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# LOK SABHA DEBATE

1

## LOK SABHA

Saturday, August 26, 1972/Bhadra 4,  
1894 (Saka)

The Lok Sabha met at Eleven of the  
Clock

[MR. SPEAKER in the Chair]

MR. SPEAKER: Papers to be laid  
on the Table.

श्री जगन्नाथ राव जोशी (शाजापुर) :

अध्यक्ष महोदय, कल जो पुलिस का अत्याचार हुआ है, उस के बारे में आपको लिखा है। समाचार पत्र का यह चित्र बताता है कि एक अनआर्म्ड आदमी को पांच छः पुलिस वाले मार रहे हैं। जो लोग देखने के लिये खड़े थे उनको पालियामेंट स्ट्रीट में डाक-तार भवन में घुस कर मारा गया। यह बड़ी गम्भीर घटना है। (अध्यक्षान) फ़ाल्स एलीगेशन का सवाल में नहीं है। यह इंडियन एक्सप्रेस का चित्र है।

अध्यक्ष महोदय : अगर पिक्चर में जाना है, तो कई पिक्चर में पुलिस पर भी हमला करते हुए दिखाया गया है।

If you are to get my judgment by pictures, I have seen pictures in which your workers are attacking the police; I have seen in the television . . . (Interruptions).

SHRI SAMAR GUHA (Contai):  
The picture is very clear.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Let me make a submission, Sir . . .

MR. SPEAKER: If I have to go by pictures, I will have to consider all the pictures.

SHRI JAGANNATHRAO JOSHI:  
The Minister must make a statement.

2

SHRI JYOTIRMOY BOSU: We are at the moment talking about law and order . . . (Interruptions).

श्री बी० पी० बोस (हापुड़) : अध्यक्ष महोदय, जरा इन से यह पूछिए कि क्या डा० शंकर दयाल शर्मा के घर पर इन लोगों ने हमला नहीं किया। इस बात को छोड़िये कि वह कांग्रेस के प्रेजिडेंट हैं। वह इस सदन के एक सदस्य है।

11.02 hrs.

## PAPERS LAID ON THE TABLE

POST OFFICE SAVINGS CERTIFICATE  
(AMENDMENT) RULES, 1972

THE MINISTER OF STATE IN  
THE MINISTRY OF FINANCE  
(SHRI K. R. GANESH): I beg to lay on the Table a copy of the Post Office Savings Certificates (Amendment) Rules 1972 (Hindi and English versions) published in Notification No. G.S.R. 958 in Gazette of India dated the 12th August, 1972 under sub-section (3) of section 12 of the Government Savings Certificates Act, 1959. [Placed in Library. See No. LT-3501/72.]

## MESSAGE FROM RAJYA SABHA

SECRETARY: Sir, I have to report the following message received from the Secretary of Rajya Sabha:—

"In accordance with the provisions of rule 111 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Insecticides (Amendment) Bill, 1972, which has been passed by the Rajya Sabha at its sitting held on the 23rd August, 1972".



**INSECTICIDES (AMENDMENT)  
BILL**

AS PASSED BY RAJYA SABHA

**SECRETARY:** Sir, I lay on the Table of the House the Insecticides (Amendment) Bill, 1972, as passed by Rajya Sabha.

**ESTIMATES COMMITTEE**

**TWENTY-SECOND AND TWENTY-THIRD  
REPORTS**

**SHRI KRISHNA CHANDRA HALDER (Ausgram):** I beg to present the following Reports of the Estimates Committee:

- (1) Twenty-second Report on the Ministry of Shipping and Transport regarding action taken by Government on the recommendations contained in their First Report on the Ministry of Shipping and Transport — Visakhapatnam Port
- (2) Twenty-third Report on the Ministry of Shipping and Transport regarding action taken by Government on the recommendations contained in their Second Report on the Ministry of Shipping and Transport—Tuticorin and Mangalore Ports

11.03 hrs

**BUSINESS OF THE HOUSE**

**THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR):** With your permission, Sir, I rise to announce that Government Business in this House during the week commencing Monday, the 28th August, 1972, will consist of:—

- (1) Consideration of any item of Government Business carried over from today's Order Paper
- (2) Consideration and passing of the General Insurance Business (Nationalisation) Bill, 1972, as reported by the Joint Committee.
- (3) Discussion and voting on the Supplementary Demands

for Grants (General) for 1972-73

- (4) Consideration of a motion for reference of the Presidential and Vice-Presidential Elections (Amendment) Bill, 1972, to a Joint Committee.
- (5) Consideration and passing of the Indian Copper Corporation (Acquisition of Undertaking) Bill, 1972.
- (6) Consideration of a Resolution seeking disapproval of the Delhi University (Amendment) Ordinance, 1972 and consideration and passing of the Delhi University (Amendment) Bill, 1972, as passed by Rajya Sabha.
- (7) Consideration and passing of the Insecticides (Amendment) Bill 1972, as passed by Rajya Sabha
- (8) Discussion on the Report of the Commissioner for Scheduled Castes and Scheduled Tribes for 1969-70

I may add that it is also proposed to bring forward the following Bills which are in the advanced stage of preparation:—

- (1) The Former Secretary of State Service Officers (Conditions of Service) Bill, 1972.
- (ii) The Delhi Education Bill, 1972 for reference to Joint Committee.

**SHRI JYOTIRMOY BOSU (Diamond Harbour):** Regarding the Bill for regulating the working condition of employment in the film industry in India, Shri Balgovind Verma, Minister of State in the Ministry of Labour and Rehabilitation on 28-4-1972 said:

"I assure the hon Members that we are contemplating in bringing forward a Bill in this August House very soon. Therefore, I should request the Mover of the Bill to kindly "withdraw it."

"AN HON. MEMBER: The recommendation was made in 1969 to have a Comprehensive Bill and after 2½ years or 3 years a draft legislation was prepared. After 2½ years it is found that there are so many lacunae in the legislation. Who are the persons responsible for this draft legislation?"

It was accepted that the Bill should have been brought before the House this August session since it was a pending matter for a very long time. What has the Government to say about this?

The amount of default by employers of the employees' provident fund money is increasing in a tremendous manner. Last year the hon. Minister, Shri R. K. Khadilkar made a statement that the legislation was going to be brought very soon to impose deterrent punishment on such offenders. Even in the last session, he assurance was repeated. But we are all surprised to see that Government have not included the Bill for passing in this Session; it is perhaps because the defaulters are their patron saints.

SHRI S. M. BANERJEE (Kanpur): I wish to submit that in the newspapers it has come out clearly that higher dearness allowance for Central Government employees is almost due. I have pointed out in this House, Sir, that the figure of cost of living index, after adding the June figure, came to 237.08. If you add to it the July figure, it crosses 238. The Central Government employees throughout the country are agitating, and they are entitled to get it, Sir. It has also come in the newspapers that the dispute was discussed at a Cabinet meeting on Friday. There are two issues. One is that the dearness allowance should be raised immediately in the case of Central Government employees. The hon. Minister should make a statement on this. Another thing is that final

decision on what is known as Khadilkar's formula of raising the bonus from 4 to 8.33 per cent, should be taken before the Puja to avoid the impending labour unrest.

My third point is this. A lot of things are being said about the Memorandum submitted by Tata to the Prime Minister to change the industrial policy. A copy of that should be laid on the Table of the House, and the House should get an opportunity to discuss it.

Since the hon. Finance Minister is present in the House, he may please tell us when he is going to announce further rise in the dearness allowance.

श्री ज्ञानेश्वर प्रसाद यादव (कटिहार) :  
अव्यक्त महोदय, मैं बिहार में जो अकाल की भयंकर स्थिति उत्पन्न हो गई है उस के बारे में सरकार का ध्यान आकृष्ट करते हुए सरकार से निवेदन करना चाहता हूँ कि बिहार में जो अकाल की परिस्थिति पैदा हो गई है उस में लगभग 4 करोड़ लोग उम की चपेट में आ गए हैं। बिहार के रेवेन्यू मिनिस्टर ने कहा है कि 2 करोड़ 75 लाख लोग अकाल की चपेट में हैं। भुखमरी की रिपोर्ट हर एक जगह से आ रही है। 175 आदमी समूचे बिहार में भुखमरी से मर गए हैं जिस में अकाले कटिहार में अनुमंडल 37 लोगों की मृत्यु भुखमरी से हुई है। कटिहार अनुमंडल में मनहारी, बरारी, कोठा, कटिहार, उत्तर भागलपुर के गोपालपुर, बिहपुर, नौगछिया तथा पूर्णिया और सहरसा जिलों में धान की रोपाई नहीं हो पाई है। भदई काप बिल्कुल समाप्त हो गई है। सारी की सारी फसल पारसाल भी बरबाद हो गई थी और इस साल भी ऐसी अकाल की स्थिति है। बिहार की सरकार असमर्थ है उस का सामना करने में। बिहार के चीफ मिनिस्टर ने पहले 70 हजार क्विंटल की मांग की, फिर 85 हजार क्विंटल की मांग की, फिर 90 हजार क्विंटल की मांग की और अभी 110 हजार क्विंटल की मांग की है। बिहार की सरकार काले

[श्री ज्ञानेश्वर प्रसाद यादव]

गल्ले की दुकानों में कही भी अनाज नहीं है। इसलिये मैं चाहता हूँ कि बिहार की कम से कम सस्ते गल्ले की दुकानों में अनाज की पूर्ति शीघ्र से शीघ्र की जाय और राष्ट्रीकृत बैंको से मध्यम वर्गीय किसानों को ऋण दिया जाय।

**SHRI A P SHARMA (Buxar):** Regarding the Dearness Allowance I would only like to make one submission . . .

**अध्यक्ष महोदय :** नहीं, यह बात गलत होगी। जिन्होंने लिख कर दिया है उन्हीं को मैं इजाजत दे रहा हूँ।

**SHRI A. P. SHARMA:** But we did not know this procedure that we have to write to you.

The point is that the question of Dearness Allowance is very important. We did not know this procedure. You kindly permit me. This is a very important question. I did not know the procedure. In future, we will follow it but kindly permit me to mention about only one point, regarding the increase in the Dearness Allowance.

**MR. SPEAKER.** When this comes from your side, what about others?

**SHRI A P SHARMA:** This is a very important question. I do not know what is the difficulty of the Government to come out with their decision.

**अध्यक्ष महोदय :** आप पहले ख्याल किया करें। अब आप ने उन को देख लिया और एक-दूसरे से फैसला कर लिया। उन्होंने तो पहले से लिख कर दिया था।

**SHRI A. P. SHARMA:** It is not a question of one person or one Party. It is a question of all Parties and all the Central Government employees.

**अध्यक्ष महोदय :** आप से यह आशा जरूर रखता हूँ कि जो मैं कहूँ उस पर भी आप कुछ न कह सकें। आप को पहले से लिख कर देना था आप कुछ कहना चाहते थे।

**SHRI SAMAR GUHA (Contai):** I want to draw the attention of the Government in regard to the issue of blocking the entry of Bangladesh into UNO by China in collusion with Pakistan. It has a direct bearing on the implementation of the Simla Agreement and when the high officials of Pakistan are here in Delhi for talks, naturally, this House feel very much anxious to know the reaction of the Government. This House also would like to be informed about the developments there and what stand has been taken by the Government and the stand the Government is going to take in future because it was tacitly understood that after the Simla Agreement, Pakistan will recognise Bangladesh and they will also help Bangladesh's entry into UNO. It appears to us that the Simla Pact spirit is being violated by Pakistan and China is taking advantage of that.

I want to make a submission to the Government to come out with a full statement so that we can get an opportunity to express our views on that.

About Uganda matter, this House has not been informed about anything regarding the steps taken by the Government regarding expulsion of Asians in Uganda and the matter is coming almost every day in the papers.

**MR. SPEAKER.** They came out with a statement at the earliest stage, at the earliest time.

**SHRI SAMAR GUHA.** After that, something more has happened.

**SHRI INDRAJIT GUPTA (All-pore):** Since then the situation has changed.

**MR. SPEAKER:** I quite agree that the situation is changing very fast and new facts have already arisen. So, the Minister should make a statement.

**SHRI RAJ BAHADUR:** I shall certainly communicate the views of the hon. Members to the Ministers concerned in the Government.

May I also say with regard to the Bill for film industry workers that as stated by the Member the assurance was that it will be presented to this August House, but not necessarily in the month of August . . . (Interruptions).

SHRI R. S. PANDEY (Rajnandgaon). The Bill was piloted by me and an assurance was given to me, although nothing was given in writing, that in the next session the Bill will come. So, the assurance was that it will be introduced somewhere in this session . . . (Interruptions).

MR SPEAKER. Any member can ask for its implementation. The assurance was given to you, but all of them are interested.

श्री ए० पी० शर्मा . अध्यक्ष महोदय . . . .

अध्यक्ष महोदय आप बैठिए मैंने कहा कि जिन्होंने पहले से ही लिख कर दिया है उन्हीं को इजाजत मैं दे रहा हूँ।

श्री ए० पी० शर्मा अगर यही सिस्टम रहा तो आगे से लिख कर देगे। हमें इस के बारे में मालूम नहीं था।

SHRI RAJ BAHADUR: I quite agree that the name of the August Member will go down in this August House on this August question.

MR SPEAKER: What is the opinion of the August Minister?

SHRI RAJ BAHADUR: Sir, both You and I have been born in August. I know that we are both August.

MR SPEAKER: You are also August-born? So, am I?

SHRI RAJ BAHADUR: About provisions of penalty for arrears of provident fund, the Bill is in an advanced stage of preparation. We are seriously at it. We are second to none in regard to this matter.

So far as the DA question is concerned, I will communicate the

views of the Members but the Finance Minister of State is here.

SHRI INDRAJIT GUPTA: What is the indication of the Government's thinking on this because we want to know whether the Government is going to make any declaration about it.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): The hon. Members are aware that when the . . .

एक माननीय सदस्य कब ?

अध्यक्ष महोदय . वह पूछ रहे हैं कब होगा ?

श्री के० आर० रानश . कब मैं नहीं कह सकता। मैं यह कह रहा हूँ।

When the average cost of living index of the working class reaches 238, the Pay Commission itself . . . (Interruptions)

SHRI S. M. BANERJEE: One minute.

MR SPEAKER: No please.

श्री एस० एम० बनर्जी अध्यक्ष महोदय, जो चीज अखबार में निकली है . .

MR SPEAKER: I am passing on to the next item now.

SHRI K. R. GANESH: You have spoiled your own case.

SHRI RAJ BAHADUR: About drought in Bihar, the question of drought was discussed in this House . . .

SHRI A. P. SHARMA: Sir, the Minister was saying something regarding DA.

SHRI INDRAJIT GUPTA: Mr. Banerji, Sir—he would not mind my saying because he got a little excited I saw Mr Ganesh was saying or was going to say something. We would like to know exactly what statement he is in a position to make at present.

**SHRI K. R. GANESH:** I was saying that Pay Commission in its report on the second interim relief and the first interim relief has laid down a procedure for consideration of payment of further interim relief which they would consider when the average reaches 238. That is the position.

**SHRI INDRAJIT GUPTA:** It is no question of interim relief. It is the question of DA.

**SHRI S. M. BANERJEE:** May I seek your protection? I quoted from the press reports that it has reached 238. It has also said that the Cabinet has taken a decision that it will not be referred back to the Pay Commission. How does the Pay Commission come into the picture? If it has reached 238, they may say, 'Yes, it has reached 238'. Why should the Government employees be deprived of this benefit?

**SHRI A. P. SHARMA:** If it has reached 238, what is the difficulty in granting further DA?

**SHRI JYOTIRMOY BOSU:** The Government is showing no sincerity.

**SHRI SHYAMNANDAN MISHRA (Begusarai):** The one point about which we ought to be informed is whether the Government thinks that it has reached 238 or not. It is about that we want to know.

**MR. SPEAKER:** Mr. Ganesh, if you have got the information, please give it.

**SHRI K. R. GANESH:** I have not got the official figure of 238 now.

**SHRI JYOTIRMOY BOSU:** How evasive!

**SHRI S. M. BANERJEE:** About the bonus?

**SHRI RAJ BAHADUR:** About the drought in Bihar, drought situation was discussed in this House and I think the House has hardly any time for it now to discuss is once again.

About Bangla Desh recognition and other matters the House will be taken into confidence at the appropriate time.

11.20 hrs.

**PRESIDENTIAL AND VICE-PRESIDENTIAL ELECTIONS (AMENDMENT) BILL\***

**THE MINISTER OF LAW AND JUSTICE AND PETROLEUM AND CHEMICALS (SHRI H. R. GOKHALE):** I beg to move for leave to introduce a Bill to amend the Presidential and Vice-Presidential Elections Act, 1952.

**MR. SPEAKER:** The question is:

"That leave be granted to introduce a Bill to amend the Presidential and Vice-Presidential Elections Act, 1952."

*The motion was adopted.*

**SHRI H. R. GOKHALE:** I introduce the Bill.

11.22 hrs.

**ADOPTION OF CHILDREN BILL**

**THE MINISTER OF LAW AND JUSTICE AND PETROLEUM AND CHEMICALS (SHRI H. R. GOKHALE):** There are three changes only in the list already circulated. The changes are: Item No. 2, Shri Shiv Kumar Shastri; Item No. 14, Shri Pratap Singh; and Item No. 27, Shri Somchand Solanki: I beg to move:

"That this House do concur in the recommendation of Rajya Sabha that the House do join in the Joint Committee of the Houses on the Bill to provide for the adoption of children and for matters connected therewith, made in the motion adopted by Rajya Sabha at its sitting held on the 1st August, 1972 and communicated to this House on the 2nd August, 1972 and to resolve that the following 30 Members of

15. *Adoption of Children* BHADRA 4, 1994 (SAKA) *Mines and Minerals* 14  
*Bill* (etc. etc.) *Bill*

Lok Sabha be nominated to serve on the said Joint Committee, namely:—Shri S. R. A. S. Appalanaidu, Shri Shiv Kumar Shastri, Shri Lambodar Baliyar, Shri Dharnidhar Basumatari, Shri Shyama Prasanna Bhattacharyya, Shri Amar Nath Chawla, Shri Anant Prasad Dhusia, Shri Varkey George, Smt. Marjorie Godfrey, Shri H. R. Gokhale, Shri Giridhar Gomango, Shri Md. Jamilurrahman, Shri M. R. Lakshminarayanan, Shri Pratap Singh, Shri Mohan Raj, Shri-mati Shakuntala Nayar, Shri Manikrao Palodkar, Shri Krishna Chandra Pandey, Shri Ram Bhagat Paswan, Shri S. B. Patil, Shri K. Kodanda Rami Reddy, Shri N. K. Sanghi, Shri Sakti Kumar Sarkar, Shri Shafquat Jung, Shri Biswanarayan Shastri, Shri Dharamgaj Singh, Shri Somchand Solanki, Shri S. B. Thakre, Shri-mati Bhargavi Thankappan, Shri Niti Raj Singh Chaudhury."

MR. SPEAKER: The question is:

"That this House do concur in the recommendation of Rajya Sabha that the House do join in the Joint Committee of the Houses on the Bill to provide for the adoption of children and for matters connected therewith, made in the motion adopted by Rajya Sabha at its sitting held on the 1st August, 1972 and communicated to this House on the 2nd August, 1972 and do resolve that the following 30 Members of Lok Sabha be nominated to serve on the said Joint Committee, namely:—

Shri S. R. A. S. Appalanaidu, Shri Shiv Kumar Shastri, Shri Lambodar Baliyar, Shri Dharnidhar Basumatari, Shri Shyama Prasanna Bhattacharyya, Shri Amar Nath

Chawla, Shri Anant Prasad Dhusia, Shri Varkey George, Smt. Marjorie Godfrey, Shri H. R. Gokhale, Shri Giridhar Gomango, Shri Md. Jamilurrahman, Shri M. R. Lakshminarayanan, Shri Pratap Singh, Shri Mohan Raj, Shri-mati Shakuntala Nayar, Shri Manikrao Palodkar, Shri Krishna Chandra Pandey, Shri Ram Bhagat Paswan, Shri S. B. Patil, Shri K. Kodanda Rami Reddy, Shri N. K. Sanghi, Shri Sakti Kumar Sarkar, Shri Shafquat Jung, Shri Biswanarayan Shastri, Shri Dharamgaj Singh, Shri Somchand Solanki, Shri S. B. Thakre, Shri-mati Bhargavi Thankappan, Shri Niti Raj Singh Chaudhury.

The motion was adopted.

11.25 hrs.

**MINES AND MINERALS (REGULATION AND DEVELOPMENT) AMENDMENT BILL—Contd.**

MR. SPEAKER: There is none on his feet. Who wants to speak? If nobody wants to speak, the Minister may reply.

SHRI R. N. SHARMA (Dhanbad): I want to speak . . .

MR. SPEAKER: You deserve some punishment! I called twice and there was nobody and I called the Minister. You may speak now.

SHRI R. N. SHARMA: I support the Bill which is already before the House, namely, the Mines and Minerals (Regulation and Development) Amendment Bill. There are some salient features and the Bill is sought to be introduced on the recommendation of the Mineral Advisory Board and also from that of the Ministers of the States concerning mines and geology. This Bill is a welcome Bill. There are of course, so many omissions, even in respect of the recommendations of Mineral Advisory Board. That Advisory

[Shri R. N. Sharma]

Board recommended that there should be ceiling on prospecting and also leases of the mines. But Government in its wisdom has introduced this Bill by keeping almost the same ceiling, that means, for prospecting, from 50 sq. miles they have reduced it to 50 sq. k.m. The recommendation of Mineral Advisory Board was that this should be 25 sq. k.m. and 12 sq. k.m. for some of the minerals. The recommendation is on this issue. It was decided that the ceiling for respective licence in respect of all minerals except coal base metal and bauxite may be kept at 25 sq. k.m. and in respect of coal, base metal and bauxite at 12 sq. k.m. This should have been further reduced. I feel that people in these days are not very much interested in these minerals. The private sector mine-owners are not interested. Private people do not come to the field of mining. Their confidence has been shaken. It is because of the take-over of the mines. Mine owners have started withdrawing from the mining field. They are trying to take out the easiest minerals. They slaughter the mines and they also try to spoils it by exploiting 20 or 25 per cent of minerals and leaving 80 or 75 per cent of minerals.

Sir, this is the fate of the mining industry at present. The coal target of the Government has been fixed for the Fifth Plan at 160 million tonnes. That is not likely to be achieved.

While moving the Bill for consideration yesterday, the Minister said that production has gone up particularly with reference to coal industry. For the last 2 years it has gone down. This is the third year that production has gone down from 78 million tonnes to 72 million tonnes. Last year, in the year 1971, it has gone down to 68 million tonnes. For the past two years it has gone down from 78 million tonnes to 68 million tonnes. The target for Fourth Plan was 100 million tonnes. We are not going to achieve our target because

there is non-cooperation from mine-owners. Not only that, but it is due to, mines and minerals not being removed by Rail from the mining belts also.

Partly, the Government in the Transport Ministry or the Railway Ministry are responsible for not moving these minerals. Instead of the production going up in the Fourth Five Year Plan, we find that there is a steep fall in mineral production all round.

As far as the question of giving lease licences for the minerals is concerned, the target is being reduced only from 10 sq. miles to 10 sq. k.m. I submit that this is also a very big area and when people take such a big area under their possession, they are not in a position to exploit it properly. I can cite many instances in this regard.

In connection with the Mines (Amendment) Bill, the Select Committee Members had visited Kedala and Jharkhand mines in the Hazaribagh district of Bihar and they found that in one lease area, there were 56 blocks, and all those 56 blocks were being operated by 56 managing contractors and those 56 managing contractors were engaging hundreds of other contractors and those hundreds of contractors were again engaging thousands of petty contractors and they were engaging 8000 workers and none of the provisions of the Mines Act were being followed.

So, while granting these leases, care should be taken to see that where the owner or the leaseholder is not in a position to fulfil the obligations under the Mines Act, then such kind of leases should be cancelled, and such kind of owners should not be allowed to continue in the mining industry because they try to exploit the easiest coal and the cheapest coal or the cheapest mineral and they walk out of the industry immediately, leaving the entire field to the mercy of the future developing authority, and sometimes it is not developed also.

Government are going to take power in regard to the taking over of these mines and minerals in consultation with the State Government. They want to consult the State Government while taking over minerals other than minor minerals, but they do not want to take the same power and they want to leave the State Government free while dealing with the minor minerals.

Sometimes, it so happens that minor minerals come badly in the way of the development of other minerals. So, the coal industry is at present suffering from the lack of supply of sand, because they are not getting enough sand. Sand is under the control of the State Government and the State Government gives lease to the private owners who just come in the way and keep their own terms and conditions with the people who take sand from the river belts. So, care should be taken that just as while dealing with minerals other than minor minerals, the Central Government will consult the State Government, likewise, the State Government also should consult the Central Government. It should be provided under section 4A(2), the State Government should take over those minerals also in consultation with the Central Government.

The third thing which I want to point out is this. The recommendation of the Mineral Advisory Board is that the penal provisions should be made more stringent. If you, however, look at clause 12 in the new Bill you will find that it is exactly the same as clause 21 of the old Act, and there is no difference at all. The provision for six months' imprisonment or Rs. 1,000 fine is also here in this new Bill. These people who may not compare the old Bill with the new Bill may be satisfied that some stringent punishment is being provided. But that is not really the position. The same provision which was there before is there in this Bill also.

These are a few suggestions to which I would like to invite the attention of the hon. Minister. During the second reading stage, I am going to move certain amendments on this basis, and I hope that Government

will accept them. Firstly, they should reduce the prospecting licence period, then secondly, they should reduce the lease area, and thirdly, they should also enhance the punishment provided under the penal provisions.

With these observations, I support the Bill.

श्री कमल मिश्र मधुकर (केसरिया) : अध्यक्ष जी, समय आ गया है जबकि मंत्री जी को चाहिये कि माइनिंग इन्डस्ट्री में किसी भी प्राइवेट इंडिविजुअल को आगे लीज न दी जाये। माइनिंग इन्डस्ट्री की जो स्थिति है उस पर विचार करने से बिल्कुल साफ लगता है कि जो उद्देश्य आपने नामने रखा है उसकी पूर्ति वह बिल्कुल नहीं करता है। जहाँ तक बिहार का सम्बन्ध है, वहाँ खान उद्योग के जो व्यक्तिगत उद्योगपति हैं उनकी स्थिति यह है कि वे न तो उत्पादन के दृष्टिकोण से और न ही श्रमिकों के कानूनों का पालन करने के दृष्टिकोण से कोई काम करते हैं जिसके कारण वहाँ का खनन उद्योग ऐसी स्थिति में पहुँच गया है कि वे किसी तरह से भी उपयोगी नहीं रह गए हैं। अब यह आवश्यक हो गया है कि खनन उद्योग को उनकी व्यक्तिगत सम्पत्ति के रूप में या उनके अधिकार में न रखा जाय और न उनको लीज दी जाये। आज बिहार में यह हो रहा है कि श्रमिकों के लिये जो कानून केन्द्रीय सरकार के और राज्य सरकार के बने हैं उनका कोई पालन नहीं किया जाता है। तीन दिन के बाद ही श्रमिक का नाम और उसके पिता का नाम बदल दिया जाता है। जो रजिस्टर वे बनाते हैं उसमें श्रमिकों के नाम हर दिन बदल दिए जाते हैं ताकि कोई श्रमिक परमानेंट एम्प्लॉई न हो सके और उसको किसी प्रकार के बेंनिफिट्स न मिल सकें। यह एक ऐसा जघन्य अपराध है जोकि इस सन् 1972 में सोचा भी नहीं जा सकता है कि वह



[श्री कमल मिश्र मधुार]

देश में ऐसा भी होता है। जहाँ तक प्राविडेंट फंड का सवाल है, उसके भी करोड़ों रुपए बकाया है जिनका भुगतान नहीं किया जा रहा है। इसी तरह से राज्य सरकार की जो रायल्टी है वह भी बकाया है, उसका भी भुगतान नहीं किया जा रहा है।

इसके प्रतिरिक्त खनन उद्योग में एक विशेषता होती है कि जितना ही गहराई में जाते हैं उतना ही प्रोडक्शन बढ़ता जाता है लेकिन आज स्थिति यह है कि यद्यपि खानें अधिक गहराई तक पहुंच चुकी हैं लेकिन उद्योगपति कोई इन्वेस्टमेंट नहीं करना चाहते हैं कोई आधुनिकीकरण नहीं करना चाहते हैं। नतीजा यह है कि जिन खानों में अधिक मुनाफा होना चाहिये अधिक उत्पादन होना चाहिये उसके बजाये घाटे का सवाल है, प्रोडक्शन घटता जाता है, अमिक नियमों का पालन नहीं होता है। मतलब यह कि सही मानों में खनन उद्योग का कोई लाभ नहीं हो रहा है। आज इस देश में खनिज पदार्थों के उत्पादन को बढ़ाने के लिये नहीं बल्कि उसकी जगह पर खान मालिकों की सेवा करने के कानून बन जाते हैं। परिणाम क्या होता है? मैं आपको बताता हूँ कि एन सी० डी० सी० की बगल में बर्न कम्पनी की खान है, दोनों मिले हुए हैं और बर्न कम्पनी एन० सी० डी० सी० की खान का उपयोग कर रही है और अधिकारी बैठे रहते हैं। आप पता लगाइये कि यह बात सच है या नहीं वैसे ही राय बल्लभ सिंह की कोलियरी है हजारीबाग में, उनके पास कोई लीज नहीं है, कोई कानूनी अधिकार नहीं है लेकिन कोयला निकाल रहे हैं आपकी आंखों के सामने हो रहा है, आपके अधिकारियों के सामने हो रहा है लेकिन कोई भी कार्यवाही नहीं हो रही है। यह क्या है? यह बताता है कि खान मालिकों की आप सेवा करते हैं और दूसरी तरफ अपने देश की जो सेवा होनी चाहिये उस को आप भूल जाते हैं। नतीजा यह होता है कि खान का विकास, उस का आधुनिकीकरण एक

जात है और मजदूरों में जो यह प्रेरणा घानी चाहिये कि यह राष्ट्र का काम है, वह प्रेरणा भी नहीं आ पाती है।

जाहिर बात है कि एन० सी० डी० सी० ने सुधार किया है, उस का हम स्वागत करते हैं। लेकिन जो प्राइवेट कोलियरीज हैं वे सारे नियमों का पालन नहीं करती हैं, एक तरह से मंगल राज्य चल रहा है। न उत्पादन के लिहाज से और न श्रम कानून के लिहाज से आज उन की कोई उपयोगिता रह गयी है। इसलिए हम चाहते हैं कि खानों को निजी व्यक्तियों को न दिया जाय। जो नियम बनाये जाते हैं उन की अवहेलना की जाती है, चोरी करते हैं। मैं आपको बताऊँ कि बर्ड कम्पनी में 50,000 टन कोयला बाहर निकला हुआ था, वहां पर भ्राम लग गयी और मजदूरों ने कहा कि हम भ्राम बुझाने के लिये तैयार हैं, लेकिन कम्पनी ने नहीं बुझाने दी और 50,000 टन कोयला जल कर बरबाद हो गया। यह राष्ट्र की शक्ति नहीं तो और क्या है। कम्पनी का कुछ नुकसान नहीं हुआ क्योंकि उन का माल तो इन्वोर्ड होता है। तो नैतिकता यह नहीं कहती कि राष्ट्रद्रोह करने वालों को प्रोत्साहन दीजिए। इसलिये मैं इन के पक्ष में नहीं हूँ कि फिर से कम्पनियों को नये किस्म का लीज दिया जाय।

इस बिल में आप ने खान में सीमा सीलिंग तय करने की बात की है, 50 स्क्वायर किलोमीटर की बात है। माननीय शर्मा जी को, जो अभी बोल रहे थे, मालूम है कि 50 स्क्वायर किलोमीटर का मतलब यह हुआ कि बोकारो और झरिया जैसी खानों का इलाका पूरा उस सीमा के अन्दर आ जाता है वैसे ही हजारीबाग का इलाका लिया जाय तो इस सीमा के अन्दर बहुत सी कोलियरीज आ जाती हैं। अब यदि सीमा कम की जाय तो छोटी सीमा में खानों का विकास नहीं हो पायेगा। इसलिये मेरी राय में सीमा का कोई प्रश्न नहीं उठता। और अगर आप इसे पैमाने पर सीमा

तय करते हैं, तो खानों को निजी व्यक्तियों को न दिया जाय क्यों कि वे ठीक ढंग से काम नहीं करते हैं जिसके परिणाम स्वरूप राष्ट्रीय क्षति होती है। इसलिये खानों का राष्ट्रीयकरण किया जाय।

