I do not think that it should be changed now.

Pandit Thakur Das Bhargava: The minimum is not changed. That is my complaint. You give the minimum according to the report of the Taxation Enquiry Commission and the Investigation Commission. Even that has been taken away. That is wrong.

Shri Morarji Desai: We have not agreed with everything that the Taxation Enquiry Commission suggested. It cannot be taken *verbatim* or as a bible. We have got to take to it as we find it all right, that is, consistently with our views. That is why it was taken last time. Now, it has remained like this. I do not think I can go into it again and accept those amendments.

Pandit Thakur Das Bhargava: The thing supported by me was in vogue for many years before the last year.

Amendment Nos. 56, 57, 59 and 62 were put and negatived.

Mr. Speaker: The question is:

"That the First Schedule stand part of the Bill"

The motion was adopted.

The First Schedule was added to the Bill.

Mr. Speaker: The question is:

"That the Second Schedule, Clause 1, the Enacting Formula and the Long Title stand part of the Bill.

The motion was adopted.

The Second Schedule, Clause 1, the Enacting Formula and the Long Title were added to the Bill.

Shri Morarji Desai: I beg to move:

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

Mr. Speaker: Motion moved:

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

Shri Raghunath Singh (Varanasi): rose—

Mr. Speaker: He had no opportunity to speak earlier?

Shri Raghunath Singh: No, Sir.

प्रध्मस्य महोदय, एस्टेब्लिश्मन्ट् कमेटी की रिपोर्ट अभी १८ अप्रैल को प्रकाशित हुई और हाउस के टेबल पर रखी गई। उसमें से चार पांच वाक्य में आपके नामने प्रस्तुत करना चाहता हूँ।

"It will take more than 20 years to attain even the conservative objectives of acquiring two million tons of shipping within which time the rise in the demand for

[Shri Raghunath Singh]

shipping itself will far outstrip the volume of tonnage that might be acquired."

१९५७ में प्राप्त वे.

Mr. Speaker: I had suggested that whichever hon. Member could not get an opportunity to speak during the first reading, could find some excuse to speak on some clause during the second reading. But at the third reading stage, we have only to confine ourselves to the Bill as a whole or the amendments that have been carried, and not to refer to amendments that have not been carried, generally going to extraneous matters, from A to Z. I am afraid he has to reserve his comments for some other occasion.

Shri D. C. Sharma (Gurdaspur): He has been sitting in the House all these days and he has not had a chance.

Mr. Speaker: He can have some other opportunity.

Shri Prabhat Kar: The Finance Bill is before the House and I am sure it will be passed because the hon. Finance Minister is steering it through. But I am only surprised that after all the Members have spoken on the amendments on clause 30, the Finance Minister did not think it necessary to give some reasons. He could have taken some time and persuaded us. It is not a question of the Opposition Members alone; various Members have spoken on the amendments. He said, "I have nothing to say; I am not accepting the amendments" This is the attitude of the Finance Minister in replying to the suggestions or criticisms made by hon. Members.

All kinds of taxes direct and indirect—are being put and passed by the House. But it is found every time that the tax-collecting machinery is so weak that all the expectations put forward before the House in regard to revenue collection are always belive. I am not speaking of the evasion of taxes, but of out of Rs. 247-68 crores of taxes outstanding,

only Rs. 22-0 crores will be collected during 1958-59; Rs. 35-27 crores are expected to be collected during 1959-60. Rs. 57-30 crores are estimated as bad money. When Rs. 247-68 crores are outstanding, new taxes are being put. If this is the machinery through which we are going to collect the taxes and the collection is going to be only Rs. 22 crores or Rs. 33 crores, I do not know how the expectations placed before the House and the country are going to be fulfilled. I am only pointing out how the taxes are not collected.

Under section 18(2) of the Indian Income-tax Act,

"Salary paid outside the taxable territories would be chargeable to Indian Income-tax if it is earned in the taxable territories (including Indian territorial waters). The salary earned in the taxable territories is to be computed in proportion to the period of service spent in Indian ports and Indian Territorial Waters."

But this amount has not been collected. An effort was made in Calcutta; it has come in the Press also:

"Mr Thor Tafelson, a member of the Republican Party in the House of Representatives, United States of America, addressed a letter to the Ministry of Home Affairs stating that the Income-tax Authorities at Calcutta required the American Shipping concerns to deduct and pay taxes from the salaries received by the 'floating staff' employed by them on a proportionate basis, the proportion being determined with reference to the actual number of days for which the ship was employed in the Indian waters."

This is how efforts are being made. My information is that for about last ten years, no amount has been collected. This is the tax-collecting machinery we have got. Apart from the tax evasion, I am only talking of the estimated amount which the department itself has estimated and which the department has not collec-

[Shri Prabhat Kar]

ted due to pressure from various quarters. The Finance Bill is now being passed. Still it is their expectation that the revenue will go up. In the end I will only say that the lapses in the department and lacuna in the law should be plugged and the tax collecting machinery should be tightened up so that whatever taxes are imposed are being collected and there are no loopholes.

Shri Morarji Desai: I am sorry my hon friend should have thought that I did not care to convince them about my views. I said at that time that I have already spoken at length about this twice and I gave full reasons for the concessions made and for not adopting the others. After that, I thought I will not take the time of the hon. House by repeating the same arguments again. That is why I said this. It also shows that the hon. Members would not budge an inch and would stick to their own views in spite of what I said and they won't consider me clever. I consider them more clever in this matter. Therefore, it was more a tribute to them rather than any slighting of their views.

The other matter which was referred to is under consideration. It is not that it is not under consideration. But I cannot say until the matter is fully considered as to what we can do and what we cannot do. I cannot give a definite answer in this matter now. But let me assure the hon. Members that it is under consideration. And we are trying to perfect the staff more and more and their execution better and better. At the same time, I must say that the staff is doing well by all ordinary standards, but not by extraordinary standards. We should like to make it more perfect even by extraordinary standards. But that constantly kept in view by this Government.

Mr. Speaker: The question is:

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

The motion was adopted.

18-23 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on April 23, 1959|
Vaisakha 3, 1881 (Saka).*