आपने इस बिल के अन्दर 6 महीने का समय दिया है, यह कानून बनेगा, उस के नियम बनेंगे उस के बाद यह लागू होगा। आप जानते हैं कि कोकिंग कोल माइन्स के टेक ओवर के समय तमाम मालिकों ने खानों की सम्पत्ति को चुराया और क्षति पहुँचायी। इस अनुभव के बाद भी इतना समय देना भी समझता हूँ गलत है। यह किस राष्ट्रीय व मजदूर वर्ग के प्रेम के आधार पर है, मेरी समझ में नहीं आता। इस लिये इस समय को कम करना चाहिये। मेरा सुझाव है कि 3 महीने से अधिक समय नहीं लेना चाहिये और जल्दी से जल्दी नियम बना कर उन को लागू करने की दिशा से कदम उठाये जायें।

ज्योलाजिकल इन्वेस्टीगेशन के सम्बन्ध में आप ने क्रौप डेमेज के बारे में भी इस बिल में कहा है। अक्सर ऐसा होता है कि छोटे लोग फस जाते हैं, इसलिये मैं चाहूँगा कि छोटे लोगों को फसल काटने का समय मिलना चाहिये। और अगर यह सम्भव न हो तो कोई ऐसी व्यवस्था कीजिये जिस के जरिये उन को नुकसान न उठाना पड़े। खान उद्योग ने लगातार 25 वर्ष से, और उस से भी पहले से, जो अन्धाय किया है उस के लिये पहले कोई सजा नहीं होती थी अब आपने 6 महीने की सजा की व्यवस्था की है और 1,000 रु० के जुर्माने की भी व्यवस्था है। मेरी राय में यह जुर्माना कुछ नहीं है क्योंकि जहाँ वे लाखों रुपया गलत काम कर के कमा रहे हैं उस में से 1,000 रु० जुर्माना दे कर वह अपना पिंड छुड़ा लेंगे और फिर आगे वही गलत काम करेंगे। इसलिये आम सजा बढ़ाइये और बजाय 6 महीने के 2 साल की सजा रखिये क्योंकि उद्योगपति सजा से बहुत डरते हैं, जुर्माने से नहीं डरते।

अब समय आ गया है कि आप तमाम खान उद्योगों का राष्ट्रीयकरण कीजिये और नये ढंग से आधुनिक ढंग से खानों का विकास कीजिये खनिज पदार्थों का विकास कीजिए और ऐसे कानून बनाइये जिससे श्रमिकों को प्रेरणा मिले कि वे राष्ट्र हित में काम कर रहे हैं।

श्री श्रीकिशन मोदी (सीकर) : अध्यक्ष महोदय, मुझे बताया गया था कि मेरा नाम बोलने के लिये दिया गया है, लेकिन मुझे बोलने का अभी अवसर नहीं मिल पाया है। मैं उस समय उपस्थित नहीं था।

अध्यक्ष महोदय : मेरे सामने जो सूची है उस में आप के नाम के आगे टिक लगा हुआ है इस से मैं समझा कि आप बोल चुके हैं। लेकिन ठीक है जब आप बोले नहीं हैं, तो बोलिये।

श्री श्रीकिशन मोदी : अध्यक्ष जी, मैं इस बिल का समर्थन करने के लिये खड़ा हुआ हूँ। लेकिन नियमों के बारे में जो मिस अन्डर स्टैंडिंग है उस पर मैं कुछ प्रकाश डालना चाहता हूँ।

अध्यक्ष जी खानों का उद्योग एक ऐसा उद्योग है जो कि बहुत ही कठिन परिश्रम चाहता है, सूक्ष्म-बुद्धि चाहता है और आर्थिक स्थिति बहुत अच्छी चाहता है। इस के साथ ही तकनीक के बगैर खानों का काम नहीं चल सकता है। टेक्नीकल सलाह के बगैर नहीं चल सकता। आप ने देखा है कि बहुत से लोग भारत में खानों का काम करने के लिये तैयार नहीं हैं। इस का कारण यह है कि यह काम एक तरह का गैम्बलिंग समझा गया है। लोग ऐसा समझते हैं कि ओवर बर्डन उठाने के बाद, या बहुत सा पैसा लगाने के बाद ही अगर आदमी की तकदीर अच्छी है तो इस काम में कामयाब हो पाता है वरना नहीं। इसलिये 1948 के अन्दर यह कानून बना और 1949 के अन्दर मिनरल कन्सेशन एक्ट बनाये गये, और यह तय किया गया कि कुछ रिवायतें दी जायें जिस से यह उद्योग बढ़े। यह तय किया गया कि मान-मैटलिक आइन्स का सीड 2७ लाख का हो और मैटल माइन्स का सीड २५ लाख का

[श्री श्रीकिशन भोदी]

हो। इस का कारण यह था कि ग्रन्डर-माउन्ड माईन्स के ग्रन्डर तीन, चार साल तक प्रोबेर बर्डन उठाने के बाद शैफ्ट बैठायी जाती है और प्रोडिक्ट्स होते हैं। जिस के मुताबिक 15 परसेंट माल ठेकेदार के कब्जे में आता है और 85 परसेंट माल प्रोडिक्ट्स में रिजर्व में रहता है, और जब उस खान को बन्द करते हैं, जैसी उस की स्थिति होती है तभी वह था न निकाल सकता है वरना तब तक वह माल नहीं निकाल सकता है। इसलिये यह कसेशन रूल्स बनाये गये और उन को बड़े बड़े लीज देने का प्रावधान किया गया।

यह बात सही है कि कुछ लोगो ने मिनरल कसेशन रूल्स का नाजायज फायदा उठाया है, कुछ लोगो ने इस को मोनोपलाइज किया, और कुछ लोगो ने ऐसा किया कि कुछ खानो के ठेके ले कर उन को प्राइविल कर दिया। कुछ लोगो ने मिनरल कसेशन रूल्स के तहत काम भी नहीं किया। लेकिन अगर इमानदारी से काम करते तो यह बात सही है कि कानून के मुताबिक काम वाला ठेकेदार कभी भी गलत नहीं जा सकता। उस के ग्रन्डर लेबर रूल्स भी हैं, खानो के रूल्स भी हैं, और उन की समय समय पर बराबर चैकिंग की जाती है। यह दूसरी बात है कि गलत काम भी होते हैं और सही काम भी होते हैं। लेकिन जहा तक रूल्स का सवाल है, वह ठीक है और उन के मुताबिक काम करने वाले के लिये बहुत ही अच्छा उत्पादन हो सकता है। 1960 और 1971 के आकड़ो को जब हम देखते हैं तो ऐसा मालूम पड़ता है कि बहुत ज्यादा तरकीबी नहीं हो पायी, ज्यादा मिनरल्स का उत्पादन नहीं हो पाया। यह मैं नान-मेटलिक मिनरल्स की बात कर रहा हूँ।

नान-मेटलिक मिनरल्स में माइका का प्रोडक्शन कम् 1960 और 1971 के बीच में 60 परसेंट गिरा है। सिल्वेनाइट का प्रोडक्शन 60 गिरा है, जब कि जो और अच्छे मिनरल्स हैं उन की प्राइज पांच साल के ग्रन्डर 100 परसेंट से भी बढ़ाया गयी है। इन सब बातों को देखने से पता

चलता है कि हिन्दुस्तान में मिनरल्स का प्रोडक्शन बहुत ज्यादा बढ़ नहीं पाया है।

मैं कहना चाहता हूँ कि यदि कोई भी मिनरल किसी इंडस्ट्री में रा मैटीरियल के रूप में प्रावधान है तो अगर उस मिनरल का उत्पादन किये हुए इंडस्ट्रियलाइजेशन नहीं हो सकता। अगर हम को इंडस्ट्री को बढ़ाना है तो हम को मिनरल्स उत्पादन अच्छी तरह से करना होगा। बिना इस के इंडस्ट्री बढ़ नहीं सकेगी। इस कारण यह जो बिल लाया गया है उस में कोई खराबी नहीं है, लेकिन इसके बारे में मुझे दो तीन शक़ायें हैं जिन के बारे में मैं कुछ कहना चाहता हूँ।

एक तो इस बिल के कानून बन जाने के बाद माइन-ग्रोनर्स में एक अनिश्चितता आ जायेगी कि पता नहीं कब उन की माइन को गवर्नमेंट ले ले। मन् 1957 के ऐक्ट में यह था कि अगर कोई माइन ग्रोनर अग्रेन्ट रूल्स काम करेगा, डिस्कवालिफिकेशन वाला होगा या ड्यूज नहीं देता है उस की माइन ले ली जायेगी। लेकिन इस बिल के ग्रन्डर सब को बराबर कर दिया गया है। जो ग्रोनर माइन्स को अच्छी तरह चलाता है, कायदे कानून के ग्रन्डर काम करता है, प्रोडक्शन बढ़ाता है उस को इन्नोर कर दिया गया है। उस को भी जो माइनर मिसमैनेज करता है या डिस्कवालिफाइड है उस के बराबर कर दिया गया है। इस बिल से जो इमिडिएट असर होगा वह यह, जैसा मेरे भाई श्री शर्मा ने अभी बताया, कि जो कर्टेक्टर इस काम में लग हुए हैं वह जल्दी से जल्दी कोयला निकालेंगे, क्रूड कोल भी निकाल लेंगे लेकिन माइन का डेवेलप करने की बात नहीं करेंगे। माइन का डेवेलपमेंट तो एक लम्बे अर्स की स्कीम के बाव हो सकता है, वह इमिडिएट नहीं हो सकता है। आज माइन ग्रोनर अपनी मशीनरी बेचने लगे हैं क्योंकि इस के कि माइन्स का डेवेलपमेंट करें। इस लिये कोयले का उत्पादन भले ही सप्ताह को साल ज्यादा हो जाये, लेकिन भविष्य में हमें वाला नहीं है। उस में गिरावट आयेगी।

मैं मंत्री महोदय से निवेदन करना चाहता हूँ कि इन माइन्स के मुताबिक एक की एक

साफ स्पेप लेना चाहिये। जिस मिनरल को उन को लेना हो उस को तुरन्त ले लें, लेकिन जिस का निशानलाइजेशन नहीं करना है उस के बारे में स्पष्ट रूप से घोषित कर दें कि हमें उस में कोई इंटेरेस्ट नहीं है। हम माइन्स के लिये कोई भी कानून बनायें लेकिन कम से कम अनिश्चितता दूर करें करना मिनरल्स का प्रोटेक्शन गिरगा।

इस बिल के सन्दर्भ में मैं एक बात खास तौर से कहना चाहता हूँ कि राजस्थान हमेशा से मिनरल्स के बारे में एक क्रान्तिकारी स्टेट रही है और उस ने बड़े स्ट्रांग कायदे कानून शुरू से बनाये हैं जिस से मिनरल्स का डेवेलपमेंट हो। हम ने छोटी छोटी माइन्स की लीज देने के वकत स्पेशल क्लाइम में शर्तें रखी थीं कि माइन ओनर को इंडस्ट्री लगानी पड़ेगी तभी लाइसेंस सेंक्शन किया जायेगा। उद्योगों को स्पेशल कंडिशनस लगा कर प्रोटेक्शन दिया गया। मैं मंत्री महोदय से पूछना चाहता हूँ कि उन कारखानों का क्या होगा जो माइन्स पर लगे हुए हैं या जो कारखाने स्माल स्केल इंडस्ट्रीज के हैं उन कारखानों के लिये कोई भी प्रोटेक्शन नहीं है। मैं मानता हूँ कि आप उन को लेना नहीं चाहते, आप उन को खत्म नहीं करना चाहते, आप गवर्नमेंट इंटेरेस्ट में काम कर रहे हैं, लेकिन मैं निवेदन कर रहा हूँ कि आखिर उन के लिये कानूनी प्रोटेक्शन क्या हुआ? इस लिये मैंने ग्रमैंडमेंट रखा है उन इंडस्ट्रीज को प्रोटेक्शन देने के लिये जो गवर्नमेंट द्वारा शर्तें लगाने के कारण खोली गई हैं? उन को प्रोटेक्शन देने के लिये आप मेरे ग्रमैंडमेंट को अंगूर करें और उन खनिजों को व में जिन के कारखाने सिर्फ माइन हेड्स पर लगे हुए हैं और जो गवर्नमेंट की पाबन्दी के कारण खोले गये हैं। जिन के ऊपर ऐग्रिमेंट में शर्तें लगाई गई हैं उनकी अनिश्चितता को आप दूर करें और उन की बढ़ोतरी के लिये आप कोई ठोस कदम उठावें।

दूसरा ग्रमैंडमेंट आप यह कर दें कि आफ्टर नेसेसरी एम्बायरी अगर कोई माइन ओनर मिल-मैनेज करता पाया जाय या डिफाल्टर हो तो उस को काम अनिश्चितता फैसल कर दी जाय। जो

यह ग्रमैंडमेंट मैं में पेश किया है वह बहुत जायज है क्योंकि मिनरल इंडस्ट्री में अगर ऐसा नहीं किया जायेगा तो वह कोई खास भागे जाने वाली नहीं है।

मैं 4(ए) (2) के बारे में कहना चाहता हूँ कि माइनर मिनरल्स को खत्म करने के लिये आप ने स्टेट गवर्नमेंट को जो अधिकार दिया है वह क्लाइम बेकार सा है। माइनर मिनरल्स के लिये पांच साल से ज्यादा की लीज नहीं दी जाती। राजस्थान में 10 से 20 हजार तक खाने हैं, जिन में से एक परसेंट ऐसी हैं जिन की लीज का पांच या सात साल का कंट्रैक्ट है, वरना सब के लिये एक साल की लीज दी गई है। अगर एक एक साल की लीज वालों को सरकार खत्म करेगी तो उन में एक अनिश्चितता आयेगी। मैं निवेदन करना चाहता हूँ कि हमारे देश में माइनर मिनरल्स ज्यादातर राजस्थान में हैं। वहां मजदूरों को कंट्रैक्ट दिये गये हैं 25 रुपये साहवार और रेंट कम रायल्टी बसिस पर ठेके दिये गये हैं। यह लोग वर्षों से काम करते आये हैं। इस तरह से उन में भी अनिश्चितता आ आयेगी और उन की फ्रीडम चली जायेगी। इस से उन की वोटिंग पावर और फ्रीडम खतरे में पड़ती है। इस लिये माइनर मिनरल्स में मजदूरों को कंट्रैक्ट दिये हुए हैं और जो वर्षों से काम करते चले आ रहे हैं उन के अन्दर आप निश्चितता लाइये और कहिये कि आप उन के हकूक के अन्दर दखल नहीं देंगे।

अभी मेरे एक भाई ने बतलाया कि सी एल टी को इस विधेयक में 50 किलो मीटर रक्खा गया है। मैं उनसे निवेदन करना चाहता हूँ कि प्रास्पेक्टिंग लाइसेंस तो गवर्नमेंट के फेवर में है। प्रास्पेक्टिंग लाइसेंस के अन्दर फीज जमा करनी होती है बहुत लम्बी तादाद में। माइनर मिनरल वाला कोई उस को दे नहीं सकता है। उस को कोई राइट नहीं बनता है। अगर कहीं किसी एरिया की प्रास्पेक्टिंग होती है तो उस से सरकार को आनकारी मिलती है। मेरा निवेदन है कि प्रास्पेक्टिंग लाइ

[श्री श्रीकृष्ण मोदी]

संस में मिनरल लीजेंस के सम्बन्ध में मिनरल ऐडवाइजरी बोर्ड से सलाह ली जाये वह यह सलाह टेक्निकल प्वाइंट आफ व्यू से होगी। माइनिंग का काम टेक्निकल हैड जो बतलाये उस के मुताबिक करना चाहिये।

अन्त में यही कह कर समाप्त करूंगा कि जिया-लोजिकल सर्वे का जो प्वाइंट दिया है वह बहुत अच्छा है। उस में मैं सिर्फ यह निवेदन करना चाहूंगा कि प्राइवेट सेक्टर में जिस जगह वे लोग सर्वे कर सकें उन्हें उस की इजाजत दी जाये, लेकिन जो बकिंग कंसेज हैं उन में इजाजत न दी जाये। अगर बकिंग कंसेज में इंटरफिअरेंस करायेंगे तो काम बन्द हो जायेगा, वह घागे नहीं चलाये जा सकेंगे।

दूसरा निवेदन यह करना चाहता हूँ कि आप ने लिखा है कि सारा खर्च गवर्नमेंट उठायेगी। उस के लिये मैं ने एक तरफीय दी है। उस में करप्शन होने का बहुत ज़्यादा अन्देश रहेगा प्राइवेट फोनर्स जियालोजिकल सर्वे विभाग से अपना सर्वे कराने की कोशिश करेंगे। जियालोजिकल सर्वे वहां पर काम करेगा बकिंग कंसेज में उस का ऐडवाइज कंट्रोल को मिलेगा। इस लिये सर्वे का सारा खर्च अथवा उस का खास परसेंटेज कंट्रोलर से अवश्य लेना चाहिये।

अध्यक्ष महोदय : जो लोग पहले बोल चुके हैं या घागे बोले उन के लिये आप लोग मेरे भाई या मेरे साथी न कहें। आप को पार्लियामेंट में धानरेवल मेम्बर या माननीय सदस्य कहना चाहिये। पब्लिक जल्से की तरह पर नहीं कहना चाहिये।

SHRI SHRIKRISHAN MODI :  
Please excuse me; in future I shall be very careful about it.

अध्यक्ष महोदय : मैं आप के लिये ही नहीं, सब के लिये कह रहा हूँ।

\*SHRI J. MATHA GOWDER (Nilgiris): Mr. Speaker, Sir, on behalf of my party, the Dravida Munnetra Kazhagam, I would like to say a

few words on The Mines and Minerals (Regulation and Development) Amendment Bill, 1972.

Though this is a good legislative measure, this has been belatedly brought before this House. I do not understand the attitude of the Central Government to procrastinate the passing of such good measures. There should be delay in bringing before this House such constructive measures.

In this Bill it is proposed that the prospecting licence will be restricted to fifty square kilometres. It is very good. But, what happens to the existing licences for more than 50 square kilometres? Will those licences be repealed or will they be allowed to continue? Nothing has been mentioned in this Bill about such licences which are already in force. I would like the hon. Minister to clarify this point.

For mineral development the Central Government had invested Rs. 1.06 crores in the First Five Year Plan; in the Second Plan the investment was Rs. 73 crores, in the Third Plan Rs. 282.6 crores and in the Fourth Plan the outlay is Rs. 510 crores.

The share of minerals in the national income is Rs. 470 crores during the First Plan, Rs. 688 crores in the II Plan, Rs. 969 crores in the III Plan and during 1967-68 to 1971-72 it is Rs. 1,624 crores. In spite of the fact that so much money has been invested in mineral development, the production of certain minerals has come down in recent years. I would like to request the hon. Minister to go into this question and take remedial measures.

12 hrs.

While in 1960 the production of mica was 29,000 tonnes, in 1970 it had come down to 16,000 tonnes. The production of lead concentrate was 6,000 tonnes in 1960 and it has dropped down to 4,000 tonnes in 1970. In 1969, the quantity of gypsum produced was 9,97,000 tonnes and in 1970

\*The original speech was delivered in Tamil.

the production of gypsum came down to 9,15,000 tonnes. Similarly, the production of gold, which has a significant share in our national wealth, was 5,000 kg. in 1960 and in 1970 the production was 3,000 kg. Only in the case of Manganese ore, the production has gone up to 17 lakh tonnes in 1970 from 15 lakh tonnes in 1960.

During the course of a decade, the production of such important minerals has dropped down considerably. The principal reason for less production is due to the defective industrial policy resolution of the Central Government and the desire on the part of Central Government to concentrate everything in their hands. If the exploitation of minerals had been entrusted to the State Governments, the production would have definitely gone up. But the Central Government have no desire to decentralise the powers which are concentrated in their hands. This has contributed to the reduced production in these minerals. The number of mine workers has also gone up from 54,000 in 1956 to 1,77,000 in 1969. In spite of that, the production, instead of increasing, has decreased.

Though the Government have spent crores of rupees in scientific development, the export performance in these minerals is not satisfactory. In 1955-56, the export of mica was of the value of Rs. 8.4 crores and in 1969-70 Rs. 11.4 crores. The value of manganese ore exported in 1955-56 was Rs. 10.7 crores and in 1970-71 it had come down to Rs. 10.5 crores. In the case of iron ore, from Rs. 6.3 crores in 1955-56, the export value rose to Rs. 86.1 crores.

You know, sir, that the demand for steel products inside the country has grown up very much and the Government are not able to meet the entire indigenous demand, which in consequence has shot up the price of steel products. Though the Government may earn increased foreign exchange through the export of iron ore, is that going to help in meeting the indigenous demand for steel products? Is that going to help in reducing the prices of steel products? What is the use of increasing the

export of iron ore, when the Government are unable to control the prices of steel products and when they are not able to meet in full the country's demand for steel products? I would request the hon. Minister to look into this question.

Since the coking coal mines were not being operated properly and profitably, the Government nationalised them only recently. Here also, the parent Act was passed in 1957 and during the past 14 years, since the mine-owners did not care to exploit the minerals in the interest of the nation, since the mine-owners did not take interest in the welfare of mine-workers, the Government have come forward with this half-hearted amending measure. I do not understand the hesitancy on the part of the Government to nationalise these mines so that the minerals can be exploited for the good of the national and not for the good of a few people. I would suggest that the Government should nationalise the exploitation of mineral wealth in the country and also the mines which are under exploitation.

For example, a Survey Report says that gypsum is available in plenty in Chingleput district of Tamil Nadu. Likewise, the State Government in conjunction with U.N.D.P. experts is working on the survey of minerals available in many parts of Tamil Nadu. It is hoped that a mini-Bihar will come up in Tamil Nadu as the U.N.D.P. experts are very hopeful of locating huge deposits of minerals in the State.

I would appeal to the Central Government that they should also take energetic and effective steps in exploiting the mineral wealth in the State. I am constrained to say that the Central Government have been showing partisan attitude towards the Neiveli Lignite Project. On account of defective and worn-out machinery, the lignite production has been going down year after year. The Central Government have not taken any interest in replacing them. The second mine-cut in the Neiveli Project has not yet been started. Though we have made repeated re-

quests to the Centre in this respect, no concrete action has yet been taken. I would appeal to the hon. Minister to look into these questions and do the needful.

Sir, we are also entirely dependent on the depleting gold reserves in the Kolar Mines in Mysore State. The working of these Gold mines has also not proved to be profitable. I am sorry to state that the Government have not taken steps to survey the availability of gold deposits in other parts of the country. During British regime, gold was found in Nilgiris, which is my constituency. Even after 25 years of our Independence, the Central Government have not thought it proper to order for the survey of my Constituency, the Nilgiris, so that the availability of gold there can be confirmed and later exploited. I am unable to appreciate the callous attitude of the Central Government in regard to the exploitation of mineral wealth available in southern parts of our country. I would say that the Central Government, instead of engaging themselves in unproductive activities, should take greater interest in such productive ventures in the interest of the nation.

MR. SPEAKER: Mr. Gowder, this is not a general debate on mines, minerals and exploitation of minerals. The Bill has got certain specific provisions. Please try to be brief, as the time fixed for this Bill is only one hour.

SHRI J. MATHA GOWDER: I would request the hon. Minister to nationalise the existing mines and also reserve for public sector the exploitation of minerals in the country. The hon. Minister of Steel hails from Tamil Nadu and without any reservation, I hope, he will show greater interest in exploiting the mineral wealth of southern parts of our country, more particularly in Tamil Nadu.

I support this Bill, though this has been belatedly brought before this House.

With these words, I conclude.

प्रध्मश्र महोदय : श्री दामोदर पांडे । क्या घाघ की भी कोई सोने की खान है ?

श्री दामोदर पांडे (हजारीबाग) : प्रध्मश्र महोदय, जितने माननीय सदस्य बैठे हुए हैं, उन सब की कांस्टीट्यूएन्सीज की तुलना में सब से ज्यादा खदानें मेरी कांस्टीट्यूएन्सी में हैं ।

जो बिल सदन के सामने उपस्थित हुआ है, मैं तहेदिल से उस का समर्थन करता हूँ । हालांकि देर से ही सही, लेकिन यह सही दिशा में एक अच्छा कदम है । इस से भविष्य में खदान उद्योग को बढ़ाने में काफी हद तक सफलता मिल सकेगी, ऐसी हमारी आशा है और इस लिए मैं इसका समर्थन करता हूँ ।

जो माननीय सदस्य अभी एक्सपोर्ट और मिनरल बेस्ड इंडस्ट्री के सम्बन्ध में, जो हमेशा नीचे जा रही है, बात कर रहे थे, मेरा खयाल है कि बहुत कुछ तो वह बिना जानकारी के कह रहे थे और उन को सही स्थिति की जानकारी नहीं है ।

हमारे यहां से जो मिनरलज बाहर भेजे जाते हैं उन में से माइका की स्थिति यह है कि उस के विषय में हमारी बल्ड मानोपली है । संसार का 80 प्रतिशत माइका हम पैदा करते हैं और जो हम पैदा करते हैं, उस में से करीब 90 प्रतिशत विदेशों में भेजा जाता है और हम केवल 10 प्रतिशत इस्तेमाल करते हैं । यह बहुत कुछ बाजार की स्थिति पर निर्भर है कि हम कितना माइका पैदा कर सकते हैं और उस की स्थिति यह है कि अब माइका का सप्टीट्यूट निकल रहा है । इस लिए अगर उस के प्राबन्धन में थोड़ी खामी आती है, तो कोई बहुत एलामिस्ट एटीट्यूड लेने की बात नहीं है । ऐसी बात नहीं है कि मिनरलज (डेवेलपमेंट एंड रेगुलेशन) एक्ट में कोई खामी रही हो । जहां तक इस कानून का सवाल है, माइका उद्योग में इस का उल्लंघन शायद सब से कम होता है । मंत्री महोदय ने अपने भाषण में कहा है कि हम इस उद्योग को और तरक्की देने के लिए यह बिल पेश

कर रहे हैं। इस लिए कुछ हद तक तो हमें यह विचार करना पड़ेगा कि भविष्य में हम क्या करना चाहते हैं।

इस बिल का एक मकसद तो यह है कि जो गलत ढंग से, अनैथानाईड, माइनिंग हो रहा है, उस को रोका जाये। खासकर मेरे इलाके में तो घड़ल्ले से जहाँ जिस का मन आता है, कोई कोयला निकालना शुरू कर देता है और फ्रेन्सफर या फायरक्ले निकालना शुरू कर देता है। कोई लीज नहीं है और कोई रायल्टी नहीं देता है। जो भी चाहे, वह एक दिन में माइन आनर बन जाता है। माइनिंग एडवाइजरी बोर्ड में इस बारे में चर्चा हुई थी और यह कहा गया था कि इस तरह के जो अनैथानाईड लागू कभी कानून की परवाह नहीं करते हैं, उन को कड़ी से कड़ी मजा देने की व्यवस्था की जाये। बर्दाकस्मती में इस बिल में इसका प्रावधान नहीं है। उस में यह कहा गया था कि कैद या फाइन की मजा न रख कर कैद और फाइन दोनों रखे जाये, तभी हमें कुछ सफलता मिल सकती है। मुझे आशा है कि मंत्री महोदय इस सम्बन्ध में फिर से विचार करेंगे।

**इस्पात और खान मन्त्रालय में राज्य मन्त्री (श्री शाहनवाज खाँ) :** दोनों हैं।

**श्री दामोदर पांडे :** इस में "या" है।

इस में प्राल्टरनेटिव की जरूरत नहीं है।

अगर ऐसा न किया गया तो यह जो माइन-आनर बनने की होड़ लगी हुई है खास कर मेरे इलाके में उसको हम नहीं रोक सकते।

कुछ माइनर मिनरल्स ऐसे हैं, जो मेजर मिनरल्स से सम्बन्धित हैं, जैसे कोयला उद्योग का बालू से बहुत सम्बन्ध है। अगर बालू नहीं मिलेगा तो कोयला उद्योग ठप हो जायेगा क्योंकि बालू को कोयला खान में भरा जाता है। यह देखा गया है कि जहाँ भी बालू की आवश्यकता महसूस की जाती है, वहाँ कुछ तेज दिमाग वाले लोग एक झाल पकड़ जा कर बालू का लीज ले लेते हैं। उन को कोई हर्ड-फटकर नहीं लगती है कोई इन्वैस्टमेंट नहीं करनी पड़ती है। जहाँ काम

शुरू हुआ वहाँ वे मेजर मिनरल्स से, सरकारी उद्योगों में, पैसा बसूल करना शुरू कर देते हैं। दामोदर नदी में बालू की सिर्फ एक ही उपयोगिता है कि वह कोयला खदान में भरा जाता है। बिहार में सिर्फ दो तीन भादमी ऐसे हैं, जिन्होंने पूरी दामोदर नदी के बालू का ठेका ले रखा है। उन्हें कुछ भी नहीं करना पड़ता है। वे सिर्फ पैसा बसूल करते हैं। कानून में यह व्यवस्था होनी चाहिये कि जो मेजर मिनरल्स से सम्बन्धित माइनर मिनरल्स हैं, जिन के बिना मेजर मिनरल्स का काम नहीं चल सकता है, उन को मेजर मिनरल्स की कैटेगरी में रखा जाये। मंत्री महोदय को पता है कि एन० सी० डी० सी० ने बालू के लीज के लिए दरखास्त दी थी, लेकिन उस को लीज नहीं मिल सका। इस समस्या का हल यही है कि उस को मेजर मिनरल्स मान लिया जाये।

यदि हम देश भर में खदान उद्योग का विकास करना चाहते हैं, तो जिस ढंग से हम चल रहे हैं, उस से हम अपने उद्देश्य में सफल नहीं हो सकेंगे। जब हम खदान उत्पादन की बात करते हैं, तो मीथे एक्सपोर्ट की बात आ जाती है। यदि हम खदान के उत्पादन को सिर्फ विदेशों में भेजते रहे, तो फिर अपने देश को क्या मिलेगा? मंत्री महोदय ने पिछली बार कमेटी में कहा था कि राष्ट्रीय धन में खदान उद्योग का योगदान 1960 में 129 करोड़ था, जब कि 1970 में वह 346 करोड़ हो गया है। वह हम से भी ज्यादा हो सकता था।

आज हालत यह है कि पूरे देश में बाक्सटाइट का भंडार है, लेकिन बिजली की कमी है, जिस कि वजह से हम एलुमिनियम नहीं पैदा कर सकते हैं और हमें एलुमिनियम का आयात करना पड़ता है। यह बड़ी खेदजनक बात है। यही स्थिति काइनाइट और सिलिमिनाइट की है। सिलिमिनाइट के विषय में हमारी वर्ल्ड मानो-प्ली है। हम सिलिमिनाइट की इंटें विदेशों से आयात हैं और सिलिमिनाइट विदेशों को भेजते हैं। यह बात मेरी समझ में नहीं आती है।



[श्री रामोदर पांडे]

ऐसी खदानों को किस ढंग से चलाना चाहिए इस पर सरकार को विचार करना चाहिये, लेकिन मेरा ख्याल है कि हमें जल्दी से जल्दी ऐसी व्यवस्था करनी चाहिये कि हम इन खदानों का अधिक से अधिक उपयोग कर सकें। हमारे देश में बाक्साइट की कोई कमी नहीं है। हमें यह व्यवस्था करनी चाहिये कि हम उस का अधिक से अधिक उपयोग कर सकें। हम आयरन और को एक्सपोर्ट करते हैं। कोई वजह नहीं है कि यदि हम स्पाज आयरन बनाकर बेचें, तो कोई खरीदने वाला नहीं मिलेगा। जिस को जरूरत है, उस को लेना पड़ेगा। जो मिनिप्लांट और डूमरे प्लांट खोले जाते हैं, वहा स्क्रैप की आवश्यकता होती है। अगर हम उन को स्पाज आयरन दें, तो उन को अपच नहीं, बल्कि खुशी और तमल्ली होगी। माइनिंग इंडस्ट्री सिर्फ एक्सपोर्ट-ओरियेंटेड नहीं होनी चाहिए। हम को इस दिशा में विचार करना चाहिये कि हमारे पास भगवान की दी हुई यह विशाल और अपार सम्पत्ति है, जिस के उपयोग से हम अपने देश को काफी हद तक विशाल बना सकते हैं। हमें इस बिल के माध्यम से उस दिशा में प्रयास करना चाहिए और अधिक से अधिक उत्पादन कर के उस का सही ढंग से उपयोग करना चाहिये।

अंत में मैं यही कहना चाहता हू कि जो कोयला खदानें हैं खास कर के जिस के बारे में आपने यह नीति तो निर्धारित कर ही ली है कि जो बेसिक मिनरल्स हैं जिन के ऊपर सारे उद्योग घन्घे आधारित हैं और फ्यूएल पालसी में भी आपने मजूर किया है कि कोयले का एक महत्वपूर्ण स्थान है तो कोयला खदानों को प्राइवेट धोनस के हाथ में रहने देना यह बात बहुत कारगर जंचती नहीं है। इन को जितनी जल्दी हो अपने हाथ में ले आएं एक अनिश्चितता का वातावरण बना हुआ है, जिसके कारण कोयला खदान के मालिक पैसा भी इन्वेस्ट नहीं कर रहे हैं और जितना ज्यादा से ज्यादा मुनाफा वह

कमा सकें, कमाने की होड़ लगी हुई है। जितने भी खदान मालिक हैं उन से जब हम बीनस की मांग करते हैं तो रेट फिगर विधाने लगते हैं, कहते हैं कि घाटा हो गया। 4 परसेंट की स्थिति आ गई है। खादिलकर साहब ने 8 परसेंट की बात तो कर दी लेकिन अभी तक कुछ हुआ नहीं है। इसलिए जितनी जल्दी हो सके मजदूरों का ध्यान रख कर इस का राष्ट्रीयकरण करे और उसके लिए जल्दी से जल्दी उपाय होने चाहिए। इसमें कोई ऐसी बात नहीं आनी चाहिए कि आप की कोई व्यक्तिगत नुकताचीनी हो रही है। जैसे एक सदस्य ने यहा कह दिया कि मंत्री महोदय ने तो अपने एक भाई को जिस को डिस्मिस कर दिया था, उसको लाकर एन० सी० डी० सी० का मैनेजिंग डायरेक्टर बना दिया। उन को यह पता नहीं था कि हम कोयला खदान से आने वाले सदस्यगण जो तीन यहा है उन्होंने मिलकर मंत्री महोदय की बिना जानकारी के, जो पहले इसके मंत्री थे उन से निवेदन किया था कि अगर एन० सी० डी० सी० को सुचारु रूप से चलाना चाहते हैं तो कोई दूसरा काम्पेटेड धावमी उस के लिए नहीं होगा, जे० जी० कुमारमंगलम ही उस के चेयरमैन बने। यह जब इस विभाग के मंत्री बने तो इन्होंने तो सिर्फ उस को फालो अप किया है। इस तरह से व्यक्तिगत आलोचना के सिकार होने से डर जाएंगे और उससे डर कर काम करना बन्द कर देंगे, इस विलिफिकेशन से दब जायेंगे कि कहीं कोई व्यक्तिगत आलोचना न करे, इस से डर कर काम करना बन्द कर देंगे तो यह कोई उचित काम नहीं होगा। जो काम हो रहा है उसमें व्यक्तिगत आलोचना से घबराने की कोई बात नहीं है क्योंकि यह आप का कोई व्यक्तिगत काम नहीं है, इसमें आपका कोई व्यक्तिगत स्वार्थ नहीं है। जो भी काम हुआ वह सही दिशा में ही रहा है। इसलिए मेरा ख्याल है कि आप इस खदान के राष्ट्रीयकरण के संबंध में कदम उठावें और जो लीज है 50 स्वॉयर माइल या 15 स्वॉयर माइल के पचड़े में न पड़ कर के सिर्फ एक लीज को सरकार के हाथ में ही, बही करें और उधरे वह

अपनी ग्रंथ व्यवस्था को सुधारने में बहुत कुछ योगदान दे सकते हैं।

श्री ज्ञानेश्वर प्रसाद यादव (बिहार) : अध्यक्ष महोदय, मैं इस माइन्स ऐंड मिनेरल्स संशोधन विधेयक का समर्थन करता हूँ और समर्थन इसलिए भी करता हूँ क्योंकि खनिज और खान के ऊपर हमारे बहुत से मूलभूत उद्योग आधारित हैं और उन उद्योगों का उत्पादन बढ़ाने के लिए आज खानों और खनिज पदार्थों की बहुत आवश्यकता है। इस विधेयक का समर्थन करते हुए मैं आप का ध्यान धारा 4-(क) की ओर आकर्षित करना चाहता हूँ। इसमें कहा गया है :

“जहाँ केन्द्रीय सरकार की राज्य सरकार से परामर्श करने के पश्चात् यह राय है कि खान और खनिजों के विकास के विनियमन के हित में ऐसा करना समीचीन है, वहाँ वह गौण खनिज से भिन्न किसी खनिज से सम्बन्धित खनन पट्टे की समय से पूर्व समाप्ति करने के लिए राज्य सरकार से अनुरोध करेगी. . . .”

और उस के अंत में यह भी लिखा हुआ है कि “जैसा उचित समझे”। मुझे इस बात की आशंका है कि राज्य सरकार कहीं इस अधिनियम के अंतर्गत अपने अधिकारों का दुरुपयोग न करे और इस प्रकार का दुरुपयोग राज्य सरकार बराबर सत्ता के मद में और खान मालिकों से साठ गांठ कर के, उनसे कुछ दूसरे प्रलोभनों में धाकर किया करती है। कुछ बातें ऐसी होती हैं जिनसे मुझे आशंका है कि आप ने उसे यह अधिकार इसलिए दिया कि जैसा उचित समझे जिसका मत होगा उस को समय से पूर्व रद्द कर दिया जायगा। इस प्रकार की व्यवस्था कोकिंग कोल माइन्स एम.जैसे बिल 1971 के संबंध में जो की गई उसके संबंध में मैं कहना चाहता हूँ कि सरकार ने 212 माइन्स को टेक ओवर किया। बिहार में सारी की सारी माइन्स हैं और बंगाल स्टेट की केवल तीन चार माइन्स हैं। अब उसका कौन्सिल राजनीतिक उद्देश्य था। राजनीतिक उद्देश्य से अेरित होकर के ऐसा किया गया था उसमें कोई और ऐसी भावना भी जिसके

कारण इस ढंग की बातें हुईं। इसलिए मुझे आशंका है कि इस अधिनियम में जो इस बात का उल्लेख किया गया है इस का कुछ राजनीतिक उद्देश्य होगा।

दूसरी बात जिस की ओर मैं ध्यान आकर्षित करना चाहता हूँ वह यह है कि एन० सी० डी० सी० के द्वारा आप का यह सब खान का काम चल रहा है, मैं अभी झरिया गया था उस एन० सी० डी० सी० के द्वारा जो पर्याप्त कोल पतरातू और बरोनी में पहुंचना चाहिए था वह पहुंच नहीं पाया जिस के कारण पावर की बहुत कमी हो गई है।

एक माननीय सदस्य : राव साहब को कहिए।

श्री ज्ञानेश्वर प्रसाद यादव : राव साहब को तो कहूंगा लेकिन यह एन० सी० डी० सी० से संबंधित है बिहार सरकार ने लिखा है :

“Patratu is in a position to generate more power and assist D.V.C. and the neighbouring States, provided N.C.D.C. can supply and railways can move an additional 50,000 MT of coal per month. The stock of coal both at Patratu and Barauni is low with 3-5 days stock for consumption.”

यह बिहार सरकार को लेटर नं० 1139 दिनांक 5-8-72 है। इसी प्रकार की स्थिति बोकारो स्टील प्लांट की भी है। बोकारो स्टील प्लांट में कोकिंग कोल की जितनी आवश्यकता है, वह जमा है, कुछ आया है लेकिन अगर उसकी एक चिमनी भी साल भर काम करे तो उसी में वह समाप्त हो जाता है और जब सारे का सारा बोकारो उद्योग चलना शुरू होगा उस समय उस की कितनी आवश्यकता होगी यह आप समझ सकते हैं।

दूसरी एक बात उसमें यह भी आई है कि ज्यादाजिकल सर्वे के माध्यम से जो खान के सर्वे होते हैं उस में छोटे किसानों की जमीन आई जाय तो सरकार को विशेष ध्यान देने की आवश्यकता है ताकि उस के साथ बैर-बंझाकी न हो सके।

श्री ज्ञानेश्वर प्रसाद यादव

खान के विषय में श्रीर खनिज पदार्थों के विषय में आज स्थिति यह है कि जब से टेक ओवर हुआ कुछ कीमतें भी बढ़ गई, माल का उत्पादन कम हो गया है और साथ साथ दूसरे सब कोयले कोकिंग कोल के प्रलावा जो थे उन के दास इतने बढ़ गए हैं कि बिहार में ईट बनाने का उद्योग बहुत सफर कर रहा है जिस के कारण देहात में आज मकान बनाने की समस्या आ खड़ी हुई है। साथ ही साथ टेक ओवर करने के बाद नै झरिया गया था और वहा मीने देखा मजदूरो की स्थिति पहले से भी बदतर थी। बेज बोर्ड से कुछ तनख्वाह बढ़ी है और आज स्थिति यह है कि 11-12 हजार मजदूर बेकार है। आज भी वहा कार्ट्रैक्ट सिस्टम है। जैसे कार्ट्रैक्टर पहले कार्ट्रैक्ट लेते थे माइन्स के प्रोनर्स से और फिर वे पेटी कार्ट्रैक्ट देते थे आज उसी प्रकार की व्यवस्था पूर्ववत चालू है जिस के कारण 11 हजार मजदूर बेकार है।

अध्यक्ष महोदय : यहा आप मजदूर कैसे ले आए, यहा तो दूमरी बात चल रही है।

श्री ज्ञानेश्वर प्रसाद यादव : बिल के संबध में बोलते हुए उस की तरफ भी मैंने ध्यान आकर्षित किया।

अध्यक्ष महोदय : आप जिल पर रेसीवेट रहिए।

श्री ज्ञानेश्वर प्रसाद यादव : इसके अलावा खान की खुदाई में नीचे तक जा खुदाई जाती है उसमें प्राइवेट कम्पनिया सब है। अनिश्चितता के कारण पैसा लगाने में वह हिचकिचा रही है। इसलिए मैं चाहूंगा कि ऐसी जो खानें हैं जिन पर मूलभूत उद्योग आधारित हैं, उनको सरकार अपने हाथ में ले ले ऐसी हमारी और हमारी पार्टी की भी आवश्यकता है और जो छोटे छोटे खनिज हैं जो पूरक है उन को प्राइवेट कम्पनियों के पास चलने दे। लेकिन जो मूल उद्योगों से संबंधित हैं उन खानों को सरकार हाथ में ले ले। उसमें अधिक से अधिक पूजा कर नीचे तक तक खुदाई कर के अधिकतम उत्पादन सरकार करे।

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KHAN): Mr. Speaker, Sir, I am very grateful to the hon. members who have taken part in this debate. They have unanimously given their support to this measure. During the discussions, my hon. friend, Shri Modi, and some others have expressed an apprehension that the Government would misuse their power in termination of leases. He was apprehensive that Government might displace the small scale industries when they decide to acquire some mines on which those small scale industries are based. He also talked about small co-operative workers who are managing some mines I wish to assure the House that this power which is being sought to be acquired under section 4A, termination of mining leases, would be resorted to only in very exceptional cases where the larger interests of the nation and the development of big industries so demand. It will not be done in a light-hearted manner.

A number of members said that the power given to the State Governments to terminate mining leases in respect of minor minerals may also be misused. I am very grateful to my friends, Shri R. N. Sharma and Shri Modi, who have brought forward amendments in which they have proposed that, in case of termination of mining leases for minor minerals, the State Government should consult the Central Government. That, I think, is a very good amendment, and as we take up clause-by-clause consideration, I would be happy to accept that amendment.

A number of my hon. friends also expressed apprehension that the power now being sought that the Geological Survey of India or any other agency duly authorised by Government should be allowed to enter any mining lease area to carry out prospecting work or other investigation, might be misused; they particularly expressed an apprehension that they may enter the areas where crops are standing and may destroy the crops. This power is being sought to be acquired as a result of discussions which we held in the Mineral

Advisory Board, and we have the support of all the State Governments to this measure. Previously the Geological Survey of India could enter only areas which were not held under mining leases. But there are large areas which are held under mining leases and which are not being properly exploited. Therefore, it was thought necessary that even in areas which are held under mining leases, the Geological Survey of India or any other agency authorised by the Government should be allowed to enter and carry out investigations. We will take every care. I assure the House, that the standing crops belonging to the farmers are not damaged in any way. In case it is absolutely unavoidable, there is a provision for compensation, if we have to resort to any such thing, then the farmer will be duly compensated.

We have heard conflicting views on whether the area under prospecting leases and mining leases should be reduced or should be allowed to remain at the same level. It has been recommended in this Bill that the area should be reduced in case of prospecting licence from 50 sq miles to 50 sq kilometres. That is a very sizeable reduction.

AN HON MEMBER: That is against the Mineral Advisory Board's decision.

SHRI SHAHNAWAZ KHAN: That is a very sizeable reduction. Government will have no hesitation in reducing it further if that is the consensus of the House.

Regarding the area held under mining lease, the Bill seeks to reduce the area from 10 sq. miles to 10 sq. kilometres. That, again, is a very sizeable reduction. But here my hon. friend has suggested that the area should, in the case of mining lease, be reduced further. I would like to put before the House the actual state of affairs as it is within my Ministry. We have to keep in very close touch with the State Governments, and in such matters we have to take their opinion. We have referred this matter to all the State Governments who have been asked

to communicate their views to the Director of Indian Bureau of Mines, and as soon as their views are known, then if it is necessary to reduce it further, Government will not hesitate to do so. I would also like to state that this area is the maximum that can be given. There is nothing to prevent the Central Government or the State Government to give much less area for prospecting or mining lease.

SHRI R. N. SHARMA: There is provision to give more.

SHRI SHAHNAWAZ KHAN: Government reserves the right to waive this condition and give much larger areas to public sector undertakings, and I am sure, my friend would not resent that.

My hon friends, Shri Damodar Pandey and Shri Sharma, from the coal-fields have raised a very pertinent point regarding sand for stowing. Sand is very important for stowing in coal-fields. There is a provision—section 3(e) of the existing Act—which empowers the Central Government to declare sand, used for prescribed purposes, as a major mineral. Under that, sand can be classified as a major mineral and action can be taken accordingly.

SHRI DAMODAR PANDEY: In spite of that, are you not aware that NCDC and the Bharat Coking Coal have failed to obtain sand leases in the Damodar river and they are facing much difficulty on that account?  
(Interruptions)

SHRI SHAHNAWAZ KHAN: We shall certainly examine if there is any need to declare sand as a major mineral and to take it under the Central Government. But, my hon. friends know that the problem in the Damodar river regarding sand is not of mining leases, but it is of the availability of sand. There is less sand available as a result of certain dams coming up in the catchment area . . .

SHRI DAMODAR PANDEY: Whatever is available has been handed over to the private people.

**SHRI SHAHNAWAZ KHAN:** My hon. friend from Tamil Nadu has unfortunately gone away. He wanted to know whether this ceiling on holding will apply to leases which are in existence already or to the future mining and prospecting leases. This Bill does not seek to have any retrospective effect and, therefore, it would not apply to prospecting and mining leases which are in operation already. So, it would not apply to them.

A number of my friends have spoken regarding penalties which are to be imposed for irregularity or trespassing or carrying on mining in an irregular manner. May I refer the hon. Member, Shri Damodar Pandey to amendment to Sec 21 on page 6 where it says:

"Whoever contravenes the provisions of sub-section (1) of section 4 shall be punished with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both."

**SHRI DAMODAR PANDEY:** 'or' will serve no purpose. Nobody is sentenced till now. Knowing full well that the violation of the Act is going on, can you say how many persons have been imprisoned?

**MR SPEAKER:** Mr. Pandey He is contradicting. You said there is no penal clause which is contradicting.

**SHRI DAMODAR PANDEY:** In the Mineral Advisory Board it was decided that the penalty clause should be made more stringent and the penalty provisions should be enhanced whereas in this Bill the same provision has been incorporated which was in the original Act. So, what are the stringent measures you are taking? You are just copying the old Act.

**SHRI SHAHNAWAZ KHAN:** We are yet to go to clause-by-clause reading. Certain amendments have been brought forward by hon. Mem-

bers seeking enhancement of penalties and I propose to accept them.

**MR. SPEAKER.** It has already taken more than an hour.

**SHRI SHAHNAWAZ KHAN:** Sir, there is nothing controversial. Only I would like to say this much in conclusion. I would like to say that the Government have noted what the hon. Members have said regarding misuse and exploitation of mines, particularly, the coal mines in the coal fields. A number of hon. Members who have spoken have desired that the Government should nationalise the coal mines. The hon. Minister for Steel and Mines, on a number of occasions, has declared the present policy of the Government. According to the present thinking in the Ministry of Steel and Mines, the Government do not propose to nationalise all the coal mines, but, we have said that where we find that the private sector is not playing its part fairly and honestly and that it is not investing sufficient funds and that it is, what they call, slaughtering the mines or exploiting the mines in an unscientific manner, there, the Government will naturally be compelled to step in. But the Government will naturally like to give an opportunity and chance to the private sector to play its part in the exploitation of the coal mines in a scientific manner and with confidence.

With these remarks, I once again thank the members who have taken part in this discussion.

**श्री श्रीकृष्ण जोशी :** अध्यक्ष महोदय, मंत्री महोदय ने अभी जो जवाब दिया है उसमें मेरी एक बात का जवाब नहीं दिया है इसलिए मैं उसके सम्बन्ध में पूछना चाहूंगा।

अभी मंत्री जी ने जो बताया कि इस जिले से जो पावर ले रहे हैं उसको असाधारण तरीके से ही काम में लाने लें तो इस अपनी विचार क्रांति को वे किसी रूप में या प्रोत्साहन में रखने की कृपा कर रहे हैं या नहीं ?

की माहलबाब का : इसके लिए क्लस बनाने जरूरी नहीं है। यह तो गवर्नमेंट की नीति है, हम स्माल स्केल इन्डस्ट्रीज को एन्करेज करना चाहते हैं और जो बर्कर्स की कोम्प्रापरेटिबल है उनकी पूरी पूरी मदद करना चाहते हैं। यह तो गवर्नमेंट की नीति ही है इसलिए इसमें कोई कास क्लस बनाने की जरूरत नहीं है।

MR. SPEAKER: The question is:

"That the Bill further to amend the Mines and Minerals (Regulation and Development) Act, 1957, be taken into consideration."

*The motion was adopted*

Clause 2—(Insertion of new section 4A)

SHRI R N SHARMA: I beg to move:

Page 1, line 18,—

After "State Government" insert—  
", after consultation with the Central Government," (14).

SHRI SHAHNAWAZ KHAN: I would like to accept this with a little change.

MR. SPEAKER: You can move another one if you like.

SHRI R. N. SHARMA: What is the change the hon. Minister wants to make?

SHRI SHAHNAWAZ KHAN: I accept this amendment with a verbal change.

MR. SPEAKER: The Minister should put it in his mouth. We don't go by the spirit; we go by the words.

SHRI R. N. SHARMA: I accept the amendment along with the amendment which he has suggested.

MR. SPEAKER: You agree to it? Then, both of you agree to it. You may move it.

SHRI R. N. SHARMA: I beg to move:

Page 1, (i) line 18,—for "The State Government may, if it is".

Substitute—

Where the State Government, after consultation with the Central Government, is" [(14), as modified.]

SHRI SHAHNAWAZ KHAN: There is a consequential amendment. That is, line 20, after "so to do" insert ", it may".

MR. SPEAKER: I will not approve of this practice of coming with such changes so hastily and quickly. You are sitting by the side of a very eminent lawyer Why can't you give it in his name?

THE MINISTER OF STEEL AND MINES (SHRI S MOHAN KUMAR RAMANGALAM): There is no problem here; it is just a question of phraseology used. What my friend Mr R. N Sharma wants to introduce in this Bill is being accepted in toto, but the wording that he has suggested is not a happy wording from the legal point of view. We are suggesting a slightly different wording which brings out exactly what he wants. I have made it clear.

MR. SPEAKER: Mr. Sharma may move it, together; it is consequential.

SHRI R. N. SHARMA: I shall move it as modified.

I move:

Page 1,—

(i) line 18,—for "The State Government may, if it is".

Substitute—"Where the State Government, after consultation with the Central Government, is"

(ii) line 20,—after "so to do" insert—" , it may". [(14), as modified.]

MR. SPEAKER: The question is:  
Page 1,—

(i) line 18,—for "The State Government may, if it is".

Substitute—"Where the State Government, after consultation with the Central Government, is"

(ii) line 20,—after "so to do", insert—"may" [(14), as modified.]

*The motion was adopted.*

MR. SPEAKER: 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 6.)

SHRI SHAHNAWAZ KHAN: I move:

Page 2, line 20,—

for "lease or licence"

substitute—"mining lease or prospecting licence". (8)

SHRI R. N. SHARMA: I beg to move:

Page 2, line 11,—

for "fifty" substitute "twenty-five". (12)

SHRI SHAHNAWAZ KHAN: I accept it.

MR. SPEAKER: You are not moving the other one.

SHRI R. N. SHARMA: No.

MR. SPEAKER: I will now put amendment No. 8 moved by Shri Shah Nawaz Khan to the vote of the House. The question is:

Page 2, line 20,—

for "lease or licence"

substitute—"mining lease or prospecting licence". (8)

*The motion was adopted.*

MR. SPEAKER: Now, I will put amendment No. 12 moved by Shri R. N. Sharma to the vote of the House. The question is:

Page 2, line 11,—

for "fifty" substitute "twenty-five". (12)

*The motion was adopted.*

MR. SPEAKER: Now, the question is:

"That Clause 3, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 3, as amended, was added to the Bill.

13 hrs.

MR. SPEAKER: There are no amendments to clause 4 to 6. So, I shall put them together to vote.

The question is:

"That clauses 4 to 6 stand part of the Bill".

*The motion was adopted.*

Clauses 4 to 6 were added to the Bill.

Clause 7—(Amendment of section 14)

Amendment made:

Page 4, line 3,—

for "other concessions" substitute "other mineral concessions". (9)

(Shri Shahnawaz Khan)

MR. SPEAKER: The question is:

"That clause 7, as amended, stand part of the Bill"

*The motion was adopted*

Clause 7, as amended, was added to the Bill.

Clauses 8 to 11 were added to the Bill.

SHRI R. N. SHARMA: There is a correction in it.

MR. SPEAKER: No, that was a consequential change. That has already been accepted.

Clause 12—(Amendment of section 21)

MR. SPEAKER: There are two amendments to this clause tabled by Shri R. N. Sharma. Is he moving them?

SHRI R. N. SHARMA: Yes.

MR. SPEAKER: Is the hon. Minister accepting them?

SHRI SHAH NAWAZ KHAN: Yes, I am accepting both of them.

Amendments made:

Page 6, line 19,—

for "six months" substitute "one year". (15)

Page 6, line 19 and 20,—

for "one thousand" substitute "five thousand". (16)

(Shri R. N. Sharma)

MR. SPEAKER: The question is:

"That clause 12, as amended, stand part of the Bill".

The motion was adopted

Clause 12, as amended, was added to the Bill.

Clauses 13 to 16 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI SHAH NAWAZ KHAN: I beg to move:

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

श्री श्रीकान्त मोदी : अध्यक्ष महोदय, मेरा प्रपोजिशन है, मुझ से पूछा ही नहीं गया।

अध्यक्ष महोदय : साथ को उठ कर मुझ से पूछिए।

The question is:

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

The motion was adopted

MR. SPEAKER: This Bill has taken a lot of time, almost double the time allotted for it.

13.05 hrs.

RULERS OF INDIAN STATES (ABOLITION OF PRIVILEGES) BILL

MR. SPEAKER: Now, we shall take up the Rulers of Indian States (Abolition of Privileges) Bill.

We have two other Bills also. The time allotted for the Rulers of Indian States (Abolition of Privileges) Bill is two hours. Then, we have another Bill for which 1 hour has been allotted and a third one also for which again 1 hour here has been allotted. We allotted one hour for each of them, just for the sake of allotting time; otherwise, they should not take so much time. But for the Bill relating to abolition of privileges of Indian Rulers, it was decided in the Business Advisory Committee to allot two hours. Now, the hon. Minister.

THE MINISTER OF LAW AND JUSTICE AND PETROLEUM AND CHEMICALS (SHRI H. R. GOKHALE): I beg to move:

"That the Bill further to amend certain enactments consequent on derecognition of Rulers of Indian States and abolition of privy purses, so as to abolish the privileges of Rulers and to make certain transitional provisions to enable the said Rulers to adjust progressively to the changed circumstances, be taken into consideration".

In December last, this House by an overwhelming majority endorsed the abolition of privy purses and the concept of Rulers. Consequent on



[Shri H. R. Gokhle]

the enactment of the Constitution (Twenty-Sixth) Amendment Bill, 1971, various administrative steps were taken to withdraw the privileges which were attached to the former Rulers by virtue of executive orders and statutory notifications.

Some of the privileges of these Rulers have been provided for by certain enactments. Since there were no Rulers, the relevant provisions of these enactments have also ceased to be generally applicable, though some technical argument in favour of the view that some of these provisions continue to be operative cannot be eliminated without a formal amendment of the enactments.

The Bill before the House seeks to complete the process which was set in motion by the enactment of the Constitution (Twenty-sixth Amendment) Act by making the necessary changes in the various enactments. While the concept of Rulership and Rulers as a privileged class has been done away with, the Bill does take into account the human problem which has resulted and seeks to make some provisions for this. As the Prime Minister pointed out, while moving the Constitution (Twenty-sixth Amendment) Bill in this House, there is no personal animus against any individual prince. Accordingly, as a transitional measure, to avoid undue hardship to the individuals concerned, certain concessions are sought to be given or continued to the ex-Rulers by the Bill. These, however, are extremely limited in scope and would apply only to those who were Rulers prior to the commencement of the Constitution (Twenty-sixth Amendment) Act. These provisions will spend themselves out in course of time.

I shall now explain briefly the provisions made in the Bill in respect of privileges available to former Rulers under the various enactments. These privileges fall into two categories: (i) the privileges under the procedural laws, namely, the Code of Criminal Procedure, 1898 and the Code of Civil Procedure, 1908, and (ii) exemptions under the

taxation laws, namely the Wealth-tax Act, the Gift-tax Act and the Income-tax Act.

I shall now deal with the privileges under the procedural laws. Section 197A of the Code of Criminal Procedure provided for two privileges. In the first place, the previous sanction of the Government is necessary for taking cognizance of an offence alleged to have been committed by a Ruler of a former Indian State. In the second place, the Central Government has to determine the person by whom and the manner in which the offence or offences for which the prosecution of a Ruler of a former Indian State is to be conducted and that Government has also to specify the court before which the trial is to be held. By virtue of the amendment proposed in clause 2 of the Bill, these privileges will henceforth be available only in relation to offences committed before the commencement of the Constitution, that is, the 26th January, 1950, by a person recognised as a Ruler before such commencement.

Under section 87B of the Code of Civil Procedure, a former Ruler was immune from arrest under the Code. Except with the consent of the Central Government, a suit against a former Ruler could not be tried and a decree against a former Ruler could not be executed against the property of such Ruler.

Further, a Ruler may request the Central Government to appoint any person to prosecute or defend any suit on behalf of such Ruler. By virtue of the amendment proposed in clause 3 of the Bill, these provisions would be available only in respect of a suit based upon a cause of action which arose before the commencement of the Constitution or any proceeding arising out of such a suit and that too only in relation to persons recognised as Rulers before the commencement of the Constitution.

The continuance of the provisions of sec. 197A of the Cr. P.C. and section 87B of the Civil Procedure

Code in respect of pre-Constitution offences or acts will have very limited operation in action and practice, and is in accordance with the observation of the Supreme Court that broadly in the light of the basic principle of equality before the law, for past dealings and transactions, protection may justifiably be given to Rulers of former Indian States. As a consequence of the abolition of privileges under 197A of the Criminal Procedure Code and sec. 87B of the Civil Procedure Code in respect of offences or acts subsequent to the commencement of the Constitution, it is no longer necessary to retain sec. 168 of the Representation of the People Act, 1951, which provides that the provisions of this section will not apply in relation to a Ruler who has been nominated for an election from the date of such nomination till the declaration of the result of the election and also in respect of certain offences alleged to have been committed at or in connection with such election. Hence that section is being omitted by clause 4 of the Bill.

I will now pass on to deal with the exemptions under taxation laws. The exemptions under the Income-tax Act in respect of privy purse and under the Gift Tax Act in respect of gifts made out of privy purse have virtually become otiose with the abolition of privy purses and the relevant provisions are being omitted. With a view to enabling the Rulers to adjust themselves progressively to the changed circumstances, it is proposed to continue the exemption under the Wealth Tax Act 1957 in respect of one official residence and heirloom jewellery of each former Ruler for his lifetime. The continuance of the exemption in respect of heirloom jewellery is also in the national interest because the exemption is subject to a number of restrictions which are designed to ensure that the heirloom jewellery is not converted, disposed of or sent out of India. Likewise, it is also proposed to provide for exemption of *ex-gratia* payments which may be made by the Central Government to the Rulers consequent on the abolition of the privy purses and to restrict the exemp-

tion in respect of palaces to one palace. If these *ex-gratia* payments are to serve the intended purpose of enabling the Rulers to adjust themselves to the changed circumstances, it is necessary to provide for exemption of the same. I commend the Motion.

MR. SPEAKER: Motion moved:

"That the Bill further to amend certain enactments consequent on derecognition of Rulers of Indian States and abolition of privy purses, so as to abolish the privileges of Rulers and to make certain transitional provisions to enable the said Rulers to adjust progressively to the changed circumstances, be taken into consideration".

SHRI BIREN DUTTA (Tripura West): This is a Bill which actually expresses the hesitation of Government to do away with the princely privileges. The title of the Bill is very good. But if we go through the Bill, there are some provisions which are necessary, but what we find is that the ex-Rulers are so much in the heart of Government that even while abolishing the privy purses they are going to be given amounts to rehabilitate themselves in the changed circumstances. This seems to be a very serious problem for the Government to look after the Rulers whose privileges they are abolishing. But when the question of looking after the ordinary people comes even under this Bill, there is not a word of sympathy for them. There are thousands of employees of these Rulers. They have not been shown any sympathy in regard to rehabilitation. The Government are practically supporting the exploiting classes, the Rulers, monopolists and so on. The first consideration comes for the exploiters, not for the exploited. Why is it that not a word has been uttered for these unfortunate employees of the Rulers after the abolition of the privy purses, not a word about giving anything from these amounts to those who have served under the rulers? What will be their fate?

[Shri Biren Dutta]

We have seen in the Supplementary Demands that Rs. 10 crores is to be given to these ex-Rulers out of compassion to the Rulers and their family members as *ex-gratia* payments. All compassion flows for those sections of society who are not really the producers of any wealth, who are in the context of history practically are still maintaining a kind heart for the ex-Rulers and have demonstrated it by this *ex-gratia* payment to them.

At the time of the consideration of the abolition of the privy purses Bill, we demanded that no money should be given to the Rulers; if anything has to be given, it should be given to those who were the employees in the services of these Rulers. Here in this Bill, as I said, there is not a word about them. I request the Minister to consider this. If you have so much sympathy for the Rulers and their relatives, why not some sympathy for those who are employed by these Rulers? With these few words, I support the Bill.

\*SHRI M. KATHAMUTHU: (Nagapattinam): Mr. Speaker, Sir, The Rulers of Indian States (Abolition of Privileges) Bill 1972 has been brought before this House as a result of persistent demand of Hon. Members of both Lok Sabha and Rajya Sabha. This Bill purports to abolish certain privileges and immunities enjoyed by the former rulers.

While I extend my support to this Bill to the extent that it seeks to withdraw the exemptions granted to the ex-rulers under the Gift Tax Act and to revoke the immunities from Criminal Procedure Code. I cannot per force extend my whole hearted support to the remaining provisions of the Bill.

I cannot, for example, accept the proposed Amendment to Civil Procedure Code in this Bill. It is common knowledge that a large number of civil suits relating to the properties of the ex-rulers are pending before the courts. To give a classic example, the map of his plots and lands drawn up by the Gwalior Maharaja

in the year 1954 varied widely with the inventory prepared by him in 1948. Consequently, there are innumerable civil suits filed and pending in the Courts. Therefore, Sir, I am opposed even to limiting the immunity under the Civil Procedure Code to acts and omissions of the rulers before the commencement of the Constitution. Sir, you are aware of the noble concept of "Equality before Law". I am unable to reconcile myself to the discrimination sought to be perpetuated through this Bill in favour of former rulers. You will no doubt agree with my demand that the Civil Procedure Code should be applicable in a uniform manner to all the citizens of our country.

I want to bring to your kind attention another unsavoury and odious comparison of the ex-rulers with the rulers of a foreign state in the matter of enforcement of Civil Procedure Code. You will find this in clause 3(a) of the Bill. I consider this as totally unwarranted and unreasonable.

Similarly, this Bill provides for exempting the ex-rulers from prosecution under Criminal Procedure Code for offences committed before the commencement of the Constitution. What is the basis for such an exemption in the case of ex-rulers? If they had committed offences even before the commencement of the Constitution, they should be proceeded against in accordance with the law of the land.

In this introductory speech while moving the Bill, the hon. Minister stated that the exemptions under the Wealth tax are being limited for the life time of the ex-rulers. I feel that even this concession is not warranted. I would now refer to the exemption given under the Wealth Tax Act in respect of heirloom jewellery of ex-rulers. It is provided under clause 5(b) of the Bill that reasonable steps shall be taken for keeping the heirloom jewellery substantially on its original shape.

It may satisfy the conscience of the law-makers to have such a pro-

\*The original speech was delivered in Tamil.

vision. But the ex-rulers will have no compunction in circumventing this provision. The shape of the heirloom jewellery may remain in tact but not the contents. To quote an instance, Sir C. P. Ramaswamy Iyer, who headed the Hindu Religions Endowments Commission in 1960-62, had stated in his report that though the Temple jewellery and other ornaments had maintained their original shape, their contents had been removed. In his introductory speech, the hon. Minister felt that these heirlooms jewellery are precious antiquities of our country and therefore they should be preserved if that were so, why should not they be removed from the possession of ex-rulers and kept in national museums?

Sir, I would now turn to another provision in the Bill. In anticipation of making *ex gratia* payments to the ex-rulers, a provision has been made in the Bill to grant exemption to such payments from the Income-Tax Act. The issue of *ex gratia* payments to ex-rulers has a long history. When the Constitution (26th Amendment) Bill was proposed, an attempt was made to provide for such *ex gratia* payments to ex-rulers. The hon. Members belonging to Opposition Parties opposed such a move. Again, when the President's Address, which carried a reference to transitional allowances to ex-rulers, came up for discussion in the House, we opposed the move again. Having abolished the privy purses now Government have decided to make *ex gratia* payments to the ex-rulers. Any one would have naturally expected that Parliament should first discuss the question of making such payments before giving approval to the Bill now before us. Merely because the ruling party has a big majority in the House, the Government have decided to pay Rs. 10.70 crores *ex gratia* to the ex-rulers. Sir, kindly note that this is an *ex gratia* payment but not compensation.

Mr. Speaker, Sir, yesterday, but for your kind intervention, the supplementary Demands providing for *ex gratia* payments would have been

passed by the House. Sir, I feel, because they have a huge majority in the House, Government are paying scant respect and regard to Parliamentary norms and propriety.

Sir, who are the persons to receive these *ex gratia* payments? It is the rulers to whom nearly Rs. 102.60 crores have been paid by way of privy purses during the last 25 years. From the newspaper reports, we find that *ex gratia* payments are being made to the rulers who have properties worth Rs 50 crores or Rs. 60 crores. Do we not know that Nizam, Mysore Maharaja, and Patiala Maharaja have huge properties? As far as my party is concerned, we are totally opposed to the idea of making *ex gratia* payments to the ex-rulers. There is no justification at all for making such payments. I, therefore, request the hon. Minister to bring forward necessary amendments in the Bill.

Sir, the ruling party, at the time of Mid-Term Poll had given assurances to the people and to make *ex gratia* payments runs counter to the pledges given by the ruling party to the people. I regretfully say that there are political motives behind the decision to make *ex gratia* payments to ex-rulers.

Even before the principle of *ex gratia* payments has been accepted by the Parliament this Bill provides for an amendment to the Income-Tax Act for granting exemption from income tax for such payments.

Sir, I would request the hon. Minister to withdraw this Bill and after incorporating suitable amendments on the issues I have raised, this Bill may be re-introduced in the House.

With these words, I conclude.

\*SHRI J MATHA GOWDER (Nilgiris): Mr Speaker, Sir on behalf of my party, the Dravida Munnetra Kazhagam, I would like to say a few words on The Rulers of Indian States (Abolition of Privileges) Bill, 1972.

\*The original speech who delivered in Tamil.

[Shri J. Matha Gowder]

Sir, I welcome this measure which seeks to abolish the exemptions and immunities enjoyed by the former rulers. But I am unable to appreciate the announcement of the Government that these former rulers would be given Rs 10.70 crores *ex gratia*. What for they should be paid this huge sum? These rulers have amassed wealth and riches and they have all their moneys in unidentified accounts in foreign banks. Do the Government want to add to their bloated wealth by giving this sum of Rs 10.70 crores? Sir, you will agree with me that it is not proper and just that these former rulers should be given Rs 10.70 crores.

Just when this Bill has been introduced in this House providing for the abolition of the privileges enjoyed by the ex-rulers, the announcement of *ex gratia* payment of Rs 10.70 crores appeared in the Press. It is just like giving chocolate to a crying child. It is quite undignified on the part of the Government to make such a declaration. Either they could have withheld this announcement of paying Rs. 10.70 crores *ex gratia* to the former rulers till this Bill is passed by the Parliament or they could have brought this Bill after paying Rs 10.70 crores to the ex-rulers. I suspect the sudden generosity of the Government and I would like to know whether there is any political motive in this move.

13.27 hrs.  
[MR DEPUTY-SPEAKER in the Chair.]

The other day in the newspapers I came across a news item stating that the Deputy Minister of Railways, Shri Shafi Qureshi expressed the view-point that the award of one-man Tribunal which recommended the payment of night duty allowance to 13 lakhs of railway workers is not binding on the Government. When the payment of night duty allowance to the railway workers is recommended by the Tribunal set up by the Government, the Government shrinks. But this bounty of Rs 10.70 crores is being given to the ex-rulers. Similarly the Government is not coming to any definite decision in regard to payment of dearness allowance to its own employees who are in great distress on account

of soaring prices. Here, the Government in an unseemly hurry declares the payment of Rs 10.70 crores *ex gratia* to the ex-rulers.

If I say that the Government have not kept up at their plighted word during the mid-term poll, it might be said that the Member belonging to the Dravida Munnetra Kazhagam has made an unwarranted criticism. But, the hon Member who preceded me, Shri Kathamuthu belonging to the Communist Party of India with whom the Ruling Party has a joint front, has made the charge that the Government have failed miserably in fulfilling the promises given to the people of the country during the mid-term poll.

The ruling party got this overwhelming majority mainly due to the propaganda of Government wanting to abolish the privy purses and other privileges of the former rulers. Now so soon after coming to power on this plank the Government are trying to squander the public money in paying Rs 10.70 crores to the former rulers.

The other day we had a discussion in this House on the drought situation prevailing in the country. There are reports of starvation deaths in the drought affected areas. The people are in great distress on account of price spiral. The majority of our population has not shelter has not been getting two square meals a day and the spectre of unemployment is looming large over the country. Could not this sum of Rs. 10.70 crores be used in removing at least to some extent the wide-spread poverty in the country and in wiping the hot tears of famished children of our country?

Just because the Prime Minister has decided on this question of paying Rs 10.70 crores to the former rulers, a provision has been made in this Bill to amend the Income-tax Act for giving exemption from payment of income-tax on such payment. This House has not been given an opportunity to discuss the issue. This House is faced with a fait accompli. Is this proper, Sir? Is this according to democratic norms and traditions?

The people of our country will give a fitting reply at the appropriate time and the Government will have to face that consequence. I would request the hon. Minister to withdraw this Bill. No exemption from income-tax should be allowed for such payments. This section should be suitably amended. In fact, I would request the hon. Minister to delete the provision which speaks of *ex gratia* payment to ex-rulers, which is repugnant, unjust and unwarranted.

I oppose this Bill on this score. It can be re-introduced after deleting this provision regarding *ex gratia* payment. With these words I conclude

श्री जगन्नाथ राव जोशी (राजापुर) .

उपाध्यक्ष महोदय, राजा-महाराजाओं के प्रिवी पर्स समाप्त होने के बाद उन के विशेषाधिकार समाप्त करने का यह विधेयक जो आया है यह तो स्वाभाविक ही समझा जायगा। किन्तु जिस बात को लेकर वह विधेयक आया और यह भं आया है इस में यही कहा जा रहा है कि आज की बदलती हुई परिस्थिति में विशेषाधिकार कोई मतलब नहीं रखता। जैसे प्रिवी पर्स समाप्त करते समय सामान्य आदमी की हालत सुधारने की दृष्टि में और समाजवाद लाने की दृष्टि से यह सब बातें आवश्यक बताई गई उस के साथ में समझता हूँ कि कोई विरोध नहीं करेगा। किन्तु इस में एक राजनीति दिखती है। आज भी यह विशेषाधिकार समाप्त करते समय जो आश्वासन दिया जा रहा है बदलती हुई परिस्थिति के साथ वे खुद को सम्बद्ध करने में सुविधा अनुभव करें इस बात के लिए कुछ उनको मुआवजा मिलने वाला है, ट्राजीकनल एलाक्स के नाते और वह राशि 10 करोड़ 75 लाख की है। किन्तु किस आधार पर वह दिया जा रहा है? यहाँ तो बताया है कि बदलती हुई परिस्थिति के साथ वह अपने को, खुद डालें, यह तो ठीक हो गया, किन्तु हमका आधार कौन सा है? यानी सब से ज्यादा किन्तु प्रिवी पर्स मिलती थी उन को ट्राजीकनल एलाक्स आधार मिलेगा, उसी मात्रा

में मिलेगा, कौन सा प्रमाण है, कौन सी कसौटी है इस की यह जानने की मैंने कोशिश की लेकिन कुछ पता नहीं लगा। तो हम को तो ऐसा ही लगता है कि इस का भी उपयोग पोलिटिकल लिवर के नाते सब राजा-महाराजाओं को अपने साथ लेने और रखने की दृष्टि से ही किया जायगा, ऐसा मुझे बड़ा भारी शक है। क्योंकि मैसूर के जो भूतपूर्व महाराजा थे उन के राज-प्रसाद के बारे में भूतपूर्व जो कांग्रेसी मंत्री-मंडल था या मैसूर का उम ने ध्यान दि फ्लोर आफ दि हाउस यह बताया था कि वह सरकारी सम्पत्ति है। किन्तु आज ग्दली हुई परिस्थिति में बदली हुई नहीं कांग्रेस की जो सरकार मैसूर में आई है उन्होंने सदन में ही बताया है कि वह निजी सम्पत्ति है। अब यह समझ में नहीं आता और अखबार में तो खबर आई है कि वह राज-प्रसाद जो भूतपूर्व मैसूर के महाराजा का है उसे 15 करोड़ रुपये में सरकार खरीदना भी चाहती है। आखिर यह जो एक पोलिटिकल लिवर के नाते काम होता है, इस में समाजवाद को क्यों डाला जाना है यह हमारी समझ में नहीं आता है। हम शुरु में कहने रहे हैं कि बुढ़िया मरती है इस का दुख नहीं है लेकिन मृत्यु ने दरवाजा देख लिया है इसका दुख है। इसलिए हम कोई भी बात करें तो सिद्धांत ठीक ढंग से ही होना चाहिए। व्हेन यू एन्टर इन दू काट्रेक्ट, कोई ऐग्रीमेंट, करार जब हम किया करते हैं तो उस का पालन होना चाहिए। जैसे गिमला ऐग्रीमेंट किया, जब पता चला कि उसको स्पिरिट और जेटर में फालो नहीं किया जा रहा है तो हम को उन के अधिकारियों को बुलाना पड़ा है पूछने के लिये कि भाई, इसका क्या मतलब है, यह बताया। यानी ऐग्रीमेंट यदि तोड़े जायेंगे तो आगे चल कर यह पद्धति और परम्परा ऐसी बनती चली जायगी . . .

MR. DEPUTY-SPEAKER: How does the Simla agreement come in here?

श्री जगन्नाथ राव जोशी : यह इसलिए है कि उनके साथ में एक ऐग्रीमेंट हुआ, वह

[श्री जय-नाथराव जोशी]

ऐग्रीमेंट जब तोड़ा जाता है तो ऐसी एक परम्परा बनती चली जाती है। हम भी जब कोई ऐग्रीमेंट किया करते हैं तो यह एकसेपेक्ट करते हैं कि दैट मुड बी आनर्ड।

इसलिए मैं यह कह रहा हूँ कि उन के साथ मैं यह बाई-लेटरल ऐग्रीमेंट था तो हम ने यह सुझाव इसीलिए दिया था कि आप फिर बाई-लेटरली इस को करिए और कोई न कोई रास्ता निकालिए। आज भी जब विशेषाधिकार समाप्त करने की बात होती है तो आखिर उस की कसौटी क्या है? एक राजनैतिक दबाव के नाते राजा-महाराजाओं को अपने साथ खींचने का यह एक तरीका तो नहीं है?

दूसरी बात यह है कि बदलती हुई परिस्थिति की कुछ जिम्मेदारी भी है। जैसे मेरे मित्र ने स्वीकार किया था कि जब राजे-महाराजे के राज्य चले गए और उनकी जिम्मेदारी अपने शासन में ली तो उन के जो कर्मचारी थे उनकी दस-दस, पन्द्रह-पन्द्रह साल तक पेशान नहीं मिली। यह मैं स्वयं जानता हूँ। तो आज भी प्रिन्सी पर्स जब तक मिलता रहा तब तक उन के निजी काम काज देखने के लिये कुछ कर्मचारी उन के यहाँ रहे हैं। जब प्रिन्सी पर्स समाप्त हो जायगा तो उनका क्या होगा? उन को कहीं न कहीं रखेंगे या नहीं? उन के निवास की व्यवस्था जो है वह सरकार करेगी या नहीं अगर जो उनकी सेवा है उसके लिए निवृत्ति वेतन उन को मिलेगा या नहीं? इस की जिम्मेदारी कौन लेगा? या यह भी राजा-महाराजाओं पर छोड़ा जायेगा कि ट्रांजीशनल एलाबंस में से उन्हें वे? क्योंकि ट्रांजीशनल एलाबंस की जो दो बातें हैं उसमें एक तो यह है कि प्रिन्सी पर्स के अलावा जिन को मिलता था वह तो मिलता रहेगा किन्तु प्रिन्सी पर्स में से जो कुछ हिस्सा उन के क्लोज रिसेंस को दिया जाता था उन के लिए तो 5 लाख की राशि उन्होंने रखी है। इसलिए जो राजा-महाराजाओं पर अवलम्बित लोग हैं, सामान्य आदमी जो हैं, सामान्य कर्मचारी जो हैं उन की

व्यवस्था क्या है, उस के बारे में कुछ समझ में नहीं आता। उन के विशेषाधिकार तो चले गए, लेकिन सामान्य आदमी का भी दो बक्ल खाने का विशेषाधिकार तो है ही और समाजवाद इस को स्वीकार कर के चलता है। जीवन की आवश्यक वस्तुएं उन्हें प्राप्त हो, वह कपडा पहने, दो बक्ल रोटी खाय उस का प्रबन्ध क्या है? राजा-महाराजाओं के अधिकार समाप्त कर दिए किन्तु सामान्य आदमी के जो विशेषाधिकार हैं समाजवाद में जिस को स्वीकार दिया है उस अधिकार के बारे में इसमें कहीं जिक्र नहीं है।

हम चाहते हैं कि उसको इस में बढ़ाया जाए और वह सामान्य कर्मचारी जो इन पर निर्भर था उसको हवा में न छोड़ा जाए और यह भी एक राजनीतिक माध्यम बना कर राजा-महाराजाओं को फिर अपनी ओर रखने के लिए इसका उपयोग न किया जाए, मैंने देखा है प्रिन्सी पर्स एवालिशन के बाद कई इधर से उधर गए हैं और अभी भी मैं कहयो को जाते हुए देखता हूँ। आखिर राजे-महाराजे यहाँ खराब हैं तो वहाँ भी खराब होते और यहाँ अच्छे हैं तो वहाँ भी अच्छे होने। तो यह तो कोई कसौटी नहीं होती है कि एक दम से 1942 में अग्रेजों से जिसने झगड़ किया वही अच्छे थे। ऐसे तो हमारे भूतपूर्व राष्ट्रपति जी भी हो गए जिन्होंने कभी आन्दोलन में हिस्सा नहीं लिया। तो यह कोई श्रद्धेय नहीं होता है। आखिर आदमी की कोई गुणवत्ता होती है, कर्तव्य होता है, कोई दूर बुद्धि होती है, कोई तपस्या भी होती है। सिर्फ यही कि वह जेल में चला जाए तो वह देशभक्त बन गया। ऐसा नहीं होता है। ऐसे ही पुराने राजे, सब खराब पुरानी बातें, सब खराब, अगर वही है तो वही राजे जब आपके पास जा कर बैठते हैं तो वही एक दम से अच्छे, दूध के धुले हुए जैसे हो जाते हैं यह समझ में नहीं आता है। इसलिए जो भी आपने ऐग्रीमेंट किया था जिन नी परिस्थिति में, सब उनको स्वीकार करके चलिए। आज की विशेषाधिकार समाप्त करने के बाद हम यही मान करते हैं कि राजनीतिक

दवाव के रूप में उनकी अपनी तरफ लेने के लिए इसका इस्तेमाल न किया जाये और उनके कर्मचारी जो विस्थापित हो जाएंगे उनकी क्या व्यवस्था है, इन दो बातों पर ध्यान प्रकाश डाले ।

SHRI SHYAMNANDAN MISHRA (Begusarai). This is only a consequential measure and therefore there is nothing substantive to be examined in it. Perhaps this measure was not necessary at all. There was a hint of this in the speech of the hon. Minister himself. It may be that due to the amendments that we had carried in December last many of these provisions and laws would have automatically been rendered infructuous. Even so, if by way of abundant caution Government had thought it fit to move these amendments, we could have no objection. But what intrigues us most is that in spite of the clear direction of the Chair yesterday we have not been given to understand what would be the basis of the *ex gratia* payment to be made to these ex-Rulers. We had raised this point in connection with the Supplementary Demands for Grant. We have not been told what would be the rationale behind this, what is the arithmetic behind this figure of Rs. 10.70 crores. When the hon. Minister spoke a little while ago, he did not give us any idea about it. If he has not done so, on technical grounds I cannot take objection because this Bill seeks only to give them a tax concession. But I thought this would be the opportunity for the Minister to enlighten the House about the basis on which they have demanded this amount.

Therefore, the whole thing remains mysterious. We have earlier held that there is something privy to the abolition of the privy purse. We have always taken objection to the hidden dimension of the abolition of the privy purse. Once I had occasion to say that in this increasingly sleeveless world the Prime Minister seemed to be lengthening her sleeves and keeping something up her sleeves. That remains the position even now. We really do not know what is going to be the basis for making this *ex gratia* payment of this huge order.

We are being asked to give tax concession to them, to make these payments completely tax-free. We really do not know for what purpose we are being asked to make it tax-free.

It is said that these payments are for a 'transitional period', transition to what? Then it is said that it is for helping them to adjust themselves to the new circumstances. Adjust, again, to what level? Had the Government applied its mind to the level to which it would like the princes to adjust themselves? We are kept in the dark about all these things. So, we really do not know what is exactly the concept of the transitional payment, what is exactly the concept of the adjustment to the new levels, because we do not know what these new levels are and how they have been conceived. One could have a different idea altogether about rehabilitating some of the small ex-rulers who get only paltry sums of money but this is not the occasion for me to elaborate on that. So, I would leave it here.

But the one point on which I would like to reinforce what has been said by the hon. Member Shri Joshi, is with regard to the palaces. Here we have got certain examples of how the government have treated these palaces in a mysterious manner. It has come to our notice that some of the palaces of the Maharaja of Mysore, the ex-Ruler of Mysore, which had been treated as State property, is now sought to be treated as private property of the ex-ruler. We have been maintaining these palaces at a huge cost of about Rs. 1 lakh annually and yet it is being urged that they are to be considered as private property. The other day we were told in the Consultative Committee by the Home Minister that this matter has been referred to the Attorney-General. May I say that earlier when this matter was considered by the Government of Mysore when Shri Veerendra Patil happened to be the Chief Minister, it was categorically stated on behalf of the State of Mysore that they could not treat this palace as private property. It was also held by Advocate-General of Mysore that they could not be treated as private pro-



[Shri Shyamnandan Mishra] perty. And yet the Central Government informed the State Government of Mysore only the other day that they might be treated as private property.

So, I would like to urge that these things, these palaces or, for that matter, even making these payments as tax-free, we are not able to comprehend them fully. If only one palace is to be given, then we must be furnished an inventory of all the palaces and told whether some palaces are going to be treated as State property, according to the merger agreements, or some other palaces are going to be treated as private property according to some agreements. These things have not been shared with us.

However, so far as this measure is concerned, I would like to say that we have absolutely no objection to the consequential amendments that have been proposed. But the implications of some of these amendments have not been clearly made out, and therein lies our objection. I hope during the reply the hon. Minister will try to enlighten us on these points.

**SHRI H. R. GOKHALE:** Sir, as I said in my opening speech, the Bill seeks to amend the provisions of various Acts which are there in view of the privileges which existed in favour of the former princes. The hon. Member, Shri Shyamnandan Mishra is quite right. As I said in the beginning, a view can be taken that after the abolition of articles 291 and 362, even though we might not delete the provisions, the privileges will not be available to the rulers. But in matters like this Government thought that the question should be put beyond doubt and, even if not necessary, at least these blots on the statutes books should be removed, and that is why these amendments have been proposed.

While all speakers who participated in the debate supported the measure, various questions have been raised which indeed are no doubt relevant. The first question that was raised by one hon. Member was with regard to the amendment of the Criminal Procedure Code. I have indi-

cated earlier that the situation after the abolition of the concept of the rulership is now so different that the protection which was given to the former rulers, who at one time claimed to be equivalent to foreign rulers, has no justification to remain on the statute book. For example, no prosecution can be launched without the prior approval of the Central Government. If they have to prosecute, or defend any suit in a court of law, the Central Government should provide them assistance. These are matters which are clearly out of date after the abolition of articles 292, 362 and so on. One hon. Member said that even for offences which took place prior to 26th January 1950, prior to the commencement of the Constitution, the immunity should not remain. In other words, after nearly 25 years have gone, if somebody wants to launch a prosecution for some alleged offence which may or may not have been committed prior to that date, he should have complete freedom to prosecute the ruler like any other citizen. Apart from the fact that even in respect of ordinary citizens such a stale prosecution will normally not be entertained by any criminal court, it was thought desirable that while the immunity lasted and did last, whether rightly or wrongly, till the Constitution came into force, for acts or omissions which were committed prior to the Constitution coming into force the immunity should remain and it should not become a handle in the hands of some people who might have a grievance for one reason or another against an individual prince to take the matter to a criminal court for a 25-years old dispute in a criminal matter. But it is quite clear that after the 26th January 1950 there is no protection. So, if an offence is alleged after that date, it can be taken to a criminal court by any citizen and the rulers will be dealt with as any other individual citizen would be dealt with in a criminal court, after the passing of this amendment.

With regard to the Civil Procedure Code some reference was made and some instances were also pointed out. If there are disputes pending, I am sure they must have been pend-

ing after the appropriate approval of the Central Government was obtained under the relevant provisions of the Civil Procedure Code and those disputes will certainly go to a civil court. The question is if for 25 years or so no proceeding in a civil court has at all been instituted till now, should we or should we not continue the immunity in respect of cause of action which arose prior to 26th January 1950.

The provision makes quite clear that if there is a cause of action after the passing of the Constitution and, of course, subject to the law of limitation of the land, there is no bar now, there is no immunity now, for any such civil suits being filed against any former ruler. The courts are open. Every litigant will be free to go against a ruler for any cause of action after the Constitution came into force and for that matter against any one. The immunity from arrest is also taken away. There is no such immunity.

Then, a reference was made to certain other provisions like the amendment to the Income-tax Act, the amendment to the Gift Tax Act and the amendment to the Wealth Tax Act. As I have pointed out earlier, before the passing of the proposed Bill, the provision is that certain palaces were exempt from wealth tax. Now, what is done in respect of a former ruler who was recognised before is this. After the amendment of the relevant definition in the Constitution, article 366, there is no question of recognising a new heir or a successor to such of those who are alive and who have ceased to be rulers after the passing of the Twenty-Sixth Constitution Amendment Act. In respect of them, only one residential house has been exempted from the levy of wealth tax. This too has been made applicable during the life-time of the ruler. There is no new ruler now. Such as those who are living will be having a house and that will be subject to exemption from the wealth tax. There is no question of recognising a successor now. There is no question of anybody taking his place hereafter.

With regard to the Gift Tax Act, the provision is the same. There is no exemption from Gift Tax. Formerly, if any gift was made from the privy purse amount, may be to his relative or to his friend, that gift was free from gift tax. Now, no gift made from any *ex-gratia* payment is free from gift tax and no gift made from arrears of privy purse amount which might have been paid is free from gift tax. That exemption is altogether taken away.

With regard to Income-Tax, the provision is two-fold. There really a question arise as to the *ex-gratia* payment. Let me make it clear that the present Bill does not authorise *ex-gratia* payments. The authority for payment is not derived from this Bill. The authority for payment will come only when the Demands are considered by the House. The argument was that the House is not consulted. The House will certainly be consulted. Unless the House passes the Demands, no payment can be made at all. Therefore, there is no question of making any payment without consulting the House.

**SHRI SHYAMNANDAN MISHRA:** But the House must be able to comprehend the demand.

**SHRI H. R. GOKHALE:** I entirely agree with you. The question comes when the demand comes for consideration.

**SHRI SHYAMNANDAN MISHRA:** Before that.

**SHRI H. R. GOKHALE:** Whether it is for Rs. 10 crores or whatever it is, certainly, the hon. Member will be entitled to ask the Finance Minister as to whether there is any rational basis or, if he wants to say that the basis is irrational, certainly, he will be entitled to say that. So far as the present Bill is concerned, there is no authority to pay. All that it says is, in the event of a payment being sanctioned in the appropriate way by Parliament, then the *ex-gratia* payments will be free from Income-tax.

Now, it was said why this exemption from tax. What is the basic objective? If there is a difference

[Shri H. R. Gokhale] opinion on that, then that is a different matter. The word "princes" is such that everybody conceives that they are very big rulers. But the reality is that all the rulers are not big rulers. There are quite a few who are really small rulers. The privy purse payments were also very small. That is why, even at the time when the Bill was moved in the House for amending the Constitution, the Prime Minister said that we would look at this question not with any animus against individual princes. In fact, while it was left to me to pilot the Bill as subsequent stages, at that time, I had also said that particularly for the smaller princes, the Government will have to take into consideration as to whether some transitional payments should be made or not. This position was not left in any doubt.

Now, the question is, if this payment is to be made, if it is sanctioned by the Parliament, then there is no point in making the payment if it is subject to tax. The idea is to enable particularly the smaller rulers to rehabilitate themselves during the transitional period and to adjust themselves to the changed circumstances. The payment should not be in the nature of an eye-wash. Then, there is no point. If the payment is made and substantial percentage of it is taken away by the Government, it is only a payment in name. It is not a payment in fact to the ruler concerned and it does not serve the purpose for which the payment is sought to be made. That is why only in the event of an appropriate grant being approved by the House and a situation arising when a payment has to be made, then the particular clause relating to exemption from tax so far as these *ex-gratia* payments are concerned will operate.

It has also been said that while so much has been done and so much has been said about rulers for rehabilitating them or for enabling them to adjust to changed circumstances, nothing has been said in this Bill with regard to the number of employees of the ex-rulers. Let me make it quite clear at the outset that the Government is not behind anybody in their concern and in

their sympathy for the employees of the ex-rulers or at least for such of those as are likely to lose their jobs in the changed circumstances. I am in a position to say that the matter is under consideration of the Government. In fact, the State Governments have been approached and attempts are being made to see that as many of them as possible are absorbed in Government service in their appropriate places, according to their position, ability and so on and so forth. But it is not understandable how a provision with regard to absorption can be brought in this Bill. The Bill deals with the abolition of privileges. An unfortunate consequence is likely to occur of which the Government is aware and the Government is thinking of the matter and is taking precautions to see that some adequate steps are taken, that the State Governments do consider the matter sympathetically. Whether it is a question of unemployment of the employees of the former rulers or for that matter other unemployed persons, it is always the concern of the Government and the question of the employees of former rulers cannot escape the attention of the Government.

Something was also said with regard to heirloom jewellery. What was said was that this should not have been done. The provision which obtains before the passing of this Bill is that prior to the passing of the Wealth-tax Act, the heirloom jewellery of a very few rulers was recognised by the Central Government and the same was made the basis for exemption from Wealth Tax Act. When the Wealth Tax Act came, the provision was that the Central Board of Direct Taxes under the rules as framed by the Central Government would be entitled to control the use, utilisation, disposal, etc. of the heirloom jewellery and, subject to these rules, subject to these controls, the heirloom jewellery of some of the other rulers might be recognised. Nearly 25 rulers had applied and the cases of only those who had applied were considered by the Central Board of Direct Taxes. In their cases, on conditions which were imposed and which have been laid down by appropriate rules by the

Central Board of Direct Taxes, the heirloom jewellery was recognised as free from wealth tax.

The present Bill goes a step further. It wants to impose, in the case of heirloom jewellery recognised by the Central Government, similar conditions or, may I say, to a certain extent, more stringent than the rules framed by the Central Board of Direct Taxes under which heirloom jewellery has been recognised and exempted from wealth-tax. The result is that all rulers who had been claiming exemption from wealth tax now will be entitled to the exemption subject to the provisions of this Bill only if they abide by the conditions and terms which are given in one of the clauses of the proposed Bill. For example, there is control on the disposal, control on the substantial variations in the nature of jewellery and control over taking out their jewellery outside the country and so on and so forth.

There can be no ruler, after the passing of this Bill, who can be having heirloom jewellery without any kind of control imposed by the Government. Somebody suggested that these were antiquities and that Government could take them over. I might mention that the Antiquities Bill has been passed only recently, in this Session. 'Heirloom' itself means an article which has come down from generation to generation; that is the dictionary meaning of heirloom. If such jewellery is there and if it is over 100 years old as the Antiquities law provides, in appropriate cases, it is still open to the Government to consider whether it should be taken over or not. The provision here does not prevent the Government from taking it over; if it is heirloom which falls within the definition of 'antiquity' under the relevant Act passed by the House.

14 hrs.

I would assure the House that the Bill is in terms of what Government had stated when the Constitution (Twenty-sixth Amendment) Bill had been passed. It was made clear even at that time that, while it

was true that the anachronism of maintaining in this country a privileged class who went on getting privy purses without a corresponding functional responsibility should be abolished, Government did not want to vindictive, did not want to use its powers to attack the princes who really deserved some consideration and who were required to adjust themselves to changed circumstances. Therefore, the Bill which has been brought before the House is in keeping with the policy of the Government which has been stated before the House earlier also.

I am sure, when the question of authorising any payment in the nature of *ex-gratia* comes before the House, the members are bound to raise questions and Government is bound to give clarifications.

With these clarifications, I commend that the Bill be taken into consideration.

**SHRI SHYAMNANDAN MISHRA:** Mr Deputy-Speaker, may we seek your guidance now? Yesterday it was thought that if the discussion on this Bill preceded the discussion on the Supplementary Demands, then probably we would be in a position to comprehend the Demands with which we would be confronted. Now as the hon. Minister has said, this measure would apply only after the Supplementary Demand has been passed. Of course, the position is like that.

We do not know whether this should have preceded the Supplementary Demand or the Supplementary Demand should have preceded this measure in order to make us better informed about this matter. We really do not know. How are we going to understand the Demand fully? Do you want us to know from the Finance Minister when the Supplementary Demand comes up for discussion or would you like us to be equipped with information before we come to discuss the Supplementary Demand?

**MR. DEPUTY-SPEAKER:** There is no conflict. The present Bill says that, in case there is *ex gratia* payment, that payment will be exempted from income-tax.

**SHRI SHYAMNANDAN MISHRA:** It would have been more logical to have the Supplementary Demand first.

**MR. DEPUTY-SPEAKER:** In case there is any *ex-gratia* payment, whether the House should agree to a particular amount for this purpose, that will be taken up when the Demand comes before the House.

**SHRI SHYAMNANDAN MISHRA:** We were promised yesterday that, during the course of the discussion of this measure, we would be able to know about the rationale behind the Supplementary Demand. But that promise is not being fulfilled.

**MR. DEPUTY-SPEAKER:** I do not know who has made that commitment. As far as I can see, there is no conflict whatever. This is only an enabling provision. In case there is *ex-gratia* payment, that payment would be exempted from income-tax; if there is no *ex-gratia* payment, the question will not arise. The question of *ex-gratia* payment can be taken up when the Supplementary Demands are brought before the House.

**SHRI SHYAMNANDAN MISHRA:** What about the request of the House to the Chair that the House must be informed about the basis of the Supplementary Demand?

**MR. DEPUTY-SPEAKER:** I am sorry, I cannot enlighten you on this, under what circumstances that commitment was made. As far as I am concerned—and I am concerned with this Bill now—I see no conflict whatsoever.

**SHRI PILOO MODY (Godhra):** Suppose tomorrow they come up with a Supplementary Demand for Rs. 250 crores as *ex-gratia* payment to these princes; then this Bill will permit that amount free of tax? Are we, as legislators, going to accept that?

**MR. DEPUTY-SPEAKER:** That is the meaning of this Bill.

The question is:

“That the Bill further to amend certain enactments, conse-

quent on derecognition of Rulers of Indian States and abolition of privy purses, so as to abolish the privileges of Rulers and to make certain transitional provisions to enable the said Rulers to adjust progressively to the changed circumstances, be taken into consideration.”

*The motion was adopted.*

**MR. DEPUTY-SPEAKER:** Now we take up clause-by-clause consideration. There is no amendment to Clause 2.

The question is

“That Clause 2 stand part of the Bill”

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Clause 3—(Amendment of Act 5 of 1908)**

**SHRI M. KATHAMUTHU (Nagapattinam):** I beg to move:

*Page 2.*

for lines 7 to 23, substitute—  
“sub-section (1) shall be omitted.” (1)

**MR. DEPUTY-SPEAKER:** I shall now put Amendment No 1 by Shri M. Kathamuthu to Clause 3, to the vote of the House.

*Amendment No. 1 was put and negatived.*

**MR. DEPUTY-SPEAKER:** Now I will put Clauses 3 and 4, to which there are no amendments to the vote of the House.

The question is:

“That Clauses 3 and 4 stand part of the Bill”

*The motion was adopted.*

*Clauses 3 and 4 were added to the Bill.*

**Clause 5—(Amendment of Act 27 of 1957.)**

**MR. DEPUTY-SPEAKER:** There is one amendment to Clause 5 by Shri M. Kathamuthu.

**SHRI M. KATHAMUTHU:** I beg to move:

Pages 2 and 3,—

for lines 35 to 44 and 1 to 24, substitute—“(b) clause (xiv) shall be omitted.” (2)

**MR. DEPUTY-SPEAKER:** The amendment given notice of by Shri Annasaheb Gotkhinde is barred by article 117(1) of the Constitution.

**SHRI ANNASAHEB GOTKHINDE (Sangh):** Why, Sir?

**MR. DEPUTY-SPEAKER:** Your amendment involves recommendation of President under article 117(1) of the Constitution which has not been received. Therefore, it cannot be moved.

**SHRI ANNASAHEB GOTKHINDE:** I have asked for it.

**MR. DEPUTY-SPEAKER:** It has not been received.

**SHRI ANNASAHEB GOTKHINDE:** Am I to be blamed for it?

**MR. DEPUTY-SPEAKER:** I do not know. I am to run the House. That recommendation has not been received. It is not before me. I cannot say anything more.

I shall now put Amendment No 2 by Shri Kathamuthu to Clause 5 to the vote of the House

*Amendment No. 2 was put and negatived.*

**MR. DEPUTY-SPEAKER:** The question is:

“That Clause 5 stand part of the Bill.”

*The motion was adopted.*

*Clause 5 was added to the Bill.*

*Clause 6 was added to the Bill.*

**Clause 7—(Amendment of Act 43 of 1961.)**

**MR. DEPUTY-SPEAKER:** There is an amendment, No. 3, by Shri M. Kathamuthu.

**SHRI M. KATHAMUTHU:** I beg to move;

Page 3,—

omit lines 29 to 32. (3)

**MR. DEPUTY-SPEAKER:** Mr. Gotkhinde, for the same reason mentioned by me earlier, your Amendment No. 5 cannot be moved: the same applies to your Amendments Nos. 7, 8 and 10. Your Amendment No. 6 can be moved.

**SHRI ANNASAHEB GOTKHINDE:** I beg to move:

Page 3, line 39,—

for “palace” substitute “building”. (6)

My Amendment No. 8 is like Amendment No. 6 . . .

**MR. DEPUTY-SPEAKER:** Your amendment involves some alteration in the tax-structure and it cannot be moved unless the President's recommendation to that effect is received.

**SHRI ANNASAHEB GOTKHINDE:** My submission is this. As you have stated, my Amendment No. 6 . . .

**MR. DEPUTY-SPEAKER:** That does not attract article 117(1) of the Constitution.

**SHRI ANNASAHEB GOTKHINDE:** Amendment No. 8 is a consequential amendment.

**MR. DEPUTY-SPEAKER:** I cannot argue with you on this.

**SHRI PILOO MODY:** I have not heard what was his submission.

**MR. DEPUTY-SPEAKER:** The decision to accept an amendment or not to accept is for the Chair and the Chair is not to explain why, at least in the House.

**SHRI PILOO MODY:** My only submission is that the Chair is not intelligible. If he has a submission, it must be listened to. That is my submission.

MR. DEPUTY-SPEAKER: Now, I will put amendment No. 3 of Shri Kathamuthu to clause 7 to vote.

*Amendment No. 3 was put and negatived.*

MR. DEPUTY-SPEAKER: Now, I will put amendment No. 6 to the vote of the House.

*Amendment No. 6 was put and negatived.*

SHRI PILOO MODY: Sir, there is a split in the Congress:

MR. DEPUTY-SPEAKER: If Mr. Piloo Mody sometimes derives pleasure from that, I do not want to deny him that.

Now, the question is:

"That clause 7 stand part of the Bill."

*The motion was adopted.*

*Clause 7 was added to the Bill.*

#### Clause 8 (New)

SHRI R. V. BADE (Khargone): I beg to move:

Page 4,—

after line 18, add—

"8. The Central Government shall provide maintenance allowance to the servants of the Ruler of the State and shall continue to give the same pay and allowances to the servants and staff of the Ruler and shall give pension after their retirement and all servants and the staff of a Ruler shall be treated as Government servants and this amount shall not be deducted from the *ex-gratia* payment of the Ruler." (11)

Now, that the Minister has said that the interests of the employees will be looked after, after the passing of the Bill, I am not pressing my amendment.

MR. DEPUTY-SPEAKER: Does the hon. Member have the leave of the House to withdraw his amendment?

*The amendment was, by leave, withdrawn.*

MR. DEPUTY-SPEAKER: The question is:

"That clause 1, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI H. R. GOKHALE: I beg to move:

"That the Bill be passed".

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed".

*The motion was adopted.*

MR. DEPUTY-SPEAKER: The Bill is passed.

14.14 hrs.

#### SEEDS (AMENDMENT) BILL

MR. DEPUTY-SPEAKER: Now we take up the Seeds (Amendment) Bill.

SHRI SURENDRA MOHANTY (Kendrapara): Sir, there is no quorum in the House.

MR. DEPUTY-SPEAKER: Let the bell be rung . . . Now there is quorum. The hon. Minister.

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI ANNASAHAB P. SHINDE): I beg to move\*:

"That the Bill to amend the Seeds Act, 1966, be taken into consideration."

Seeds constitute a very important input in agricultural production and to a very large measure the success in agricultural production in the last

\*Moved with the recommendation of the President.

few years can be attributed to the release and distribution of improved varieties of seeds of many crops and especially the hybrids of millets like sorghum, maize, bajra, etc. The Seeds Act of 1966 was the first legislation towards the regulation of quality of seeds. The Act not only provided for minimum standards for seeds of certain notified varieties and crops, but also enables a person to bring up his seed for certification. The standards for certified seeds have been kept higher than those prescribed for notified seeds sold as seed material.

The State Governments, under the provision of the Act can establish certification agencies in their States. While a number of States have established their own certification agencies, many others have continued to designate the National Seeds Corporation as the official seed certification agency. In the initial stages the Corporation had to take up certification as a service function, as it had the necessary technical expertise and administrative set up. A certification agency has to be an impartial body independent of seed production, marketing and seed law enforcement, if it is to gain the confidence of the seed producers and the farmers. As long as the National Seed Corporation was the official certification agency in most States, a uniform set of standards and procedure was adopted. But with State Governments setting up independent certification agencies in their States it is considered necessary to evolve suitable methods for ensuring that the certification standards and procedures are uniform throughout the country. This uniformity in the standards of certain seeds produced in different parts of the country is essential as a lot of movement of seeds takes place across State boundaries. It is with a view to achieve some measure of uniformity in the standards of certification that the proposed amendment is being placed before the House. The proposed amendment provides for a Central Statutory Seed Certification Board which will be able to advise the Central and State Governments to

coordinate the functioning of the Seed Certification Agencies in the States.

Certified Seeds must be of the highest quality possible and we are therefore proposing that under Section 9 of the Seeds Act separate standards for certified seeds can be fixed. While for any seed notified under the Act, it will be essential that it conforms to minimum standards of germination and purity before it can be sold as such, it is considered necessary to make provision for fixing higher standards in case of certified seeds. Certification today as you know is a voluntary process under the Act and the provision is an incentive to the seed producer to ensure that the seeds have the highest standards possible of germination and purity, both physical and genetic.

In the Bill which is being taken up for consideration we have therefore proposed to provide for higher standards for certified seeds.

Mr. Deputy-Speaker: Sir, I need not elaborate on the importance of jute to the country. It is very necessary to step up the production of jute and for this jute cultivation must be taken up with seeds of the highest quality. Under the amending Bill we propose to bring jute under the purview of the legislation.

I am sure this House will welcome the Bill and the efforts being made by the Central and State Governments to assure the farmers seeds of the highest quality.

I have already explained the broad features of this Bill. Hon. Members will appreciate that there is absolutely no controversy involved in this Bill. In fact, the seed industry has come up on modern lines only quite recently and as we are gaining experience now and agriculture is developing on modern lines, we find that it is necessary to have such a Seed law so that necessary support to our agriculture is provided by the Seed industry which is very necessary.



[Shri Annasaheb P. Shinde]

Therefore, I would make a humble submission and appeal to the hon. Members that they may pass the Bill which is not a controversial subject and I look forward to the unanimous support of hon Members to this Bill.

MR DEPUTY-SPEAKER. Motion moved:

"That the Bill to amend the Seeds Act, 1966, be taken into consideration"

There is an amendment by Shri S N. Singh He is not present in the House. It is not moved Shri Jagadish Bhattacharyya.

SHRI JAGADISH BHATTACHARYYA (Ghatal): This Bill appears to be very simple in nature. It is meant for amending only four sections of the original Act that was passed in 1966 There is not much to say about these amendments but it does not mean that the Bill has lost its importance

Seeds of proper quality, fixation of gradation and determination of intrinsic value and worth are all things which are absolutely necessary to have anything good to be done in the field of agriculture

A great responsibility devolves upon the Board which is going to be constituted under the provisions of this Bill Here also, I think, the Board that is going to be constituted will not be up to the mark So far as I think, it is officer-ridden. I don't find any justification for including a representative of tradesmen on this Board They are called upon to discharge not only the duties that I have already mentioned, but also, to coordinate the activities of the different Boards and Committees that are likely to be set up in different States.

In Section 2, it has just now been mentioned by the hon. Minister that jute seeds are also included. I certainly welcome this inclusion, but one thing still baffles my imagination.

It is stated in the Statement of Objects and Reasons:

"Opportunity has also been taken to include jute seeds within the purview of the Act since jute is a very important crop."

Now, Sir, this Seeds Act was passed in 1966, that is, 20 years after our independence and even then the farmers of this Act did not think it fit to include jute seed in it, and now, it took this Government 25 years to realise that jute is also an important crop and jute seed should also be brought within the purview of this Bill, although this crop had been earning a considerable amount of foreign exchange during all these years.

In Section 8(c) it has been mentioned:

"No proceeding of the Board or any Committee thereof shall become invalid merely by reason of the existence of any vacancy therein or any defect in the constitution thereof"

I don't find any reason why this expression 'any defect in the constitution thereof' should be here Does the Minister anticipate, that there will be defects in the constitution of the Board or Committees? Or should we presume that the Ministry itself is defective? Whatever it may be, it has got no place here

Lastly, I would very much emphasise that the Certification of the Seed by the Board should be done with the utmost care. In the present bureaucratic set-up there is every likelihood of manipulation by interested parties to have bad seeds certified as good seeds Our farmers have got a fair amount of bitter experience in this regard

So, it should be the duty of the board to see that really good seeds are easily made available to the growers, and any slackness or negligence or carelessness in this regard will defeat the very purpose for which this Bill has been brought forward

SHRI MOHANRAJ KALINGARAYAR (Pollachi): Mr. Deputy-Speaker, Sir, while supporting this Bill, namely the Seeds (Amendment) Bill, 1972, I would like to raise some points.

It is only after 25 years after our Independence that our Government have thought of bringing forward this Bill, and till now, Government did not realise it. Otherwise, they would have brought the Bill earlier, because a large part of our country has been under agriculture. Agriculture in most parts of India has been lacking in modern equipment, proper seeds, proper fertilisers etc. At least, now, I am happy that Government have taken steps to bring this Bill to develop good and genuine seeds, to develop our agricultural products and to save India from borrowing food and other agricultural products from foreign countries.

I am happy that this Bill provides for the constitution of a Central Board to certify the purity of seeds. I am surprised to find that Government have included in this Bill jute seeds. In the Statement of Objects and Reasons appended to the Bill, it has been stated that:

"Opportunity has also been taken to include jute seeds within the purview of the Act, since jute is a very important crop."

Their realisation of the Government has been far too late. I am happy at least now Government have realised that jute has some importance and jute is one of our most important commercial crops which earns a large amount of foreign exchange. So, I would like to know from the hon. Minister why this lapse should have been committed by Government. The original Act was passed in 1968, but it is only now that they have thought of including jute seed within the purview of the Act.

Now, I would like to make a few observations regarding the constitution of the Central Seed Certification Board. We have no objection to

having this board, but I would like to request the hon. Minister to have some representation from the farmers' group. Being a farmer, I would definitely like to be on the board. Instead of letting the entire thing to the discretion of Government, I would request the hon. Minister that at least some farmers should be on the board.

श्री आर० बी० बड़े (खारगोन) : उपाध्यक्ष महोदय, मैं सीड्स (एमेंडमेंट) बिल की केवल दो तीन बातों के खिलाफ हूँ। बाकी बिल अच्छा है। इस बिल में कहा गया है कि जो सेंट्रल सीड सर्टिफिकेशन बोर्ड बनाया जायेगा, उस में कुल 21 सदस्य होंगे। उन में से चार सदस्य सेंट्रल गवर्नमेंट द्वारा स्टेट्स के डायरेक्टर्स आफ एग्रीकल्चर में से नामीनेट किये जायेंगे और 13 सदस्य सेंट्रल गवर्नमेंट द्वारा ऐसे इन्स्टिट्यूट्स को रिप्रेजेंट करने के लिए नामीनेट किये जायें, जिन को वह उपयुक्त समझती है—“सब इन्स्टिट्यूट्स एज वैंट गवर्नमेंट थिक्स फिट”—, जिन में से चार व्यक्ति सीड प्रोड्यूसर्स या ट्रेड्समैन के प्रतिनिधि होंगे इस में “सब इन्स्टिट्यूट्स” को स्पष्ट नहीं किया गया है। क्या उस का अर्थ पोलिटीकल इन्स्टिट्यूट होगा या एग्रीकल्चरल इन्स्टिट्यूट ?

अगर सरकार वास्तव में किसानों का हित करना चाहती थी, तो उस को इन तरह सदस्यों में केवल सीड प्रोड्यूसर्स के प्रतिनिधि लेने चाहिए थे। लेकिन इस बिल में कहा गया है कि चार व्यक्ति सीड प्रोड्यूसर्स या ट्रेड्समैन के प्रतिनिधि होंगे। इस का अर्थ यह है कि उन में से दो सीड प्रोड्यूसर्स और दो ट्रेड्समैन के प्रतिनिधि होंगे। मैं यह पूछना चाहता हूँ कि ये तरह सदस्य केवल सीड प्रोड्यूसर्स के प्रतिनिधियों में से ही क्यों नहीं लिये जाते हैं और इस में यह “थिक्स फिट” की बात क्यों रखी गई है।

हम ने मध्य प्रदेश में देखा है कि वहाँ पर चार उन्नत कृषि-उपज बीज उत्पादन कर्म स्थापित किये गये हैं। उन के लिए सी-सी एकड

[श्री आर० बी० बड़े]

श्री जमीन ली गई है, लेकिन उन में से तीन फ़ार्मों को घाटा हो रहा है। वहाँ से जो बीज बिके जाते हैं, उन की स्थिति यह है कि कपास के बीज धाघे उगते हैं और धाघे नहीं उगते हैं। मैं यह जानना चाहता हूँ कि सरकार इस विषय में क्या करने जा रही है ?

काश्तकारों को सर्टिफिकेट लेने के लिए भोपाल जाना पड़ता है। अगर हमारे यहाँ सेंधवा से कोई काश्तकार सर्टिफिकेट लेना चाहे तो उस को सेंधवा से इन्दौर तक 98 मील और इन्दौर से भोपाल तक 118 मील दूर जाना पड़ता है। भोपाल में सर्टिफिकेट के लेने के लिए इतनी देर लगती है कि काश्तकार डिपार्टमेंट की लाल फीताशाही से तग धा गये हैं। सरकार को इस तरह ध्यान देना चाहिये।

श्री जगन्नासाहिब वी० शिन्डे क्या माननीय सदस्य खेती करते हैं ?

श्री आर० बी० बड़े : मैं पहले खेती करता था, लेकिन प्रायः लोगों से चुनाव लड़ते-लड़ते मुझे उस को बचना पड़ा है, क्योंकि मेरे पास पैसा नहीं था। लेकिन मुझे खेती का बहुत अनुभव है और सभी काश्तकारों मेरे सम्पर्क में हैं। काश्तकारों को सीड्स आदि के सम्बन्ध में जिन कठिनाइयों का सामना करना पड़ता है, अगर मैं उन का सारा बिट्टा मंत्री महोदय के सामने रखूँ, तो उन को आश्चर्य होगा।

मैं यह जानना चाहता हूँ कि क्या सरकार ने कभी यह खेता-जोखा देखा है कि सीड फार्म क्या उत्पन्न करते हैं, उन पर कितना खर्च किया जाता है और उन से किसने को कितना फायदा होता है। अगर सरकार ने ठीक व्यवस्था न की, तो इस सेंट्रल सीड सर्टिफिकेशन बोर्ड से काश्तकारों को बहुत तकलीफ होगी। प्रश्न यह है कि क्या काश्तकारों को सर्टिफिकेट लेने के लिए दिल्ली जाना पड़ेगा या क्या उस की जागहों विभिन्न राज्यों की राजधानियों में होगी। आश्चर्यकृतता इस बात की है कि इस बोर्ड की जागहों विभिन्न

में रखी जाये। इस से काश्तकारों को बहुत सुविधा होगी।

मैं इस बिल को सपोर्ट करता हूँ, लेकिन मैं चाहता हूँ कि बोर्ड के तेरह मेंबर सीड प्रोड्यूसर्स और फार्मर्स में से होने चाहिए।

SHRI P M MEHTA (Bhavnagar):  
I do not want to take much time of the House. I have only one point to make That is regarding the composition of the Central Seed Certification Board Clause 3 inserts a new section 8A to 8E Item 2(iv) of sec 8A reads:

"thirteen persons to be nominated by the Central Government to represent such interests as that Government thinks fit, of whom not less than four persons shall be representatives of seed producers or tradesmen"

Here Government have not thought it proper to include representatives of producers because the terminology used is such that producers may not be given representation at all. This provision may be properly amended to give representation to producers in this newly-formed Board. I hope Government will do the needful in this respect

श्री इरबारा सिंह (होशियारपुर) : डिप्टी स्पीकर साहब, मुझे खुशी है कि सरकार ने पुराने तर्जुमों की बिना पर इस एमेंडिंग बिल के जरिये सीड्स एक्ट को इम्पूव करने की कोशिश की है। सीड्स एक्ट, 1966 के मुताबिक हार्ड वीरिफिकेशन बैरायटी के अच्छे जमिनेशन वाले बीज काश्तकारों को मुहैया किये जाते थे। लेकिन हम ने देखा कि हर स्टेट में जो लोग इन बीजों को पैदा करने वाले थे, तफरीबन वही बचने वाले भी थे। कुछ बीज वे सीड्स कार्मिनेशन को देते थे और कुछ खुद रख लेते थे। वे बीज इतने एक्सपेंसिवेटेड रेट पर बेचे गये, जिस का कोई हिसाब नहीं है। ट्रिबल वरीट के कुछ स्टेशन को एक किलो बीज की कीमत एक-एक हजार रुपये बाजी की गई, क्योंकि उस की कमी थी और यह कमी खान-पान कर

देश की गई थी। ऐसी ज़मिनीयों की मिलावट भी शुरू है कि बीज को बोरी कर के बेचा गया। मैं जल के नाम नहीं लेना चाहता हूँ, क्योंकि इससे कोई फायदा नहीं है और वह बहुत देर की बात हो गई है। हमें उस तर्जुमों से कुछ सीखना चाहिए।

अब जो सर्टिफिकेशन बोर्ड बनाया जा रहा है उसमें एक्सपर्ट, डीलर और प्रोड्यूसर होंगे। मैं सरकार की बहुत निन्दा नहीं करना चाहता हूँ। लेकिन मैं पूछना चाहता हूँ कि जितने सीड फार्म पंजाब सरकार और दूसरी सरकारों ने बनाये, उन का क्या हुआ? सीड फार्म अपनी जमीन बेच रहे हैं, क्योंकि उन पर ज्यादा खर्चा आता है। कहा गया कि लोग बीज पैदा करें। ठीक है, लोगों को इन्सेन्टिव होना चाहिए। लोग अच्छे बीज पैदा करें, उन को ज्यादा कीमत मिले और वे उन को नजदीक के इलाकों में बेच सकें।

लेकिन इस का नतीजा क्या हुआ है? पिछले दिनों हम देखते रहे हैं कि बीज बकत पर नहीं मिला और अगर मिला, तो उन लोगों से मिला, जिनके बीज में जमिनेशन नहीं है। मैं हर किस्म के बीज के बारे में कहना चाहता हूँ कि उस में जमिनेशन कैंपेसिटी भी ही नहीं। बोने के बाद देखा गया कि खेत फिर साफ़ का साफ़ है। गवर्नमेंट को इस बारे में सिस्टिमेट एक्शन लेना चाहिए कि जिसका बीज खराब होगा, उसको सजा होगी। अगर ऐसा नहीं किया जायेगा, तो नतीजा यह होगा कि वे लोग बीज को बेचेंगे। उस पर सरकार की मुहर होगी और लेने वाले को एतबार होगा कि इसको सरकार का सर्टिफिकेट मिला हुआ है। लेकिन उसकी जमिनेशन की कैंपेसिटी कमिनी है वह तो बोने के बाद पता चलेगा और उसके बाद सीजन निकल जाएगा तो वह बेचारा भ्रष्ट जायेगा। इसलिए इसके पहले में ज्यादा रकमत चाहिये कि वे लोग इस डबल केम बेच सकें। उसके एक्सपर्ट्स उस जमिनेशन को निम्न स्तर से डैरड कर रहे हैं मुझे पता नहीं है।

मैं साइस जानने वाला नहीं हूँ। लेकिन एक बात और करनी चाहिये कि हर जो पैदावार आने की है और जो प्रोड्यूसर ने आयाको दिया है उसकी जमिनेशन कैंपेसिटी उस बोरे पर लिखनी चाहिए कि इसकी जमिनेशन इतनी सर्टिफाइड है और इतनी होगी। बरना यह होगा कि कुछ का कुछ बीज वह देगे। इसलिये यह एहतिमात करना जरूरी है। सरकार ने जो पाबन्दी लगाई है उससे मुझे खुशी है, हालांकि वह बीलेटेड है लेकिन बहुत अच्छा ऐक्शन है। इससे कुछ सहायित होगी उन लोगों को जो बोने वाले हैं। इससे एक बात यह भी सामने आयेगी कि सरकार इस बीज के पीछे है कि अच्छा बीज मिलना चाहिए। बिल के सेक्शन 6 से 9 में यह चेंज किया है ताकि हायर स्टैंडर्ड के बीज मिल पाए। इसके लिए मैं सरकार की प्रशंसा करता हूँ, सरकार यह बहुत अच्छा बिल लाई है जिससे लाजिमी तौर पर लोगों के दिमाग में यह बात आयेगी कि लोगों को अच्छा बीज मिल सकेगा। यहाँ एक दोस्त ने नुक्ताचीनी की है जूट के बीज के बारे में। जूट का बीज भी हमारे देश को चाहिए उसकी कमी को पूरा करने के लिए और उसकी प्रोडक्शन बढ़ाने के लिए कमी कि वह हमारे लिए बाहर से एक्सचेंज लाता है। तो उसके लिए भी हम कोशिश करें। हाई यील्डिंग वैराइटीज आई है, प्रोडक्शन बड़ा है और यह देश सेल्फ सफिसियंसी की तरफ गया है। यह मिनिस्ट्री मूबा रकबा की भूतहक है जिसने अपनी लगातार कोशिश से फूड प्रोडक्शन को आगे बढ़ाया है। मैं इस बात को नहीं मानता जो लोग कहते हैं कि फूड प्रोडक्शन गिर जायेगा इसलिए कि सीलिंग हो गई है। मैं इसको मानने के लिए तैयार नहीं हूँ। क्यो कि जिसके पास पहले 200 एकड़ जमीन थी वह उसमें से खुद पैदा कर के कुछ नहीं खाता था। अब जो उसके पास सीलिंग के मुताबिक जमीन होगी उसमें वह खुद प्रोडक्शन करेगा और उसकी दुगुनी तिसुनी पैदावार करेगा। इसलिए भी बहुत जरूरी है कि जब सीलिंग हुई है तो हम प्रोडक्शन को आगे बढ़ाने के लिए देश बीज मुहैया करें जो कि सर्टिफाइड हों और

[श्री दरबारा सिंह]

इस के लिए यह आप ने जो बोर्ड बनाया है वह बहुत अच्छी बात की है।

मेरे तीन सुझाव हैं जिन को मैं रख देना चाहता हूँ। एक तो मैं यह अर्ज करता हूँ कि सेंटर डिफरेंट प्लेसेज पर ऐसे कायम करने चाहिए जिस से वक्त पर सीड मिल सक। जो बोने का वक्त है वह न निकल जाय। इसलिए आप ऐसे सेंटर कायम करें जिस से वक्त पर बीज उन को मिल सके।

एक बीज और मैं आप के जरिए मिनिस्ट्री की नोटिस में जाना चाहता हूँ कि दस हजार एकड़ का एक फार्म जालन्धर जिले में दरिया सतलुज के किनारे रशियन कोलाबोरेशन से शुरू हुआ था मशीनरी चली गई, सब कुछ वहां चला गया। पैदावार के साधन सब दे दिये गए। लेकिन ऐम्प्टली ऐसा हुआ है, न वहां मशीन दिखाई देती है, न कोई आदमी दिखाई देता है। सब उठ गया वहां से। क्यों ऐसा हुआ? उस स हजारों मन गेहूँ पैदा होता और उन तमाम इलाकों में जाता और वहां जो छोटे या बड़े किसान हैं, बड़े किसान तो अब सीलिंग के बाद कोई रहेंगे नहीं, चोरी से कोई रह जाय तो वह भ्रमलग बात है, लेकिन जो भी किसान वहां हैं उन को वह मुहैया होता, उस के लिए वह बीज फार्म आवश्यक था। लेकिन वह बीज फार्म वहां से उड़ गया। ऐसे ही बीज फार्म आप उड़ा देंगे तो आखिर कोई जमीन आप के पास अपनी भी तो चाहिए। सरकार को भी अपने तजुबों के लिए और लोगों को बीज मुहैया करने के लिए ऐसे फार्म चाहिए। और फार्म जैसे पल्ल फार्म है और दूसरे फार्म हैं जैसे ही एक यह भी फार्म दस हजार एकड़ का था। वह एकदम से उठ गया। यह ठीक है आप स्टेट सरकार से जमीन लेते हैं, लेकिन स्टेट सरकार से भी तो भी वह कहाँ गई? जरूरत नहीं रही या ऐसे ही छोड़ दिया या क्या किया उस का? यह बात मैं जानना चाहता हूँ।

दूसरी बात यह कहना चाहता हूँ कि इस की क्यालिटी जो है उस की पूरे और पर जांच करनी

चाहिए और जो आप कमेटी या बोर्ड बना रहे हैं उस में एतराज जहां हुआ है कि चार ही प्रोड्यूसर आप ने रखे हैं तो आप प्रोड्यूसर बढ़ा दीजिए। लेकिन वह प्रोड्यूसर न हों जो आप को बीज देंगे हों, दूसरे और प्रोड्यूसर भी होने चाहिए जो बीज की शिनाख्त कर सकें। ऐसा बोर्ड बना कर आप काम करें और लोगों को बीज मुहैया करें। यह बिल जो आप लाए हैं, यह तारीफ के काबिल है।

श्री तेजा सिंह स्वतंत्र (संगरूर) : उपाध्यक्ष महोदय, इसमें कोई शक नहीं कि हमारी एग्रीकल्चर मिनिस्ट्री एक बहुत जरूरी अग्रेडमेंट लाई है क्योंकि हमारे देश में हरा इन्क्लाव जिस को कहते हैं उस में जो सब से एसेशियल इनपुट्स हैं उन में से एक सीड है जिस का जमिनेशन, जिस की यील्डिंग हाई हो, ज्यादा हो, कई गुना हो। इस से हम अपने देश का सिर्फ संकट ही खुराक का दूर नहीं कर सके बल्कि इस के साथ हम जो हमारी मोहताजी थी, लाखों टन बाहर से मंगवाने की उस से भी बच गए और अपना बहुत कीमती एक्सचेंज भी हम ने बचाया जो कि दूसरे कामों में आया। लेकिन जो कुछ तजुबों में हमारे आया है वह यह है कि हाईब्रिड सीड का प्रोडक्शन गिरा है। वह 79 हजार से 26 हजार तक नीचे गिर गया है। उस का कारण किसी रिपोर्ट में अभी तक नहीं दिया गया है यह क्या बात हुई है? लीग पर्सड नहीं करते, खरीदते नहीं हैं, इस की कीमत गिर गई या कारण क्या हुआ? यह एक खास प्वाइंट है जिस को लेना चाहिए।

दूसरे, जो कुछ सर्टिफिकेशन के लिए किया गया है बहुत अच्छा प्वाइंट लाया गया है। लेकिन इस के मुतल्लिक मैं कहना चाहता हूँ, पहले प्रोडक्शन के मुतल्लिक मैं यह चाहता हूँ कि इस का सारे का सारा प्रोडक्शन अगर हो सके तो गवर्नमेंट फार्म को करना चाहिए। और इस के लिए स्पेशल कंटेनर हों तथा सर्टिफिक सर्टिफिकेशन हो, वह गैररजिस्टर्ड और जो किनें उच्च की कीमत किन्सब हो। मैंने देखा है और और

मिर्ची ने भी बताया कि एक किलो गेहूँ की एक हजार रूपए कीमत ली गई यानी एक दाना जो गेहूँ का हार्फ सीड था वह एक एक दाना एक एक रूपए में बेचा गया पंजाब में और इस के लिए मिस्टीरियस तरीके से प्रचार किया गया कि यह तो पूसा से चुराया गया है, यह फला जगह से लाया गया है, सिर्फ तीन किला है, जो ले लेना वह मिलियनयर बन जायगा। इस तरह से स्पेकुलेशन इन सीड सेलिंग हमारे यहा हुई। दूसरी बात है सर्टिफिकेशन के बारे में, जो ग्राम हमारे देश में बीमारी है जिस के मुतल्लिक हमें पूरे जोर से युद्ध करना होगा वह है करप्शन। जो प्राइवेट प्रोड्यूसर है वह पैसे दे कर किसी न किसी ढंग से अपना सर्टिफिकेशन करा लेता है। हम जिनको जानते हैं, हमारे अपने जिले में, मेरे हल्के में एक ऐसा आदमी है जिसे प्रोड्यूसर का लाइसेंस मिला और उस ने बाजरे का जो बीज बोया उस को कोई जर्मिनेशन नहीं हुआ या अगर हुआ तो वह ऐसा था जैसे ग्राम बीज का होता है। तो फिर उस को स्पेशल कटेनर में डालना और हाई प्राइस पर बेचना, उस के बाद उस से वही बाजरा निकलना जो ग्राम घर में निकलता है तो उस का क्या फायदा हुआ? इस के अलावा बहुत से जो रिच पेजेंट्स हैं जिन का गवर्नमेंट से सबध है वह यह भी करते हैं कि इस से वह फायदा उठा सके। अगर उन को सीड का लाइसेंस मिल जाय कि वह फला का सीड उगा सकते हैं और कुछ खील्ड कर सकते हैं तो उस के लिए उन को सर्टिफिकेट देना होगा। उन के लिए पंजाब में यह चल रहा था सीलिंग से एक्जैम्पशन देने के लिये सीड फार्म का लाइसेंस ले लो, क्योंकि सीड फार्म सीलिंग में नहीं आयेंगा, फलाना मिनिस्टर अपना है, फला एम०एल०ए० अपना है, इस लिये यह सीलिंग से बच जायेगा, मौडल सीड फार्म बन जायेगा और सीड की गवर्नमेंट को ज़रूरत है। इस से सिर्फ इतना ही फायदा नहीं है, बल्कि गवर्नमेंट की कोनाल से एडीशनल फार्मी मिलेगा, जिस तरह से बाघात को मिलता है। इस तरह की बीज फीरोजपुर में हुई है।

जहां तक मार्केट का सवाल है, वह तो पहले से ही रिजर्व है, क्योंकि उन की मोनोपली है। सर्टिफाइड सीड का लाइसेंस है इस लिये ऊंचे दामों पर बिकेगा। मक्का का बीज पिछली दफा बिरला के फार्म का 4 रुपये किलो में बिका, यानी 6-7 गुना ज्यादा दाम पर बिका। इसर उन को कन्सेशन मिलता है, उधर मार्केट पर मोनोपली है, स्पेकुलेशन चलता है, इस में जो स्पेकुलेशन का अन्तर है, इस को रोकना है— इस के बारे में सोचना चाहिये। यह बड़ा एसेन्शियल मसला है, जिस की जो मर्जी चाये वह चलाये, ऐसा नहीं होना चाहिये। इस की सप्लाई सफिशियेन्ट होनी चाहिये, यह गरीब से गरीब किसान को भी मिले, यह नहीं होना चाहिये कि बड़े लोग तो बोरे-के-बोरे उठा कर ले जायें और हमारे जैसा मुह देखता रह जाय, दुकानों के इर्द-गिर्द चक्कर काटता रहे, फिर भी उसे न मिले। अगर हम ऐसा नहीं कर पाते हैं तो हमारी कौम की जो बढ रही इकानोमिक हालत है, यह उस के बरखिलाफ जुर्म होगा।

इस लिये हम चाहते हैं कि इस की प्राइस परी तरह से फिक्स की जाय, क्वालिटी मार्केड हो, सब को उस की सप्लाई मिले। ग्राम ने अपनी रिपोर्ट में बताया है कि 500 शाप्स से उस का डिस्ट्रीब्यूशन होगा, लेकिन इन थोड़ी सी शाप्स से किस किस को मिनेगा। इस का डिस्ट्रीब्यूशन एक खास हाथों में हो या गवर्नमेंट की सर्टिफाइड शाप्स के जरिये हो, मोहर बन्द कन्टेनर्स में दिया जाय—2 किलो, 5 किलो या 10 किलो के कन्टेनर्स हो और कन्स्यूमर्स को एनसिस्ट किया जाय ताकि उस को मिलता रहे।

जहां तक जूट के बारे में जो आपने अग्नेजमेंट की है, वह ठीक है, यह हमारी एक्सपोर्ट और एक्सचेंज अर्नर कमाडिटी है। लेकिन जो बोर्ड आप ने बनाया है, उस में एक चेयरमैन ले लिया है, 4 नुमाइन्डे स्टेट्स के होंगे, 3 एक्सपर्ट्स ले लिये गये हैं और 13 आदमियों का कानिनेशन होगा। लेकिन जो प्राइमेट

[श्री तेजासिंह स्वतंत्र]

प्रोड्यूस के और ट्रेड के लोग आते हैं, उन के बारे में आप क्या करेंगे, आप करणन को कैसे रोकेंगे? जो गलत सीड पैदा करने वाला है या गलत सीड बेचने वाला है, आप के सामने दिल्ली की मिसाल है, यहाँ सब चीज मिक्स हो रही है, बी मिक्स हो रहा है, कौन सी चीज मिक्स नहीं हो रही है, उस एडल्टेशन को आप कैसे रोकेंगे। इसी लिये मैं कहता हूँ कि प्रोडक्शन और डिस्ट्रीब्यूशन खास तौर से हाईयील्डिंग वैराइटीज का गवर्नमेंट के हाथों में होना चाहिये या सही हाथों में होना चाहिये। ये 13 आदमी जो आप लेंगे, इन में बिरला जरूर आयेगा, क्योंकि उस के कई फार्म हैं...

श्री अण्णा साहिब पी० शिन्डे : अब नहीं लगे ।

श्री तेजा सिंह स्वतंत्र : देखा है। हम तो आप से यह उम्मीद करते हैं जो रात दिन इस में काम करते हैं, जिन की इन्टीग्रिटी एब-बोर्ड हो, जो उस में गलती न होने दे, ऐसे लोगों को इस में एंजोसियेट करेंगे ताकि हमारे काम में किसी किस्म का बिघ्न न आये और हमारे देश की खेती-बाड़ी पूरी स्पीड से बढ़े और हमें किसी के आगे हाथ न पसारना पड़े।

इसलिये आप के बोर्ड के आर्गेनाइजेशन के मुबल्लिक डाउट एक्सप्रेस करते हुए, खास तौर से सीड फार्म गवर्नमेंट के होने चाहिये, प्राइवेट को कोई कन्सेशन नहीं होना चाहिये, जिस तरह से फूड का मसला है, उसी तरह से इण्डस्ट्रीज को अपने हाथ में लेते हुए, सर्टिफाइड कन्टेनरों के जरिये गवर्नमेंट की मांस से सब के पास पहुंचाने की कोशिश करेंगे तो यह प्राबलम हल हो सकती है।

MR. DEPUTY-SPEAKER: The hon. Minister. I wonder whether you can finish before 3. You can continue on Monday. You can begin now and continue on Monday. How long will you take?

SHRI ANNASAHEB P. SHINDE: Fifteen minutes.

MR. DEPUTY-SPEAKER: Then we shall finish this business and take up the next business later on.

SHRI ANNASAHEB P. SHINDE: I am thankful to the hon. Members of the House for participating in the discussion on this Bill. Irrespective of party affiliations all Members who have participated have broadly supported this measure, though they have made some good suggestions for consideration by my Ministry. I am really so happy to find that there is an all round awareness in this country, particularly among the politicians and the hon Members of this House about the need to modernise our agriculture. Ours was essentially a backward country and our agriculture was essentially feudal agriculture. The need of the moment is to modernise it and the process has just been initiated. I am not trying to say that every problem has been solved. We have to solve many problems and the most fundamental role in the modernisation of agriculture has to be played by seed.

All over the world agriculture is coming up because of modern inputs such as fertilisers, agriculture machinery, soil and water management, by modern scientific concepts but the most important element has been the seed, that is new genetic material. It is in fact one of the biggest achievements of science that scientists the world over have succeeded in evolving new genetic strains. The Indian scientists have not lagged behind and it is in fact the contribution of Indian scientists, scientists of the Indian Council of Agricultural Research that we are now in a position to develop our new seed material. It was not enough to develop it in laboratories and research stations. How to ensure production on a large scale and availability to a large number of farmers? Swatantraji put his finger on the right point. Certification is all right, seed law is all right. How would it reach the millions of poor and middle farmers? That was his point. May I assure Swatantraji, one of our veterans and great patriots, that it would

be the endeavour of our Ministry and the Government of India to see that in times to come seed reaches the millions of our farmers. At present arrangements are inadequate; there are a lot of deficiencies. We shall have to make up all these deficiencies.

15 hrs.

As for the provisions of the Bill, I am grateful to Shri Darbara Singh and others for giving compliments to the Ministry and the Government for taking some steps to modernise the seed industry. A suggestion was made that seeds should be distributed to the farmers in containers and there should be no scope for adulteration I should request the hon. Members to go through the original Act. It is mentioned there: what is the germination purity standards. If a seller contravenes those provisions he can be dealt with properly; there are adequate provisions. I now come to the provisions of this Bill. There are certification agencies in the country. Originally this work was done by the National Seeds Corporation but we wanted that there should be greater involvement by the State Governments in this matter. We are a federal Government and a vast country with different agro-climate conditions. We thought the States should come up with their seed certification agencies. Unfortunately this particular aspect of the work was neglected and in certain States even the District agricultural officers were entrusted with the job of certifying seeds. This is a highly technical job. Seed and genetics is one of the most complicated branches of science and it requires a well equipped certifying agency so that it could insist on certain norms and all that. As a result of the experience we had, we felt there was need to have at the Centre some agency and therefore we are setting up this central seed certification board which gives representation to various interests.

There was a criticism that it appeared to be too much dominated by officials. I think that in the provisions we have made, only four are officials out of a total of 21 persons.

There are directors of agriculture of various State Governments. The chairman is to be nominated by the Central Government. Three are directors of research in agricultural universities and thirteen persons will be representatives of producers and tradesmen.

Unfortunately I am not happy with the wording used here; it is too late now to amend it but the spirit of it is to have dealers who deal in seed, because I thought their field experience might be useful, a dealer may be a co-operative society or some Government agency; while nominating we shall take care to see that it does represent a cross-section and it becomes appropriate. Our interest would be to see that maximum representation is given to the farmers, producers, etc. Because it is not right to confine it to four only. It says here: . . . not less than four. It does not mean that only four; it can be even thirteen producers. There need not be any fear that farmers would not be adequately represented on this.

Shri Bhattacharyya said that certification should be done with the utmost care. That is the purpose of this Bill. That is why a Central agency is being set up. There was also criticism to the effect that it took 25 years for the Government to include jute seed in this law. I am sorry Shri Bhattacharyya had left. The Seed Act itself was enacted in 1966, six years ago. At that time due to some legal interpretations this could not be done. Now I find that this has to be done; our seed industry has developed now and we are gradually bringing in various crops and commodities as far as seed production certification was concerned and we thought that the original lacuna needs to be removed.

Not that we have neglected the jute seed in the past. But this modern concept of seed is a very recent one. I am glad that even Shri Bhattacharyya did not criticise it. In fact, he has welcomed it by saying that government has done the right thing in including this.



[Shri Annasaheb P. Shinde]

Shri Bade said यह बोर्ड तो तकलीफ देने वाला बोर्ड होगा। He spoke this and then he left the House. I hope he did not mean it and made only a casual remark. Because, the seed industry needs to be scientifically based in this country. So, certain rigid norms will have to be laid down and adhered to and implemented in practice. The purpose is to serve the interests of the farmer and not to trouble the farmer. Many times we have received complaints that the seeds distributed to the farmers do not germinate and so the farmers suffer. We want to ensure that this is not repeated. The purpose of the Board is to ensure better seeds to the farmer.

The point raised by Shri Darbara Singh about seed I have already covered. Regarding the timely availability of seed, the responsibility for the distribution of seed is of the State Governments. The Central Government can only help the State Government. The difficulty is that sometimes the State Governments approach the Central Government for seed at the eleventh hour. Seeds cannot be produced overnight. The production programme has to be taken up at least one year earlier. So, there is some lacuna. We are trying to co-ordinate the activities of the State Governments. In fact, in my Ministry I am discussing how we can get over this difficulty. This year there were natural calamities in Rajasthan and original crops have been lost. Last year there was cyclone in Orissa floods in other parts of the country. So, all of a sudden, the States comes up with a big requirement. Therefore, the stage has come when the Government of India has to build a buffer stock, even if it means sinking a few lakhs of rupees, so that in times of emergency and natural calamities the farmers do not suffer on account of the non-availability of seeds. So, the question of availability of seeds to the farmers is being given adequate consideration by my Ministry.

Shri Teja Singh Swatantra said that the cultivation of hybrid varie-

ties is going down. This is a point which needs closer examination. Maize and bajra are some of the hybrid crops. Unfortunately, they are not coming up as we wanted them in the beginning. There is need to have a little stronger research support. Bajra, for instance, is suffering from a disease called ergot. We have drawn the attention of our scientists to this problem and they are considering it.

Shri Teja Singh Swatantra can rest assured that in India good seeds are becoming popular. There were many people in India and abroad who thought that Indian farmers would not accept good seeds. It is not so. Though the National Seed Corporation came into being only in 1963 and the seeds came into the market only in 1966, within a period of seven years the modern concept of seed has become very popular. I have every confidence that in times to come the seed industry and the modern concept of seed would become more and more popular. I do not think there will be any difficulty in expanding our seed industry with good support of this House and the hon. Members.

SHRI JYOTIRMOY BASU (Diamond Harbour): But where is the water? Only 60 per cent of the cultivable area is irrigated.

SHRI ANNASAHAB P. SHINDE: In Bengal, his own State, there is so much of exploitation of underground water. Crores of rupees are being spent every year for tapping underground water. This year itself the West Bengal Government propose to spend Rs. 20 crores for minor irrigation. If he accompanies me, I will show him how programmes are being taken up there.

I do not want to take more time of the House. I will go into the comments of the hon. Member, in detail. If any hon. Member requires any information, I will furnish it individually to him. I am thankful to the hon. House for giving unanimous support to this measure.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to amend the

Seeds Act, 1966 be taken into consideration."

*The motion was adopted*

MR. DEPUTY-SPEAKER: We will take up clause by clause consideration. There is no amendment to clause 2. The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted*

*Clause 2 was added to the Bill*

MR. DEPUTY-SPEAKER: To clause 3 there are two amendments. Is Shri Naik moving his amendments?

SHRI B V NAIK (Kanara): In view of the clarifications given by the hon. Minister, I do not want to move them.

MR. DEPUTY-SPEAKER: Then I will put all the clauses to the vote together. The question is:

"That clauses 3 to 5, clause 1, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted*

*Clauses 3 to 5, clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI ANNASHEB P SHINDE: I move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted*

15.12 hrs.

#### MOTION RE: FINAL REPORT OF THE DIRECT TAXES ENQUIRY COMMITTEE.

MR. DEPUTY-SPEAKER: Now we take up the motion of Shri Jyotirmoy Bosu.

"That this House do consider the Final Report of the Direct Taxes Enquiry Committee, laid on the Table of the House on the 20th March, 1972."

for which three hours have been allotted.

SHRI SURENDRA MOHANTY (Kendrapara): The time may be extended.

SHRI JYOTIRMOY BOSU (Diamond Harbour): I beg to move:

"That this House do consider the Final Report of the Direct Taxes Enquiry Committee, laid on the Table of the House on the 20th March, 1972."

Let us start with the birth of this Committee and why it came into existence. On the 19th of December, 1969 in Rajya Sabha a resolution was moved which reads:

"This House is of the opinion that Government should constitute a committee consisting of experts and Members of Parliament to go into the failure of Central Board of Direct Taxes, Ministry of Finance, in the timely collection of taxes and to suggest remedial measures for improving the same."

Accordingly, this Committee was constituted by a resolution dated 2nd March, 1970 by the Government. I will not go into the details of the resolution just now. The object of this Committee is quite clear from what I have read out. But how the Government has ran away, escaped from the issue, that I shall narrate slowly. If we go to an ancient book, the *Indian Tax Reform, Report of A Survey* by Professor Kaldor, it says at page 105:

"The total of assessable incomes in all sectors outside agriculture comes out at almost exactly twice the assessed income. No significances attaches to this precise figure, but it receives some confirmation from the fact that in the only sector in which the figures of income distribution are based on relatively solid material—in mining and factory industry, and where almost the whole of the activity is carried on by companies and hence income is not subject to an exemption limit—the ratio is also 2:1.

[Shri Jyotirmoy Bosu].

If these figures are anywhere near the truth, the amount of income tax lost through tax evasion is more of the order of Rs. 200-300 crores than Rs. 20-30 crores which is sometimes quoted in this connection."

This relates to the Budget of 1956-57 of the Finance Minister. The Government at that particular time had been talking of evasion to the tune of Rs. 20-30 crores. But the eminent professor had very rightly pointed out that the evasion was to the tune of Rs. 200-300 crores. And this report wonderfully tallies with what Shri Rangnekar said in the note of dissent and also in regard to certain portions of the Wanchoo Committee Report.

The final Report of the Wanchoo Committee says:

"As regards the extent of tax evasion, we find that the average rate of tax on the income assessed for 1965-66 was around 25 per cent. But considering that the size of the problem of black money and tax evasion has grown over the years and tax evasion is more widely practised at higher levels of income, it would be appropriate to adopt the rate of tax applicable to evaded income of not less than 33 1/3 per cent for 1968-69. On this basis, the extent of income-tax evaded during 1968-69 would be of the order of Rs. 470 crores, being one-third of Rs. 1,400 crores. The money value of deals involving black income may, therefore, be not less than Rs. 7,000 crores for 1968-69 . . ."

These are revealing facts.

Then, the economist member in the Committee in his note of dissent has pointed out

"My exercise which is based on a detailed analysis of expenditure statistics for the different sectors of the economy would seem to suggest that the tax-evaded income in 1961-62 was of the order

of Rs. 1,150 crores as compared to the estimate of Rs. 811 crores mentioned in para 2.17 of the main report. For 1965-66, my estimate of "black money" is of the order of Rs. 2,350 crores as against Rs. 1,216 crores mentioned in the report. It is not my claim that my estimates are absolutely accurate, but I think, they probably approximate more to the realities. Estimates of black income sector-wise are given below in respect of the year 1965-66:—

Industrial Sector—Rs. 677 crores

Trade, transport, etc—Rs. 975 crores.

Construction—Rs. 262 crores.

Films, professions and other services—Rs. 439 crores."

The Directorate of Inspection (Research, Statistics and Publications) has said that for 1961-62 alone, Rs. 811 crores was the amount which escaped tax. Other figures are equally staggering.

Then, I quote from *Economic and Political Weekly* which gives very useful figures.

"As may be observed from Table 1. during all the years from 1951-52 to 1964-65, the non-farm household income assessed to income-tax rarely exceeded one-third of the actual assessable income (i.e. the actual income accruing to the high-income households). In other words, about two-third of the non-farm assessable income gets concealed from the taxation authorities.

It follows therefore, that the actual incidence of direct taxation on the non-farm high-income household group is much smaller than what the income-tax data reveal.

Then, there is Table 1 given with different columns. I take only one year, that is, 1964-65 because time at my disposal is short. Non-farm Household income—Rs. 9,482 crores; Non-farm Household income appro-

priated by High income groups—Rs. 3,904 crores. Income Assessed to Income-tax—Rs. 1,229 crores; Tax assessed—Rs. 152 crores; Income Assessed to Tax as percentage of Non-farm Household Income—Rs. 13 crores; Income Assessed to Tax as percentage of Income of High Income Groups—Rs. 31.5 crores; Tax Assessed as Percentage of Income Assessed—Rs. 12.4 crores; etc. etc.

These are very revealing figures and should act as in eye-opener to people who really give their mind to this problem.

This morning, the *Indian Express* gives a very beautiful cartoon drawn by our respected friend from the Rajya Sabha, Mr. Abu It says:

“When does black money become White?—

When it is wrapped up in Khadi!”

I could not agree with it more. This is how really it is working.

Then, I go to avenues of black money. I have called this final Report to be a report written under duress, under pressure. So, we do not agree with most of the things this report says. The interim report was the genuine report

It says:

“It is also spent in purchasing illegally quotas and licences at premia, financing secret commissions, bribes, litigations, etc. giving ‘on-money’ in business transactions, buying industrial peace, financing election expenses and giving donations to political parties. Black money is also utilised in call deposits, bogus hundi loans, etc. etc.”

I will not go into all the details.

Then, there is another quotation which I would like to give from the *Economic and Political Weekly*. It is an article written by an eminent professor Dandekar. It says:

“When the big businesses jump the hurdles placed in their expansion path, they usually shed part of the black money they accumulate by evasion of taxes. The fall out is collected, and shared by the bureaucrats and the politi-

cians working in close cooperation. It seems that the ruling party or parties regard big business as a milking cow to be milked at will. It is not without significance that when recently the Congress Party decided to build an Indira Bhavan in Delhi worth a crores of rupees, the Congress Chief Ministers subscribed on the spot funds amounting to several lakhs of rupees; they could not have done this without knowing the vaults of black money . . .”

So, the Indira Bhavan should be named as “Black Bhavan”. Further, it says:

“This private understanding between the ruling party and the big business is the second or probably the first major obstacle on the road to socialism . . .”

Again, it says:

“The scramble for election tickets and later for office suggests that all offices from top to bottom, in the Union Cabinet, in State cabinets, in Zila Parishads and Panchayat Samities are offices of profit and bring in direct and indirect profits sufficient to compensate more than adequately the expenses of election . . . Furthermore, some of the sitting members of the ruling party who could not be accommodated in the cabinets are given suitable remunerative jobs on Committees, Commissions and public sector corporations; in fact, the latter are looked upon by the ruling party essentially as providing needed opportunity for this purpose . . .”

I am ashamed to read this. But this is what the fact is.

I quote further:

“Once the big business joins in the election efforts, it does not leave the ruling party during its tenure it asks for the quid pro quo and gets

[Shri Jyotirmoy Bosu ]

it . . . . . It explains the hold of the big business over the government in spite of its socialist professions and protestations. So long as this hold continues undiminished, there is no chance of making any genuine progress along the socialist path . . . It has been rightly said that at the bottom of the present liaison between the big business and the ruling party lies the regulatory and licensing procedures by means of which the government tries to control big business. This offers the meeting ground between the two and the result is that the big money wins and it ends up in big business controlling the government. Hence, to break this power of big business over the government, it is suggested that it would be advisable for the government to give up its efforts to control the big business . . .

**MR. DEPUTY-SPEAKER.** Almost whole of your speech is made up of this article.

**SHRI JYOTIRMOY BOSU:** Then, the Monopoly Inquiry Committee Report says:

"We are bound to mention here in this connection that the considerable assistance that some of the leading industrialists in the country had given to the ruling party from time to time has furnished ammunition for the attack. The big business is hand in gloves with the party in power. The fact that such assistance has been liberally given at the time of the last General Elections has been admitted by the Government in a statement in parliament. But people cannot be blamed if they believe that it is the hope of favours that induces such payment and after the election is over, businessmen try their best to see that the 'investment' by them bring satisfactory return."

Three days ago it was revealed in the Rajya Sabha that ten big business houses, in the course of the last five years, had accumulated extra wealth ranging between 25 and 75 per cent. Mafatlal had made 75 per cent in the course of five years. Now compare that with our industrial growth. When the industrial growth was next to nothing, how was these industrialists' wealth swelling, we want to ask them. It is perhaps because they have been allowed to siphon out their wealth that they generated from the industries into the corridors of blind alley, and that is why we could not see them.

Wanchoo Committee's final report is a dictated report. I disagree with many of the things that they have said. The interim report which was written *suo moto* on their own, without pressure, in fact, has been the real report 'Regulation of donations to political parties', we do not agree.

**SHRI K N TIWARY (Bettiah):** On a point of order. He is saying that the final report is dictated one. By this he is misleading the House. Has he any proof? Without any proof, how can he say that?

**MR. DEPUTY-SPEAKER:** This side of the House can contradict him. There is no point of order in this.

**SHRI JYOTIRMOY BOSU:** "Allowance of certain business expenses—Entertainment Expenses and Expenses on Maintenance of Guest Houses"—we do not agree. 'Reintroduction of Expenditure Tax'—we disagree. These are things with which we do not quite agree.

**SHRI N. K. P. SALVE (Betul):** Let him indicate the basis on which he feels that the final report was not written on the volition of the Commission and that only the interim report was written by them. Are there any inconsistencies?

**MR. DEPUTY-SPEAKER:** It is up to him.

**SHRI JYOTIRMOY BOSU:** I am making the speech and not Mr. Salve (*Interruptions*). I want to ask the Government why is it that they did not give remedies to plug the

loopholes for generation of black money. You will not find them anywhere in the final report because it was written under duress.

I have a Memorandum which has been given by Class II ITOs. They have made very valuable suggestions:

"It has been seen from experience that mere lowering the effective rate of taxation failed to generate an atmosphere in which the assessee would reveal their income truly and deliberately. If such would have been the case, Voluntary Disclosure Schemes could have been successful in bringing out the concealed income to tax net."

It also says:

"Though there is a proposal for capital levy at a very lower rate, the Committee while exhorting much on reduction of rate of taxation should have also put on record that the Corporate Sector, unlike the individuals, enjoys the immunity from incidence of Wealth Tax which is much higher on individuals than the proposed capital levy."

Such things have been said. I go to the next point.

"Thus it is envisaged that the Committee has recommended for (1) two types of functions and responsibilities but (2) prescribed three classes of officers, viz., Class II, Class I (Junior) and Class I (Senior). From this one may see how absurd and paradoxical the recommendations are. Firstly, when the job and responsibility of Class I (Junior) and Class II officers is one and the same, why should there be two classes of officers?"

It is needless to point out that the Committee has tried to draw an artificial class distinction—a legacy of the past and a colonial hangover."

This is all that I want to say in connection with the Class II ITOs are

the backbone of the revenue structure, and, therefore, this discrimination and injustice is very much unwarranted.

The final report makes a mention of a very important thing. (*Interruptions*).

"After detailed deliberations and careful consideration of the valuable suggestions offered by them, we are still fully convinced about the efficacy and feasibility of the measures recommended by us in the interim report."

But what is the interim report? The final report is absolutely silent on that. On 12th November, 1970 the Wanchoo Committee had submitted an interim report. It was the most eventful day in this matter. But what happened? Shrimati Indira Gandhi was the Finance Minister at that time; she not only did not implement the recommendations, but suppressed the whole thing. Even the Cabinet Ministers were kept in the dark because quite a few of them took copies from me; they did not know what was the interim report of the Wanchoo Committee. A team of officials consisting of two Secretaries of the Ministry of Finance and the Reserve Bank Governor was sent to the Wanchoo Committee to pressurize, to say, "Withdraw and destroy the interim report". The Committee did not surrender to their pressure, but they accepted one request that, in the final report, they would not make a mention of the contents of the interim report. That is why, today, you see in the final report that there is no mention about the contents of the interim report.

Mr. Y. B. Chavan, on 10th August, had said in this House:

"I will say why we have not published the interim report. An interim report by nature is such that it can be published before the main report is published. Now when the main report is published, the interim report as such has lost its value."

These utterances are as baseless as the Finance Minister himself. Otherwise, clearly and categorically—I have just now quoted—how can he

[Shri Jyotirmoy Bosu]

say this? The Finance Minister had the courage to mislead the House by saying that the interim report had lost its value once the final report which contains very little has been published.

AN HON. MEMBER: Which Finance Minister do you refer to?

SHRI JYOTIRMOY BOSU: Mrs. Indira Gandhi primarily. There is only one Minister to my mind... (Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): He is mixing up the whole thing. He says he is intelligent.

SHRI JYOTIRMOY BOSU: Let both of us go for IQ test and see. (Interruptions) I had regards for Mr. Ganesh, and when some members talked about his arrogance, I tried to dispute it. But it is becoming too much at times. He is trying to carry coal to New Castle. Let him not prove that he is too big for his boots.

SHRI K. R. GANESH: My point is this. Let him talk about the Prime Minister. But when he says that the Prime Minister was the Finance Minister when this report was submitted, I am objecting to that.

MR. DEPUTY-SPEAKER: He was referring to two things, when the report was submitted and what the present Finance Minister said...

SHRI JYOTIRMOY BOSU: What Mr. Chavan said, I approve of, Sir. This is what the Final report says at page 12. I quote:

"After detailed deliberations and careful consideration of the valuable suggestions offered by them, we are still fully convinced about the efficacy and feasibility of the measures recommended by us in the interim report."

So, Sir, who will decide what is right and what is wrong? Who will decide what should be accepted and what should not be accepted? You talk about democracy. You were a garb of democracy. It reminds me of what our great leader Engel said

once. Here is the executive which is supreme. Democracy is nothing but a garb. Sir, this is August House and this morning I heard that our honourable Speaker was born in the month of August: Mr. S. M. Banerjee was also born in the month of August, everything is August, but when it comes to taking a decision, formulating a policy, they are left to the executives. This democracy is nothing but a garb, nothing but a misleading to the common man. I will quote this most precious document which they had given. I thank them for these recommendations made in their interim report. They said:

"We decided therefore to address ourselves "

Mark the date 12th November, 1970, don't lose sight of the date

" to the task of making an interim report on matters which called for urgent remedial action and could not wait until our final report "

They did not realise that two elections were coming and somebody wanted lot of money for them. Then they said:

"One subject which we felt needed immediate attention was that of 'black money' as it has been eating into the vitals of our economy "

Then the report says about parallel economy. Then it says:

"After careful consideration we have come to the conclusion that some radical steps will have to be taken immediately if the problem is to be tackled effectively. In this interim report, we therefore, recommend the following three measures:—

- (1) Demonetisation;
- (2) Coiling on cash holdings; and
- (3) Acquisition of immovable property in case of under-statement of purchase consideration."

Then the report says. I quote:

"We, therefore, suggest, that although the last two measures are meant to be of a permanent nature, they should be brought on the statute book without undue delay."

So, Sir, the primary recommendation on the 12th of November 1970 by this high-powered and eminent committee was, immediate demonetisation. Sir, Mrs. Gandhi survives on black-money, her politics lives on black-money. Therefore, the report was not only implemented but it was suppressed for an year and a half. In the interim report they said:

"We felt that it would be only appropriate if, subject to adequate safeguards, the Demonetisation measures is utilised also to collect at least part of the arrears of tax that may be due from those who tender the demonetised notes for exchange."

Then it is stated-

'That first question that needs consideration is the denominations of the currency notes which should be demonetised. It is understood that the break-up of the notes issued, as at the end of June, 1970, was as follows

SHRI C. M. STEPHEN (Muvattupuzha): I rise on a point of order. The House is considering the final report of the Direct Taxes Enquiry Committee laid on the Table of the House on the 20th of March, 1972. That document is now before us. My learned friend is dwelling at length on some other document, that is, the interim report. He is making lot of allegations also. All I ask for is, his speech on the introduction of the motion has got to be relevant to the document which we are to discuss. I am only pointing out this thing because no observation is made by hon. Member with respect to any of the observations in the final

report or its recommendations. He makes all sorts of allegations. We on this side were keeping quiet in spite of the wild allegations he made that the Prime Minister is existing on black money and all that in the hope that the Member would be called to order. I am only requesting that the Member must be directed to be relevant, discussing the matter which is in the final report, not in the interim report (*Interruptions*).

MR. DEPUTY-SPEAKER: Order please. Let me understand him first you have understood his point of order. I have not. Please sit down. Mr. Banerjee I have not replied. I am trying to seek clarification from him, I am not replying, order please. What is the point of order; what is it that you want? (*Interruptions*). Mr. Salve, it his point of order and not yours.

SHRI C. M. STEPHEN: The point of order is this, Sir, that the speech has got to be relevant in this sense that it must pertain to the specific document which is mentioned here

...

MR. DEPUTY-SPEAKER: No, if it is just a general question of relevancy, it is rather difficult to contain that; but if you have any specific thing where he is irrelevant, then only I can give my opinion on that.

SHRI C. M. STEPHEN: May I explain it, Sir? The point is this. My learned friend has now specifically quoted the interim report and he is proceeding to speak on the interim report.

MR. DEPUTY-SPEAKER: Now I understand it. Your point is that the interim report here is irrelevant; that is your point. That is your main contention.

SHRI C. M. STEPHEN: Yes.

MR. DEPUTY-SPEAKER: Now, the difficulty is that the final report itself has made mention of the interim report. That is the difficulty. (*Interruptions*). I have given my ruling.



**SHRI JYOTIRMOY BOSU:** Sir, how much time is wasted by this frivolous point of order, you may kindly see.

**SHRI K. R. GANESH:** Sir, I have one submission. In the notice that the hon. Member gave and also in the submission he made here, he referred to two Finance Ministers. He is trying to bring . . .

**MR. DEPUTY-SPEAKER:** You made that point before, I know . . .

**SHRI K. R. GANESH:** It is very important, Sir. He is referring to the Prime Minister having prevented the publication of this report and having sent some officers and all that. The Prime Minister was not the Finance Minister when the interim report was submitted. This is all that I want to say.

**SHRI JYOTIRMOY BOSU:** That, in fact, amounts to adding fuel to the fire. Is there any Member in this honourable House who would dispute the fact that in Government of India since the middle of 1969 there is more than one Minister? In the ruling party is there more than one leader? And, decision had to be taken by. (*Interruptions*).

**MR. DEPUTY-SPEAKER:** Order please. The main point is this. The hon. Minister's contention is that the Prime Minister was not the Finance Minister at the time when this interim report was alleged to have been sent to the Government.

**SHRI JYOTIRMOY BOSU:** I maintain this, Sir. Let it go on record—I maintain that honourable Shrimati Indira Gandhi the Prime Minister and once upon time, the Finance Minister was wholly responsible for suppressing this report. I am putting it on record. Mr. Ganesh, while giving his reply, may reply to my point. I am pointing out what this important learned body has said:

"We are fully aware of the not too successful results of demonetisation in 1949; yet we are confident that this measure, if introduced now

would achieve substantial results because of altered circumstances."

It says:

"It incorporates a number of safeguards such as imposition of ceiling on cash-holdings, stamping and signing of books of accounts and prompt examination of declarations by the Income-tax Department."

It says further:

"The first question that needs our consideration is the demonetisation of the currency notes which should be demonetised. It is understood that the break-up of the figures . . ."

The bulk of the currency is in Rs. 100-notes and Rs. 10-notes.

**MR. DEPUTY-SPEAKER:** My difficulty is that most of the hon. Member's speech is made up of quotations which are lengthy.

**SHRI JYOTIRMOY BOSU:** I always like to use their own stick to hit them with. That is my way of doing things.

I would not take much time now, because I have more or less delivered what was in my pocket. Now, I come to Shri Yeshwantrao Chavan. We saw the Delhi press coming out with a lead article 'Government decided on imposition of ceiling on possession of cash to the tune of Rs. 5,000'. That was the indication that Government gave. When the pressure was too severe, public opinion started forming. The country has known what the Government have done with this vital recommendation, and how they have played fool with the Parliament and the people. They immediately came with a shock-absorber. The entire Press Information Bureau was mobilised to give a story which would act as a buffer. So, this came out. But Shri Yeshwantrao Chavan could not even bear that. Soon, he somersaulted and said that too could not be done.

I now say in view of what I have stated already today and on previous occasions that the country demands that the interim report of the Wanchoo Committee must be implemented *in toto*; there should be ceiling on cash, possession of cash, jewellery and other precious items. There should be screening of lockers and vaults and for each bank account, where there is more than a certain amount of money, it must be tagged with the income-tax number that has been given. The entire operation should be simultaneously conducted on one single day. I can assure the Government that if they really wish to take the bull by the horn, there is no way out to take drastic measures and save this country from a complete peril, instead of looking after their political, coterie and party interests to remain entrenched in power.

MR. DEPUTY-SPEAKER: Motion moved:

"That this House do consider the Final Report of the Direct Taxes Enquiry Committee, laid on the Table of the House on the 20th March, 1972."

DR. V. K. R. VARADARAJA RAO (Bellary): I do not know if I really could go into all the political polemics which my hon friend Shri Jyotirmoy Bosu has indulged in.

SHRI JYOTIRMOY BOSU: It is because of his Prime Minister.

DR. V. K. R. VARADARAJA RAO: I am really surprised that Shri Jyotirmoy Bosu should speak of the Prime Minister all the time; the Prime Minister seems to be so much fixed on his mind that every time anything is mentioned, he feels he must come back to the Prime Minister.

SHRI JYOTIRMOY BOSU: Who else is there?

DR. KAILAS (Bombay South): He is allergic to her.

DR. V. K. R. VARADARAJA RAO: I am prepared to suggest to the Prime Minister that the Prime

Minister may give him an interview so that he could tell her all that he has to tell her about her and then stop talking about her in this House.

SHRI JYOTIRMOY BOSU: But I have not sought an interview; I may not have the desire to have an interview with her.

DR. V. K. R. VARADARAJA RAO: I only want to say that what I was really expecting, since Shri Jyotirmoy Bosu, of course, is a very distinguished member of the Communist Party-Marxist, and leader of one of the Opposition groups, I believe, was this. I thought that he was also a student of economics and has had practical experience of economic affairs. I was expecting, therefore, when he initiated the discussion on this motion, while, of course, he would spend a little time on his political angle, which was natural, he would spend at least some time on the more important economic aspects of the Wanchoo Committee's report. I am really sorry that he has not chosen to do so.

The main point that he has made is about demonetisation. He has left out everything else and he has picked out only this recommendation from what he calls the interim report. There is no doubt that the Wanchoo Committee has in its final report reiterated its adherence to its previous interim report. Shri Jyotirmoy Bosu has from some source known to himself got a copy of the alleged interim report and I think he has placed it on the Table of the House and he has been quoting from that *in extenso* and has made a plea for immediate demonetisation.

I would like to suggest to this House that demonetisation is not a remedy which one can take up in a lighthearted fashion. Further, that is not the kind of remedy which is taken up on the recommendation of a committee consisting of officials, non-officials and so on. Demonetisation is a kind of decision, if and when it comes, which will be taken by Government only on the basis of the thinking and advice confined within the precincts of Government.

[Dr. V.K.R. Varadaraja Rao]

which are subject to all the various secrecy and other clauses which govern the functions of such Government officials and Ministers. If, for example, there was some kind of hyper-inflation that the country had where we would have to change the currency, by all means, one could have demonetisation.

We had demonetisation some time back. But that related to Rs. 1000-notes. I believe we are all aware of what happened at that time. I at least happened to be a resident of Delhi city at that time. Even the demonetisation of Rs. 1000-notes created a considerable amount of confusion in the market. Rs. 1000-notes are usually held by a very small number of people, may be, the kind of people that Shri Jyotirmoy Bosu is showing such a verbal aversion for. But the kind of demonetisation which he has asked for, quoting from the alleged report, is not only for Rs. 100-notes but for Rs. 10-notes.

**SHRI JYOTIRMOY BOSU:** They have given the statistics also.

**DR. V. K. R. VARADARAJA RAO:** It is not a question of statistics. I would like to submit that we should remember that we all represent the country. After all, we are a responsible House. We represent large numbers of people from all parts of the country. Demonetisation of Rs. 100-notes is bad enough. But according to what he has stated, and according to the document that has been placed on the Table of the House, demonetisation of Rs. 100-notes will not do. It is a package deal. It has got to be Rs. 100-notes plus Rs. 10-notes.

If Rs. 10-notes are to be demonetised, I do not think that it is necessary for me to elaborate in any length on the numbers of people who will be affected all over the country. It will not affect just the black-marketeers, capitalists and political contribution-wallahs, to whichever party they may make contributions, but it will affect large numbers of peasants, of industrial workers, of

primary school teachers, of ordinary labourers and so on . . .

**SHRI JYOTIRMOY BOSU:** They will be hoarding black money?

**DR. V. K. R. VARADARAJA RAO:** I hope Shri Jyotirmoy Bosu would not like to be quoted outside this House as suggesting that everybody who holds a Rs. 10 note is a hoarder of black money . . .

**SHRI JYOTIRMOY BOSU:** But how much? A primary school teacher cannot think of it.

**DR. V. K. R. VARADARAJA RAO:** I think that my hon. friend, if he wants, can be reasonable. I would request him not to interrupt, and I am sure he will respect my request.

**SHRI JYOTIRMOY BOSU:** I would.

**DR. V. K. R. VARADARAJA RAO:** I am not at the moment going into the economics of demonetisation as such. But the question is one of demonetisation of Rs. 10-notes. Somebody was asking by way of interjection why the interim report was not published. First of all, I was rather shocked that an interim report of that kind should have been submitted by them. I do not know what the terms of reference were which made possible such a recommendation to be made. But in any case a recommendation of this type is usually made very secretly and once the recommendation is made, if it is accepted and it is immediately executed, there is no long time-interval between the two.

Demonetisation is something like devaluation. You do not have official committees recommending devaluation and afterwards Government considering it and then coming forward with devaluation. If I may say so, the interim report must not have been released, because there was no intention of accepting that particular recommendation. But to come back to my main point regarding demonetisation of Rs. 10-notes, I suggest that if that is done, confusion will

be caused in the economy, and all the villages will be affected. Out of the 500,000 villages, there would at least be 300,000 to 350,000 villages, where some people will have Rs. 10-notes. I do not want to elaborate on the nature of the people who will be having such Rs. 10-notes, such as petty shopkeepers and others. Of course, you may say that immediately they will get substitute notes and they can go to a bank. But how many banks are there in the villages, with all this nationalisation and everything else? I think there are only about 10,000 branches including the ones that have recently been opened. The people who were holding Rs. 1000-notes at least knew something about currency, but take the case of the common man who may hold Rs. 10-notes; if that gets demonetised, consider the amount of confusion and loss of confidence in the currency and the kind of breakdown in the economy that would take place at a time such as we are facing in the country's economy today, which would be most undesirable, from the point of view of the safeguarding of the economy.

So I would strongly resist the recommendation that there should be demonetisation of one hundred and ten rupee notes and any demonetisation of anything less than that will not serve the purpose for which demonetisation was intended by the person who has recommended it.

Then I would also like to point out one thing. One seems to be under the impression that black money just stays somewhere staying constant, Rs. 5,000 crores, Rs. 6,000 crores, Rs. 7,000 crores of black money. Black money transactions could have been in terms of these thousands of crores of rupees. But a great deal of this black money has now become either solidified into building, land, jewellery, gold etc. etc. or transformed into white money in many cases. Therefore, it seems to me that just by saying that this demonetisation is just to get hold of some quantity of unauthorised money for the purpose of preventing black money and preventing all the

series of effects that black money is having on the economy is like using a kind of axe to try and kill a fly on one's nose.

SHRI JYOTIRMOY BOSU: Rs. 7,500 crores.

DR. V. K. R. VARADARAJA RAO: Shri Bosu has allowed himself to interrupt me and say Rs. 7,000 crores. I am prepared to take a bet—silly on my part; but I am prepared to be silly—that Rs. 7,000 crores will not be the unclaimed money. How do you account for the black money? Black money will be when the notes are not claimed. They are not claimed because of the consequences that will follow. Now where do you have Rs. 7,000 crores? The total volume of currency in circulation is not 7,000 crores.

SHRI JYOTIRMOY BOSU: I said black wealth.

DR. V. K. R. VARADARAJA RAO: He was talking of black money and demonetisation. Now he talks of black wealth, which is something quite different. We are talking of demonetisation and black currency.

Therefore, I would most respectfully suggest that demonetisation on the scale—and the only possible scale on which it can have any effect—which he has suggested would be very deleterious to the interests of the economy, will not serve the purpose for which it is intended and will, on the contrary, cause a great deal of upset to the entire working of the economic structure, and this too at a time when we cannot afford to have such interruptions to the smooth recovery of the economy.

At the same time, I do not want to ignore the phenomenon. There is the fact of black money operating. We know a number of things are bought in terms of accountable money accompanied by what is called unaccountable money. I would like to descend from polemics and get down to some constructive suggestions—what I hope to be constructive suggestions—for the consideration of Government in relation to

[Dr. V.K.R. Varadaraja Rao].

the Wanchoo Committee Report. I would make a series of suggestions. First, I want to deal with that the suggestion made by Shri Bosu, based on what he calls the interim report, for a ceiling on cash holdings. Quite honestly, I do not understand how it is possible to enforce a ceiling on cash holdings. To have a ceiling on cash holdings means that every person becomes suspect. It is not a question of raiding A, B, C or D. I do not think a ceiling on cash holdings is a remedy for blackmarketing or for preventing the use of currency for purposes other than legitimate. What I would like to suggest is that what we want is to stop payments in cash over a certain minimum amount. Because the root of the black money comes when you pay in cash for something for which you need not pay in cash. You have to pay in cash for things worth Rs. 10, Rs. 20, Rs. 40, Rs. 50, Rs. 90, Rs. 100. But when you have to buy a car for Rs. 25,000, you do not have to pay in cash; when you have to buy a refrigerator for Rs. 2,500, you do not have to pay in cash. And if I may say so, if you buy an airlines ticket, it will not be necessary for you to pay for that in cash.

**SHRI PILOO MODY (Godhra):** Find out from Indian Airlines.

**DR. V. K. R. VARADARAJA RAO:** I do not know what Shri Pilo Mody does with his airline ticket; I am not referring to him; I can assure him I was certainly not referring to MPs.

**SHRI PILOO MODY:** They want nothing but cash.

**DR. V. K. R. VARADARAJA RAO:** I am coming to that.

When you go into the root of it, it is not a question a ceiling on cash holding. The root of it comes when you pay in cash for what need not have been paid in cash. And almost by definition you should pay in cash for only small amounts.

**MR. DEPUTY-SPEAKER:** What if the cheques bounce?

**DR. V. K. R. VARADARAJA RAO:** I know the danger of cheques bouncing. I just wanted to establish this principle that the most effective way of countering black money in this country is by seeing if we can devise some practical methods of seeing that payments in cash, where payments can be made by cheques, are stopped. I would go further and say that payments in cash should only be made for small transactions where the amount is in terms of three figures and certainly not in terms of four figures.

Now comes the question; how do we enforce it? As for the question which you, Mr. Deputy-Speaker put, I have been racking my brain to find an answer. I do not think I have got the correct answer, but from the limited wisdom I have or may not have, I would like to make this suggestion. I would say that, first of all, in many cases cheques are accepted where the person is known. A person who is walking in the street, who is not known to anybody, cannot go and buy a car without cash. But if I give a cheque, it will be accepted. Of course, I agree that in our country people are more reluctant to accept a cheque than in a country like England. May be cheques bounce more in this country or may be we are more distrustful of each other than is the case in other countries—whatever be the reason. But I would certainly say that wherever cheque payments can be made, they should be made in cheques and not in cash payments.

16 hrs.

Then the question comes: what happens if the man is not known, where the identity of the man is not certain, where if you take a cheque there is a possibility of its bouncing? Here I want to make a suggestion which I hope the Finance Minister will examine—he may throw it out as nonsensical, but I hope he will find some practical sense in it. Is it not possible for us to have something in between an unlimited, unrestricted on-sight legal tender which requires no signature, no endorsement, which just by passing from one hand to another com-

pletes the legality of payment, and cheque payment, an intermediate between a cheque and an unlimited legal tender? Can we not have something like a sight cheque?

SHRI N. K. P. SALVE (Betul): Traveller's cheque.

DR. V. K. R. VARADARAJA RAO: Or traveller's cheque, where it is possible for anybody who wants to buy a costly thing by paying in an intermediate currency which is neither a cheque nor on-sight legal tender. I suggest this is the thing which will break the black market in this country which is not going to be broken by penalties and so on, because the people who indulge in black money transactions are not afraid of penalties.

SHRI N. K. P. SALVE: Not negotiable

DR. V. K. R. VARADARAJA RAO: We have got to devise a technical contrivance which will prevent them from operating black transactions

I would suggest this for the consideration of members, as a student of economics and I say that it is possible to devise a kind of currency which is not a currency in the full sense of the term, which at the same time does not carry all the limitations which a cheque carries with it. This will be like traveller's cheques for Rs. 5,000, Rs. 10,000, Rs. 20,000 whatever it is. The only condition would be that I have got to give my name, address and occupation before I get this money.

SHRI N. K. P. SALVE: Will it be negotiable?

DR. V. K. R. VARADARAJA RAO: Traveller's cheque, sight cheque or intermediate currency, whatever may be the name, if it comes to be accepted, when it is paid, there must also be a signature of the person who pays it, so that somebody will know that this has been paid, somebody will know who has bought it for the purposes of payment.

It seems to me if we can control this cash business, these cash transactions—black money really means cash transactions; if there is no cash, there will be no black money transaction—we can tackle this evil. The root of the evil is the prevalence of cash transactions on a large scale. I just throw out this suggestion. I am not an expert in all these matters.

SHRI JYOTIRMOY BOSU: You are.

DR. V. K. R. VARADARAJA RAO: I thank you. But not an expert in black marketing! Sir, I would suggest, therefore, that this is one way and we can work out the details and work out all the various implications and so on. But I would seriously and most earnestly suggest that the best way of attacking black money is to find some method by which you can minimise cash payments. Why do we pay the airlines by cash? Why do we pay for so many goods by cash? I go to the length of saying, why should we pay, if we go to stay in the Ashoka Hotel, in cash, and spend Rs. 2,000 or Rs. 3,000 or Rs. 5,000? Why should I pay it in cash? Why can't I have this kind of intermediate document between cash and the other thing? Any difficulties that this may present can be worked out and we can come to solutions which will be of enormous benefit to the country.

The second suggestion which, I believe, has been accepted by the Government, is the right to purchase. We know a great deal of black money has gone into property,—registered price, cash price, under the counter and so on. We say the Government will take over the property and has a right to buy the property. I would only suggest for the consideration of the House that this right given to Government to buy the property at the registered price will not solve the problem of the conversion of black money into property. I do not think this is going to be exercised very readily, and if and when it is exercised there will be so many

[Dr. V.K.R. Varadaraja Rao] things which will come in the way. It is not going to be an effective deterrent at all. What I would like, therefore, to suggest is that all sales of property should be a matter of public information. There should be a regular gazette from every State or every big area, so that all sales of property—house number so and so, so and so, belonging to so and so and sold to so and so and at such a price at which it was registered—could be known and this information should be made public. Because, the public will be much more anxious to catch the fellow I saw it with due respect to my friends on the Treasury Benches I do not blame them for it, because they are also victims of the machine. So, the public will be much more interested in finding out these people than the official machinery that is entrusted with this particular task. It can be published. If you do not want to publish it, it should be possible to be referred to in other ways. For example, we have got the joint stock companies, in respect of which if you pay one rupee to a public office, you can get all the details and see the documents. So, any member of the public can go there and see. Research people can go there; research analysts can go there and see, and have a look at the property deed; make a study of them and indicate which are the kinds of property where there is obviously some kind of hocus pocus. It seems to me that unless some such thing is done, it will be difficult. You can indeed specify the persons among the general public; say, accountants, or lawyers. Unless the public is allowed to raise this question, merely to say that the Government has the right to repurchase it at the declared value is not, I think going to solve the problem at all. I would suggest that instead of having this kind of futile provision, it is far better to have a provision like this, which will also involve the general public in seeing that black market does not flourish at all.

The third suggestion is about strengthening of the income-tax ad-

ministration. I believe the Wanchoo Committee have made this recommendation and I would like to underscore it. Have industrial specialists and trade specialists. At the moment, as a matter of fact, the cost of production is so shown that things are put in as expenses which, are not expenses. We only talk of entertainment allowances, and guest-house and so on, there are expenses on transport, expenses by way of T.A. purchase of commodities, purchase of raw materials, payment of commission, etc. There are so many ways and means by which the businessman knows how to conceal illegitimate expenditure under a legitimate gain and get it accepted by the income-tax authorities as part of admissible cost of production, and thereby get the money for illegitimate purposes. It seems to me that this is not a matter that can only be dealt with by the income-tax officer with all the training that he may get. And that is why, I believe, the Wanchoo Committee have made the recommendation, and I would like to support and get it strengthened. There should be industrial and trade specialists who would be specialists in analysing. May be, we should get a chartered accountant who is a specialist in industry; a chartered accountant who knows about the textile business; a chartered accountant who knows about drugs and pharmaceuticals business; a chartered accountant who knows about the sugar business. Like that, I think we have to get experts who will then be able to determine the norms of expenditure. So, broadly, one can say, if the statistics are on the table, what is wrong with the things, because, normally if we have been doing the subject for a long time, you have a sense of proportion, a sense of magnitude, and if something does not fit in immediately, you raise your eye-brows and start working on it, and you may find yourself wrong or right at the end. Similarly, some kinds of norms have got to be there for all the different types of expenditure; in building up these norms, the application of these norms, the creation of spe-

cialists machinery of this kind will go a long way to deal with the problem of generation of black money.

It may cost, I think, Rs. 25 lakhs or Rs. 30 lakhs or Rs. 50 lakhs. But certainly it is not going to cost more than a crore of rupees. But I do suggest this is another way of stopping the generation of black money.

Now I shall go a little faster. I thought I should not brush it aside, fortunately, thanks to Mr. Jyotirmoy Bosu's political convictions! (*Interruptions*). He did not say anything about reducing the taxation for the purpose of preventing black money. I would suggest that reducing the rate of taxation is not going to have any effect at all on tax evasion, and therefore, on the creation of black money. (*Interruptions*). I hear a whisper from my very distinguished hon. Member behind me saying it is not so. I do not know. As far as I know, if somebody were to say that the imposition of 95 per cent marginal rate of taxation will prevent a man from earning a particular slab above the margin, because he will only get five per cent thereof, I can understand. As a matter of fact,—I was thinking in my mind, but I have not worked it out—how many incomes are really made by slabs, and how much time and how much effort do they exercise whether 'I can make my next Rs. 5,000 or not make the next Rs. 5,000'? As far as I can see, this can be done by doctors and lawyers only. I think it is very difficult for business people to do it. In their case, the slabs may not go into the kind of slabs that the income-tax authorities make. Therefore, honestly, I do not see any economic justification for suggesting that if you reduce the rate of taxation, this can be achieved. If you say that you should reduce it from 95 to 20 or 10, there can be some meaning in it, but by reducing it from 95 to 75 it is not going to make all the dishonest fellows to become honest now. I think it is not a legitimate expectation at all. It has no foundation at all in economic analysis, and I suggest that that particular recommendation of the Wanchoo Committee should

definitely not be accepted by the Government, apart from the so-called recommendations about demonetisation.

The next important point is about controls. It is not only tax evasion. If you were to ask me, the most important reason for black money is control, or licence. I am afraid I have not made a study of licences, but I am told that today you have got to take a licence for almost anything. Only, I do not think we should take a licence for making speeches in this House except, of course, with the favour of the Chief Whip of the party concerned and the favour of the Deputy-Speaker or the Chairman who happens to be in the Chair. (*Interruptions*). But the licences, I refer to, are of a different character. I find that if one wants to have spindles in the textile industry, if one wants to extend the textile industry, one should have a licence; if you want to have 50 more spindles, or a little raw material, anything, there has to be a licence.

**SHRI JYOTIRMOY BOSU:** Stainless steel.

**DR. V. K. R. VARADARAJA RAO:** Well, he is very familiar with all those various fields in which these licences are given. Why and how, I do not know. But these licences become bad when it is a question of shortage of economy, and the Wanchoo Committee have suggested a committee to be appointed to go into this question of licences. I want very strongly to endorse this view. We have been going on with licences for the last 15 years. We have not so far really found out a rationale, nor have we examined what has led to these licences, how far it has resulted in the plan priorities being accepted and how far it has led to the production and distribution that we wanted and what are the consequences of licensing. There is no doubt that licensing has led to deterioration in character and the growth of black money. Everybody knows that. But all the other things, we do not know. I suggest very strongly that the Government should



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take a decision. They need not take a lot of time. After all, they have accepted certain recommendations like the account number and so on. They do not have to say that we can only take a decision on the report as a whole. They have already taken a decision on certain recommendations of the Committee. I would say that this particular recommendation is most important from the point of view of dealing with the phenomenon of black money. In the meanwhile I suggest to the Ministry of Finance and other concerned Ministries: Let them take a sample of the licences and investigate them, if a licence is given to A, how he has used it. Do we follow up that licence? We give so much cement, what has he done with it. We give him so much pig iron or steel, has he used that? Have we asked the men who get licences what they have done with that licence? Such a sample investigation is of great importance, it should be taken up at once and a thoroughly competent expert objective investigation of the whole system of licences should be made.

Further, I should like to know whether traders in durable commodities are licensed Jewellers or dealers in gold ornaments dealers in houses, cars etc. What are we doing with them? Have you got any control over them? Do they make any returns? These are some of the ways by which black money gets converted into white wealth. (Interruptions) If you licence them, you can get some return and control. This may not be liked by everybody.

We should get returns from our big tourist hotels. I am all for tourism. But it will be interesting to find out how much of the money is being spent in these big tourist hotels by foreigners who bring foreign exchange and how much is spent by Indian businessmen, their friends and others. I think out of the most important avenues for the expenditure of black money is the big hotels, expensive cabarets and the big restaurants in the country.

SHRI JYOTIRMOY BOSU: They will not give you a ticket next time.

DR. V. K. R. VARADARAJA RAO: I think it would be desirable to have some kind of control of know who are the people who give the parties there and what are the returns. Anybody spends more than 100 or 200, let there be a return of such people in these hotels.

Now, regarding tax arrears, another important part of the problem. I am all admiration for the work the Wanchoo Committee have done. I hope the Government will not wait for long to accept the recommendation for the creation of a special body to deal with the question of arrears. Tax arrears are bad for the morale of the Government, morale of the honest tax payers and also bad for the income-tax payer, even for those who have not paid their taxes. Special machinery should be created; without any further speech I should like to support that suggestion in toto and I want Government action in regard to that immediately.

I have to say something about clubbing. There was a lot of discussion and some minutes of dissent also on this question whether a husband, wife and minor children should all be clubbed together. I do not have the time to elaborate my argument; you have been patient with me, I am not in favour of clubbing the income of the husband, wife and minor children without any qualification. The income of minor children should certainly be clubbed with that of the income-tax payer. I do not see the point of minor children having an income. What are the minor children to do with that income? The income is safeguarded, the corpus is safeguarded.

What is the purpose of gifting property to minor children? You gift to my minor children and I gift to your minor children. Minor children have no right to have non-taxable income from that property; the income from that property should be taxed. You may not tax the wealth; I am not suggesting wealth tax. But

all income from the property of minor children should be clubbed with the income of the head of the family and taxed.

When it comes to wife, I suggest that we have to make a distinction between an earning wife and a wife who is not earning. It is not only because of sentiment. In the latest employment review which was circulated to Parliament two days ago you will find the problem of educated women unemployed is becoming sharper, acuter than even the problem of educated men's unemployment. Honestly, I am terrified what will happen if a large number of women educated unemployed started marches and processions and other things because it is much more difficult to handle them than the educated men unemployed. Some distinction should be drawn between women workers who are wives and women wives who are not workers. These are matters of detail.

About trusts, who do we not have a directory of trusts? I have seen many times a huge publication of 10,000 joint stock companies in India; it is published once in two years, I have seen lists of large industrial establishments, 5,000 names, two volumes. What is there to prevent us from having a directory of all the trusts in this country? There are charitable religious medical and educational and other trusts. Let us know their names, the members of their governing bodies, and so on. Every one of them should get its accounts audited. There is no doubt that trusts constitute another way through which black money grows and tax evasion takes place. It is simple and it should not take much time for Government to accept it.

There is one more suggestion and I do not know whether it is good for me as a member of a political party to make that suggestion but if one feels impelled to make the suggestion, I feel one should do so. All political parties should be registered. No political party should function in secret. We should know who the members of a political party are; we

should know who their office bearers are, what their funds are, etc. All political parties should be in the nature of trusts because they are trustees for the people and they go before the country in the name of their parties and get elected and sometimes run the Government and sometimes run the opposition; it makes no difference to me. I think it is very important to see that for the working of democracy as well as prevent any temptation that may be there—people with black money may tempt political parties, that includes all political parties—I think it is very important that all political parties should be registered and we should know, there should be open lists and registers showing who the members are, who the office bearers are and what are their procedure for election what is their constitution etc., as we do under the Societies Registration Act of 1860 and their accounts should be audited and there should be annual reports. If some such thing is done it will go a long way to bring back health to our economy and polity and also check many other things that are happening in this country.

I am finishing with one last suggestion I should like to add my voice to the need for treating the income-tax department officers a little better than we were treating them hitherto. I do not know what their status is, I do not know whether they have the same status as members of the Indian Administrative Service, I do not know whether they have the same promotional prospects as members of the now becoming extinct ICS or the upcoming IAS. If I can think of any job which is the most important, it is this job. It is not merely law and order which is most important in our country. Many law and order problems are connected with the solution or non-solution of economic problems like mobilisation of resources and so on. The Government should make a de novo examination of the entire cadre of income-tax officers, their promotions and their prospects and other things and see to it that they are

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given a sufficiently strong position and sufficient incentives so that they can function honestly and courageously in the best interests of the country.

12.23 hrs.

[SHRI K. N. TIWARY in the Chair]

SHRI K. BALADHANDAYUTHAM (Coimbatore): Let us remind ourselves that when we are discussing this question we are living in an acquisitive society where real values are at a discount and nothing succeeds like success. We are all agreed that in this acquisitive society we are confronted by a problem of agonising dimensions and we also agree on the disastrous consequences. The need to combat this menace is also a point on which we all agree. We called upon the Wanchoo Committee to go into this question. But it is not as if Mr. Wanchoo and his committee were going into this question for the first time. There have been many committees which have gone into this question in the past.

For example, there was the Ayyar Committee in the year 1936, the Varadachariar Investigation Commission in the year 1948, the John Mathai Commission in 1954, Professor Kalder who was invited to come and go into this question in the year 1956, the Mahavir Tyagi Committee in 1958 and the Departmental Enquiry Committee in the year 1968. So, it is very clear that they are seized of this problem for a long time and committees after committees have gone into this question and submitted their reports. In spite of all this, the verdict now is that the proportions have increased, they have become even more menacing and we have reached a stage when we cannot do anything because they are eating into the vitals of our economy. We now call it a parallel economy.

While going into the question of the parallel economy, I am afraid the Wanchoo Committee has been very disappointing and has shown its affection for wealth and privilege.

The Wanchoo Committee has elaborated the crimes at length but it is afraid to name the criminals. Unless they name the criminals, unless they identify the criminals, all their remedies, all their palliatives, all their arsenal to deal with this question is not going to be of any use whatsoever.

Why do I say that the Committee has been disappointing and it has shown affection for wealth and privilege? The recommendations of the Wanchoo Committee can be broadly classified into two categories. One set of suggestions deals only with administrative measures. They have not gone into the root of the problem. Secondly, they have accepted the evidence of the very criminals, of the very perpetrators of the crime, and then made their recommendations.

The monopoly houses have been demanding two things. They have been pleading and leading evidence to the effect that unless the rate of income-tax is reduced "you cannot deal with black money, we will defeat you" That has been their challenge. The Wanchoo Committee at the very outset has conceded this demand. They want it to be reduced from 97.75 per cent for the highest income bracket to 75 per cent. I totally agree with Dr. V. K. R. V. Rao here and his view, coming as it does from an economist, has got greater weight than that of mine. This proposal of the Wanchoo Committee for reduction in the rate of taxation shows how far they have degraded themselves on this question.

Secondly, they have suggested the doing away with controls. This has also been one of the persistent demands of the big industrial houses. Controls have failed is another matter. Why do the big industrial houses want de-control? It is not as if controls are responsible for the accumulation of black money. Even if we remove controls, they will accumulate black money. Was it because of the high incidence of taxation that they created artificial scarcity? It is

because of the high incidence of taxation that they violate the foreign exchange regulations? Is it because of the high rate of taxation that they are indulging in speculation? No, high rate of taxation or controls has nothing to do with this. Yet, the Committee thought it fit to agree to the pleas of the industrial houses, the big sharks of the monopoly houses, and make these recommendations for implementation by the Government.

Even in the matter of administration I find that this Committee has got its partiality for the privileged. The Committee concede the right of the wealthy, of the powerful, of the moneyed people to tempt others.

MR CHAIRMAN He should try to conclude soon.

SHRI K BALADHANDAYU-THAM I cannot cover such a vast subject so soon. If you so desire, I will resume my seat now itself. Here I may point out that the previous speaker was given more than 45 minutes.

MR CHAIRMAN My difficulty is that the time allotted for your party is only seven minutes. I know it is an important subject. I do not want to be very strict. But he should also be considerate to the Chair.

SHRI K BALADHANDAYU-THAM I am in your hands. I will take the time allotted by you. But I expect you to show some consideration for the subject, if not the speaker.

With regard to the administration also we can see the bias of the Committee. They concede the right of the money bags to tempt people. They also concede the right of people to be tempted. The income-tax officers, who are Gazetted Officers, have got the privilege and right to be tempted. So, in order that they are not tempted, the Committee recommend that they must be paid higher emoluments. After all, the Pay Commission is there which is going into the service conditions of

all Government officials. Still, this Committee is recommending higher emoluments to income-tax officers.

One of the dangers facing the economy today is on account of the bureaucracy. Today there are two classes of income-tax officers, Class I and Class II. Though both of them are doing the same work for doing equal work they are paid differently. There is difference in the method of promotion also. Those who are in Class I, that is to say, those who come by direct recruitment, they are automatically promoted after five years. But those who come from the ranks, even though they are much more experienced, they are not given the same rate of promotion. So, the bias of the Committee is for the rich, for the Gazetted Officers, the higher officers in the administrative machinery.

The root causes for the existence of black money are three. There are three devils operating in the Indian economy. One is the monopoly houses, which were born in black money. It was during the last world war that these big industrial houses came into being. How did they come into being? It was through the accumulation of black money. Even as children they lived with it and they have grown up with that. They were born in the cradle of black money.

They were helped and abetted by another devil, namely, bureaucracy. The third devil is the party in power; the bourgeoisie political party in power is capable of being financed by black money. It is not merely the fact that there are big industrial houses which are in the highest income brackets which are evading taxes and which are able to corrupt the bureaucracy that has created this situation. It is the policies propounded and followed by the government in the last 25 years which has created the conditions for the development of this parallel economy.

So, these three devils are there and they have to be dealt with. While dealing with it, you have to take the interim report which is

[Shri K. Baladhandyutham]

very much relevant here. The relevance is that they made a recommendation of demonetisation. They have not referred to it in the final Report. In the final Report, they have not made any reference to it except to say that it will be efficacious if it is implemented. There is a difference between the interim report and the final report. If demonetisation is efficacious, the final report must have dealt with that because the Government has not implemented it. I do not agree with Dr. V. K. R. V. Rao that the Committee cannot recommend demonetisation. The Committee can recommend socio-economic changes the structural changes in the economy. If I were put in the Committee, I would recommend even more. The terms of references itself is on black money. When dealing with this question of black money, they have to recommend all those measures like demonetisation. It cannot be merely done by suggesting administrative measures. It has to be more than that.

They made a proposal of demonetisation. With regard to demonetisation, I do not agree that 10-rupee notes should be demonetised. It should be 100-rupee notes and above. Demonetisation is inevitable. If the Government does not do it today, it will have to do it tomorrow. Without mopping the black money in currency, transactions cannot stop in spite of the cheques system being proposed. You must have cheques for higher transactions. They can also be like travellers' cheques. I agree with the proposal and I also say that the proposal must be made to see these things are implemented, that payments are made only in this way. It is necessary for mopping up the existing currency in black money. Demonetisation is inevitable. The Government need not go about saying it that they are going to demonetise it. Demonetisation must be done with all the preparations overnight suddenly. Unless they do that, they cannot mop up black money.

With regard to other things, I expected the Wanchoo Committee to make a recommendation that there must be a ceiling on profit. We talk of having a ceiling on land and ur-

ban property. Why not there be a ceiling on profits also. It is a question of income. Why not fix a ceiling that nobody would earn more than 2 per cent or 4 per cent or the maximum of 5 per cent profit. Unless there is a ceiling on profit, the black money will continue to be there.

I also agree with Dr. V.K.R.V. Rao in suggesting that there should be simultaneous check-up of the safety vaults in all the banks. Combined with demonetisation, there should be simultaneous check-up of all the safety vaults of the banks, at one stroke, all over the country.

Apart from that, they must also acquire properties which have been under-assessed and under-estimated in value. Any immovable property which is under-estimated should be acquired by the Government. Unless you do that, you will not solve the problem. Mere transactions alone will not solve the problem. You will have to acquire the properties which are under-assessed and under-estimated. I say this because we need money. Our Finance Minister has said that Rs 6,000—7,000 crores of additional revenue are needed in the next period. Even as a revenue, you have to acquire properties which are under-assessed.

Not only that Money is being sent out. You must nationalise the foreign banks. Otherwise, you cannot stop the leakage. You will have to nationalise monopoly houses. I expected the Wanchoo Committee to make that recommendation. Unless you take over the monopoly houses, you cannot deal with this problem. By leaving them, you are allowing them to make money. Unless you take them over, the results will not be achieved.

Then, foreign trade should be nationalised. There should be nationalisation of all essential consumer goods factories and other such establishments. There should be nationalisation of foreign trade and also food trade in the country. Without these socio-economic changes about which the Government has been talking and which has been the pledge given to the people, without

implementing them, you cannot deal with black money. Mere administrative measure will not do.

Under these circumstances, the Government appointed this Committee and the Committee has come out with a report. Now, while dealing with that, the thinking of the Government seems to be that they will have joint ventures with the very people who have accumulated black money, the Tatas and others. They are going to have joint ventures in industrial sphere. On the other side, the slogan is "Work". Work is the only slogan of Indian economy. The concentration of wealth and accumulation of black money goes on merrily.

So, the Wanchoo Committee report has been very disappointing. The slogan of self-reliance by the year 1980 is becoming a big joke a mockery. While we talk about Indian conditions, the Wanchoo Committee refers to Western conditions. The Western conditions have no relationship to Indian conditions. They have no comparison to our country. We are 300 years behind them in the case of development. To talk about Western conditions in relation to India is absurd. They do not want to evolve an Indian way of dealing with black money.

Whatever we try to do by way of implementation, it has to be not merely administrative measures but structural changes must be brought about in the socio-economic system. Unless you bring about structural changes, the black money cannot be dealt with. Without dealing with black money, you cannot bring about the development of this country or solve any of the people's problem. *Garibi Hatao* will be merely a slogan, a day-dream, if you do not bring about structural changes and deal with black money as it should be dealt with.

**SHRI N. K. P. SALVE (Betul):** Mr. Chairman, Sir, since the Report was published and was, thereafter, made available to us in the early part of this year, it evoked considerable interest in the country for it dealt with a very topical matter and

various comments were made expressing divergent shades of opinion as was inevitable. The comments were, as usual, inevitable, good, bad and indifferent. They were relevant, also irrelevant and some of them worthy of very useful consideration to see, to what extent, those comments could supplement the Report, to find some solution to this malaise of black money and tax-evasion. However, if someone wants to use this Report only for purposes of a very cheap political gimmickry, it is for the person concerned to do so if he thinks he is achieving some political ends. But so far as the purpose of finding out some solution to this menacing problem of tax-evasion and black money is concerned, there is no contribution made.

Various comments were made by Shri Jyotirmoy Bosu. Unfortunately, he is not here now. I would have convinced him how vague those comments have been. He referred to various estimates of tax evasion and tried to create an atmosphere as if we were living in a parallel economy, black money, which economy is more powerful than the real economy and that the parallel economy was the real economy, as it were. While I have not the slightest intention of minimising the extremely deleterious, harmful and pernicious character of black money and tax-evasion, I must point out that the figures given by Shri Jyotirmoy Bosu, though drawn from the Committee Report, are not put up here in a proper perspective. They have themselves relied on figures bereft of any conviction and with tremendous reservations. The system they have followed is anything but systematic. They have made no secret about it.

On p. 7 of the Report, they have themselves said:

"Research work on tax-evasion in this country is extremely limited; also attempts to estimate and study tax-evasion suffer from some basic infirmities owing to the insufficiency or non-availability of reliable data. Unless a detailed break-down of the total assessed income generated in

[Shri N. K. Salve]

each year is available, it is difficult to make a scientific study of the trend of tax-evasion . . . ."

Later on, while commenting on their own estimate of black money transactions to the tune of Rs. 7,000 crores, the Committee itself looks upon their estimate with some degree of ridicule. They themselves say . . .

'The money value of deals involving black money may, therefore, be not less than Rs 7,000 crores for 1968-69. We would, however, hasten to emphasise that the amount of tax evaded income for the year 1968-69 is only a guess estimate based on certain assumptions about it. Substantial difference of opinion exists for want of adequate date . . . ."

Therefore, the figures must be taken subject to these very serious limitations that there was not scientific data available, that there was no reliable basis for this estimate

Then it was said that the second report was written under duress. I asked him as to what was the basis for this type of allegation against a Commission which was headed by a retired Chief Justice. I do not know what was the basis. He did not want to divulge. If any of the two reports is written under duress, then both the reports are not worth the paper they were written on. How does he say that the first report is everything and that the second report is nothing? I submit that this type of allegation is bereft of any restraint and responsibility and does not help one way or the other.

He has become the greatest champion of the cause of demonetisation, and he draws his entire strength from the interim report of the Commission. I wish he had read this report a little more carefully and in detail. Then he would have realised that after the Committee had put in some more work, after they had called in some more witnesses and had taken their evidence, after they had collected some more facts, they found that demonetisation would not be a solution to the problem they

were trying to find a solution to. They have themselves given a finding to which I wish to refer. It is a complete answer to every one who is likely to be obsessed with the idea of demonetisation and run amuck as the Mover of this motion. They have themselves stated it. I wish he was here. This argument, this finding, I am inclined to consider, was made by the Committee in anticipation of the fact that this type of argument would be put forward by people who would not be able to properly digest the interim report or the final report. They have said that moneys are not available in currency notes, the moneys have gone in lavish consumption, they have gone in jewellery, in gold, in properties, in stocks, and that it is wholly wrong and erroneous to assume that moneys are hoarded and the moment demonetisation takes place, we will have uneathed all those moneys. Nothing can be more fallacious and unrealistic than this. The Committee has given its finding on page 8.

"In addition, we would also like to dispel a possible impression that the tax-evaded income is all lying hoarded which can be seized by the authorities, much of it has been either converted into assets or spent away in consumption or else in circulation in undisclosed business dealings."

Either demonetisation could have been recommended or this finding could have been given. The two could not have simultaneously found a place in a report which could be considered a consistent and a rational report. In the light of this, one can only come to this conclusion that, after the interim report, they must have reviewed the entire matter, looked into all the facts connected with black money, in what shape or form it is kept by different people, and then come to this conclusion that it is not hoarded in cash, they have said so in those terms; they have said that they want to dispel such an impression and, therefore, they have not recommended demonetisation which is being so much championed by Shri Basu.

The basic difficulty about demonetisation which Mr. Bosu does not seem to realise is this. However fanciful the idea may be, in practice does he realise how ineffective, how impracticable, how dangerous, the whole idea is going to be? The recent raids conducted in Bombay reveal that there was hardly any cash available for the tax officer to find in the houses of the film people. Then, finally, they have said that Rs. 7,000 crores worth of transactions are taking place in a parallel economy with unaccounted money. We want to curb that parallel economy. It is wholly a fallacious idea to consider that once we have taken out the current money and have introduced, for example, red currency instead of blue currency that will take care of the whole problem. Nothing can be more fallacious than this. The money is in circulation all right, never mind what is the colour. You may withdraw the old currency and introduce a new currency, but even then that money will still be in circulation. What about the circulation of Rs. 7,000 crores? It is the circulation of those Rs. 7,000 crores which leads to generation—and after generation, proliferation—of black money. How is that to be eradicated and remedied with demonetisation? Demonetisation is being resorted to as some sort of over-simplified process for finding a remedy for a malady where the remedy itself is much worse than the malady. Therefore, I suggest that the idea of demonetisation is utterly ridiculous.

One more question, I would like to ask him. Has he studied what was the result of demonetisation that we had in the country in 1944, how much black money, soon after the War, was the Income-tax Department in a position to unearth as a result of demonetisation? Wherever the Department started cases when demonetised notes came for encashment, wherever cases were started by the Income-tax Department, 'Here is the black money which is sought to be converted into new currencies', old currencies being repayable, all those cases were struck down in courts; there was no evidence to show that Rs. 10,000 or 20,000 which

these people had brought was not the money available with them. Where is the guarantee that this time the same thing will not happen?

Finally, the day you announce demonetisation, gold prices will go up by another Rs. 20 and every one will purchase gold, there will be a large scale organized racket taking advantage of demonetisation. Do not play havoc with your economy by this suggestion. Imagine the crisis that you are likely to create because of this. This Government has to have a stable monetary policy. You cannot distrust all the people in your own currency. Therefore, the whole idea of demonetisation, for him it is alright, but any one who carries some responsibility will not consider its worth the thought.

Coming to ceiling on cash holdings, it is an equally fanciful idea. We cannot be disrespectful to a legal tender. I have myself been thinking on the lines suggested by Dr. Rao, to have, if not a travellers' cheque, some sort of a cheque marked good for payment, some sort of demand draft of different denominations, but the real difficulty comes if you probe into the matter further, whether it is negotiable or not. For instance, A gives to B A puts his signature and B's name is written. The question is whether B, the recipient, can negotiate it or not. If he cannot negotiate, then we have the difficulties. There are not adequate banking facilities. If you are in the remotest corner of my constituency, for instance, where to get the cheque encashed? He will have difficulties in encashing this type of cheque. But then if the negotiability is unrestricted, that will become a parallel currency and that will be a subject matter of black money and black transactions. However, it is a matter which can be looked into more scientifically. The restriction on cash holdings need not be exactly in the form in which it was suggested, but some via media can be found out to curb black money transaction.

On acquisition of properties, we have already made the laws. Therefore, excepting unleashing a politi-



[Shri N. K. P. Salve]

cal attack on us, I do not know what Mr. Bosu had in mind while making the speech that he did today, trying to attack the Prime Minister unnecessarily.

With your permission, I will take a few minutes to make some of my comments on this report.

The first relates to reduction of rates. I entirely agree with Dr. Rao in what he has said about reduction of rates. The entire recommendation on reduction of rates has been made in such a cavalier manner, one is simply startled; no rationale is given how a person who would be a tax-evader at 99.75 would not be a tax-evader at 75 per cent. If a person wants to evade tax, he does not see what rates of taxation are there at the highest slab. If it is, say, Rs. 10 lakhs, usually the decision that he takes is, 'I am going to pay tax on Rs. 3 lakhs irrespective of the rate of tax'. He will submit a return of only Rs. 3 lakhs and will resist all the efforts of the Department to tax him on even a rupee more than Rs. 3 lakhs. That is how it is done. I might submit that 90 per cent of the people may not be knowing what are the highest rates, the different rates at different slabs. The tax-evader's psychology is not built with reference to high rates of taxation—the highest marginal rate of taxation—, it is essentially built with reference to what income he wants to pay tax on. They are suggesting reduction in the rates of taxation. But there is an important obligation which we have to carry out. How is that to be taken care of? That is the obligation connected with our social objectives and eradication of inequalities. Ending inequalities in wealth, opportunity and power is as much our bother as growth is. If we want to arrest the malaise of tax evasion and black money equally we want to ensure that these disparities are brought to an end. Now, this question of disparities has been dealt with in one sentence very cursorily: they have just dispensed with it in one sentence; this is what they say on page 19:

"One reason often given for adopting high tax-rates in this country is that they

would narrow down inequalities of income and wealth. In theory this might be a valid proposition but in practice high rates of taxation are apt to make the rich richer and the poor poorer thereby widening the gap between the two classes."

I wish they were serious about what they were saying and I wished at least two-third of it should have been devoted to do some research work, saying, all right, here has been the following rate of increase in taxation, this is how the disparities have grown, this according to us, will be the fair rate at which one would have an incentive to pay his taxes, this will ensure the objective namely, of ensuring the highest return to the exchequer and at the same time ensuring that it will not increase the disparities. But all that work has not been done. Instead, what do you find? Relief is given at the highest point. If you are earning about Rs. 70,000 they have recommended a rate of 74.75 per cent. It is for the benefit of people earning above Rs. 2 lakhs who will get the benefit of 23 per cent. A person earning Rs. 10,000 gets no benefit in the revised rates given by them. A person getting Rs. 15,000 gets a benefit of 0.6 per cent. A person who has Rs. 25,000 gets a benefit of 2 per cent. These people are all those who are crushed; people getting Rs. 1,000 and Rs. 1,500 are mostly salaried people and they are the most crushed section among the tax payers. They are not entitled to any relief whatsoever.

The only people who are entitled to relief are those earning Rs. 2 lakhs and above. Therefore, Sir, this proposal by which they are suggesting reduction in rates of taxation is thoroughly irrational and it has to be completely rejected.

The basic difficulty which is before us is this. In various recommendations that they are making, they are putting up arguments in favour of them and against them, as given to them by different people who appeared before them. There are no statistics, no data, no original work done in a report of this character. We have spent lakh of rupees on

it and one would have expected that whenever they make a suggestion they will go into it thoroughly.

They have suggested clubbing. At least in the minute of dissent, they have suggested clubbing and the entire report is suggesting limited clubbing. When they do it, one would have wished that they gave some figures saying, as a result of clubbing, in 5 years, what is going to be the offtake increase of the exchequer. Are we going to do this type of clubbing just for the sake of clubbing, or, does it serve any real purpose? If it has any real purpose, why cannot you put your idea into something more concrete? That has not been done, unfortunately, and that has not been achieved.

The Wanchoo Committee has not stated a word about the taxation of the companies. Yesterday only I was reading in Bombay a report given as a result of a study of the Reserve Bank, after a study of over 1205 top-most companies, and the effective rates that they have paid. That means, the real rate on the profits is 42 per cent in the year 1970-71 as against 47.5 per cent in the year 1967-68. Therefore, Sir, our companies are subject to a rate of taxation which is very rational, very liberal. But that is not dealt with at all, that is not mentioned here.

Why is there evasion in companies? They have not gone into it. This department has not done sufficient amount of research, unfortunately, to find out what the effective rates of taxation are over companies as a result of various deductions, various rebates and various concessions. The effective rates which ultimately come under companies are much less than the paper rates which we describe year after year in the Schedule to the Finance Act.

17 hrs.

About clubbing, Sir, this is suggested in the Minute of Dissent by Mr. Rangnekar and Mr. Chitale. It is a very pernicious and dangerous idea. I had a hunch that the Finance Ministry is possibly flirting with this idea and I thought if ever that idea is accepted how dangerous it is going to be on the people who are in

the lesser income group than those who are on the higher income brackets. There are some calculations made and they are startling calculations.

Apart from the reasons given by Dr. Rao for not clubbing the income for purposes of taxation with which I entirely agree, this is my reason, purely on the basis of taxation, as to how the burden will fall on those who are in lower income group and how relief as a result of clubbing will really go to those who are really rich.

This is a very crafty manner in which these things are done which is very unfortunate. May be they have done it inadvertently not knowing what they are writing. What they have done is really unfortunate. Take for example the case of a husband and a wife each earning Rs. 50,000. According to the existing rates of taxation, if they are separate, each has to pay a tax of Rs. 19,550 and between the two of them the tax would be Rs. 39,100. Now, if the clubbing is done, as per the report of Mr. Rangnekar and Mr. Chitale, what will happen is this Tax is levied at the rates given by them at page 20. Then on this Rs. 50,000 plus another Rs. 50,000, that is, on this Rs. one lakh, the tax payable will be Rs. 48,575, meaning an increase of Rs. 9,475, that is, 24 per cent increase. Take the case of a husband and wife, earning Rs 5 lakhs each. Today on Rs. 5 lakhs, the tax is Rs. 4,45,050; that means, husband and wife, together, will have to pay a tax of Rs. 8,90,100. If it is clubbed and it becomes Rs. 10 lakhs, then, according to the rates prescribed on page 20, instead of Rs. 8,90,100 according to the existing rates, the tax on the two will come to Rs. 7,21,325, a reduction of 18 per cent. The richer you become clubbing does not make any difference, because above Rs 60,000 they are recommending that the rate should be 74 per cent. So if it is clubbed at that level, it is going to make no difference. This is an extremely dangerous idea and it needs a sophisticated and well-trained machinery for doing this type of clubbing. Have they any idea? Have they looked into the various countries which have clubbing?

[Shri N. K. Salve]

In U.K. it has been made optional. Look at Canada, Australia, Sweden etc. They have complicated methods of clubbing it about and when they club it about, they have tremendously streamlined methods of bringing about and ensuring that there is no harassment caused to the people who are assessed and that the exchequer is not put to any jeopardy. There different higher slabs of exemptions are given. They have other relief given and there it is a more homogeneous sort of society which is more easily amenable to that type of pattern. It is certainly not possible in India.

This is my last point I wish to deal with litigation, very wastful litigation which the Department indulges in. Large amount of appeals,—trivial, flimsy, frivolous appeals,—are filed by the Department, lock, stock and barrel, against all the orders passed by the Appellate Assistant Commissioners of Income-tax. Persistently, Sir, I have been objecting, objecting and objecting with the Finance Minister and with the Minister of State and saying: Kindly check up from the tribunal, whether of the appeals you are filing against the order of the Appellate Assistant Commissioner of Income-tax, 80 to 90 per cent appeals have been dismissed or not.

Sir, what is the use of foisting litigation on to the heads of the assesses when you are only unnecessarily adding to the litigation?

Something needs to be done about it. If they think that the litigation is a justified litigation in the interests of revenue then let them agree to the principle of costs. If they will have to bear costs, then many trivial and flimsy litigation cases will not be there, and are could under stand it. Unless this is done, it will be impossible to put an end to this type of attitude on the part of the Department. For, I have realised that the unwillingness of the tax-payer to desist from avoiding taxation can only be matched with the over-unwillingness of the Department to desist from having the most futile, the most unproductive and the most insensible tax litigation.

SHRI MURASOLI MARAN (Madras South): The Wanchoo Committee's report is a strange mixed bag containing something for the radical-minded people and some other things for the richest sections of society. Dr. V. K. R. Varadaraja Rao and Shri N. K. P. Salve ably defended the Government for not demonetising the currency notes as suggested in the interim report. But I am sorry to say that the great expert in economic and the expert in taxation laws could not defend the Government for withholding the publication of the interim report. Some time back, Shri Yeshwantrao Chavan explained that the publication of the interim report was found unnecessary as the final report had been published. But now here comes Shri Yeshwantrao Chavan's advocate who has pleaded some other thing I am sorry to say that Shri N. K. P. Salve was quoted out of context from the final report. My hon. friends opposite maintain that this kind of suggestion about demonetisation was found unnecessary, they also maintain that suddenly wisdom dawned on the members of the committee after they released the interim report. This is not true. I would like to quote from the same report. The Committee say:

"An interim report was submitted to the Government towards the end of 1970 recommending therein some important steps of a radical nature for immediate implementation. After detailed deliberations and careful consideration, the Committee is still fully convinced . . ."

—mark the words 'still fully convinced—

" . . . about the efficacy and feasibility of the measures recommended in the interim report."

This is the feeling expressed in the final report. As the Deputy-Speaker himself has pointed out, the interim report and the final report are linked together. But while the final report has been placed on the Table of the House, the interim report has not been placed by Government on the table of the House, but it has been placed on the Table of the House by

Shri Jyotirmoy Bosu. I do not know what the rules of the House have to say in this matter. But if a report contains something produced before and if the two have some relationship, then even though the rules may not demand that both should be placed on the Table of the House, yet I feel that conventions demand that the interim report also should be laid on the Table of the House.

The interim report was not the result of a hasty conclusion. They pondered over the matter for eight months and they were going into the very urgent problem of the nation, namely the creation and proliferation of black money, and they have suggested some radical measures. But we are yet to understand why Government have not produced the interim report. It is not as though all the reports given by all the committees or all the recommendations made by the so-called committees are accepted by Government. Government can at any time pick and choose. They are at liberty to do whatever they want. But so far, no sufficient reason has been given for withholding the publication of the interim report.

I would say that Government are themselves to blame for making Shri Jyotirmoy Bosu a James Bond type hero, and I congratulate Shri Jyotirmoy Bosu on his 007—operations. We all know that Government are in an embarrassment. In my language there is a proverb which describes this kind of embarrassing situation. It is that faced by a Brahmin lady whose dry meat had been stolen. She could not cry; she could not complain and she could not own the mistake also. This is the situation which Government are facing.

If Government themselves were thinking in terms of introducing demonetisation, if at that stage, Shri Jyotirmoy Bosu had released the interim report then Shri Bosu has spoilt a good move by disclosing this report publicly. The guilt on the part of the Government is more because they have failed to keep a secret document. I think Parliament and the public have a right to know what has happened. Is the report placed on the Table of the House by Shri Jyotirmoy Bosu the real one or is

it a fake one? If so, why did Government not place the same on the Table of the House? I hope the hon. Minister will give a good explanation.

The Wanchoo Committee's report is a little disappointing to those who wished that the jungle of tax laws which confuse us, the tax payers and the tax administrators would be cleared. We all expected a simplification and rationalisation of the entire tax structure. But nothing of that sort has happened. We all know that taxation is the principal means of redistributing the resources. But it is our view that the Wanchoo Committee's report has failed to view direct taxes and their role vis-a-vis the economic and social objectives. I do not think that the Wanchoo Committee themselves are to be blamed for this. Perhaps, the terms of reference were so narrow that they could not act otherwise. But yet, for the first time, a detailed and authoritative study has been made on black money and the causes for black money have been diagnosed. Unfortunately, no data exist and so, it is a guess work, and one can only make a 'guesstimate' in regard to the existence of black money in various forms.

The Wanchoo Committee have listed various reasons for the emergence of black money. But they have failed to pinpoint the major fountainhead of black money. The income-tax payees are allowed an amount of expenditure necessary to create the income. Here is the loophole which provides the income-tax payee with a means to amass huge sums of black money. But nothing has been suggested by the Wanchoo Committee to plug that loophole. Unless that loophole is plugged, I think the generation of black money will continue to grow.

MR CHAIRMAN: Now, the hon. Member should try to conclude.

SHRI MURASOLI MARAN: Please give me some more time. It is an important problem.

SHRI JYOTIRMOY BOSU: I suggest that this may continue on Monday, because it is a very important discussion. We are working for six days a week and with no lunch-break. After all, we are human beings, and

our capacity to sit for longer hours is limited. Just think of the people sitting above, the press people who have to make out a story. Again, how about the staff of Lok Sabha Secretariat?

MR. CHAIRMAN: We shall see. Now, let the hon. Member try to conclude his speech.

SHRI MURASOLI MARAN: Dr V. K. R. Varadaraja Rao had suggested some kind of method, but Shri N. K. P. Salve had disagreed with it. I feel that instead of taxes like income-tax and others, if we have a big turnover tax, that would do away with black money. Whether one makes a profit or loss, a tax should be there on the turnover, and I think that could solve the problem to some extent.

Strangely, as pointed out by my hon friend, the Wanchoo Committee have suggested that the taxation on the highest income bracket should be reduced from 97.5 per cent to 75 per cent. It is very strange indeed. We have no record to show that if the tax on the highest income bracket is reduced, they will not evade income-tax.

Black money came into existence during the second world war. At that time, the maximum rate of tax was only 68 per cent. Ironically, it was during that time that the term 'black money' came into coinage.

There is a difference between this Committee and the Bhoothalingam Committee. The latter suggested that the minimum exemption limit for income tax should be raised Rs. 7,500. In India there is a cry that taxation is high. I agree it is high, for whom? Not for the rich or super-rich, but for the poor and the middle income group. If the Bhoothalingam Committee's recommendation had been accepted in this regard, that would have brought a good result.

MR. CHAIRMAN: There is one difficulty. I will have to be strict now with time. There are many speakers on the list. We have to finish this business today.

SHRI PILOO MODY: The Congress Party has exhausted its time.

SHRI MURASOLI MARAN: Give me three more minutes.

If that recommendation had been accepted, at least half of the staff employed in the income-tax department could do more productive work and more than 2 million assesseees will be grateful to Government. I think Government should consider this kind of view.

Whenever we talk of black money operating, there is an impression abroad that only the rich industrialists or moneybags are the culprits. It is not so. It extends to small traders, lawyers, doctors, small entrepreneurs.

SHRI PILOO MODY: Pan-wallas.

SHRI MURASOLI MARAN: Yes, pan-wallas, self-employed people. All have black money according to their capacity to earn. Where is the machinery the Government of India have to inspect and check this kind of people? Pan-wallas are there not only in towns where the income-tax department operates, but everywhere in the country, doctors are there everywhere, self-employed people are there everywhere. These people are there in every big village. As regards those who are the big people in the towns, the income-tax department can take care of them. But the Government of India have no proper machinery for tackling all these people.

Regarding income-tax, two things happen. Out of tax assessed, there are huge arrears every year, to the tune of Rs 500 crores. Secondly, there are millions of income earners who do not pay tax. Let us compare these figures with the sales tax which comes under the State Governments. There the State Governments have got the proper machinery. I think evasion is less; arrears also should be less if we compare them with those of the income-tax department.

What I plead is that for income-tax assessment and collection, the machinery of the State Governments should be made use of. Even now they are making use of it. If Shri Piloo Mody does not pay his tax, the Collector will go to his house on the request of the income-tax department. But I say this is not enough. The State Governments have the proper machinery. It should be made use of.

Secondly, a major recommendation of the Wanchoo Committee is that in the interest of uniformity and stability, the Central Government should assume the power to levy and administer tax on agricultural income.

**SHRI PILOO MODY** Why not the States themselves?

**SHRI MURASOLI MARAN.** We also agree that many industrialists and film stars own big farms and also convert black money into white money through these devices. We do not deny it. But should the Centre take away the right of the States? Now the entire India except Tamil Nadu is ruled by a single party. Even in Tamil Nadu ideologically we are not different from the ruling party elsewhere. We never lag behind them in socialist policies.

**SHRI PILOO MODY** Shame on you

**SHRI MURASOLI MARAN** In this context why should not the ruling party ask the Chief Ministers to put a tax on the rural rich? It could easily have been done. Why did they not do it?

**AN HON MEMBER** Because it is a State subject

**SHRI MURASOLI MARAN** In Tamil Nadu, we have made a beginning to tax the rural rich and we know what followed. I do not want to go into that controversy. But we should do some heart-searching whether we are genuinely and honestly interested in taxing agricultural income. Even if the Centre takes the power from the States, is there any guarantee that it will effectively use that taxing power? Those industrialists and film stars who now show big incomes from their agricultural operations will later show huge losses if the Centre links income tax with an agricultural income tax. Today they are showing profit because it is very convenient for them to convert black money into white. If tomorrow you link the two, they will show huge losses.

Moreover Tamil Nadu is completing the land ceiling operation very soon. If the Congress is sincere all the State Governments will complete their land ceiling operations. Then

I ask where will there be big land holdings to tax? Theoretically no big land holdings will be there for the big industrialists who take shelter under agriculture.

Only a few of the recommendations of the Wanchoo Committee have been highlighted. Now I want to focus attention on one of the most important recommendations of the Committee. It is on p. 129. It reads:

"We consider that the Central Board of Direct Taxes should not be a part of the Ministry of Finance".

Why? They answer as follows.

"As it happens, the secretariat offices function in an environment where they are susceptible to political influences. In a democracy, the elected representatives of the people, no doubt, have to formulate and shape policies including fiscal policies. It would be unfortunate, however, if in execution and implementation of policy, there were elements of intrusion and interference".

I think this is the most revolutionary suggestion made by the Committee. We know the result of not following this system. Many leaders of State Governments have become Governors because the Government did not follow this suggestion. I hope this is an epoch-making, revolutionary suggestion will be accepted by Government.

**MR CHAIRMAN:** Shri D. D. Desai

**SHRI N. K. SANGHI (Jalore):** Two Congress members should be called and then an Opposition member. Otherwise, Congress members will not get their chance.

**MR CHAIRMAN:** We will finish this business today.

**SHRI JYOTIRMOY BOSU** On a point of order under rule 376. The list of business shows that the House will rise at 6 p.m. Secondly, you must not lose sight of the fact that today is Saturday. You should not also forget that we have been foregoing the lunch hour since Monday. What does the Government expect out of us? You must make it clear.

**SHRI PILOO MODY:** Let Government cut down their legislative programme. Let them cut out useless Bills which are being brought.

**SHRI JYOTIRMOY BOSU:** The Chair has to function within its rights. You cannot say that the House will sit till 5 a.m. tomorrow.

**MR. CHAIRMAN:** It is true we have been sitting continuously from 11 to 6. But whenever any subject comes, extension of time is demanded. Next week we are very tight in schedule. So we have to finish this today.

**SHRI JYOTIRMOY BOSU:** I feel I have not been able to impress on you what we have at heart.

We have foregone the lunch-hour. How much are we expected to work? We just cannot do it. If you force us this way, we have to think about a different action.

**MR. CHAIRMAN:** Let us see. Mr. D. D. Desai.

**SHRI D. D. DESAI (Kaira):** Mr. Chairman, Sir, if one looks at the composition of the Wanchoo Committee, one can say that they were impartial people. During the debate many references have been made regarding black money and tax concealments. Also the quantum of the black money turnover on which tax is evaded has also been referred to. They have been mentioned in the Wanchoo Committee's report.

17.26 hrs.

[**SHRI N. K. P. SALVE** in the Chair].

Particular mention has been repeatedly made about the black money turnover of Rs. 7,000 crores but for this turnover one would not require Rs. 7,000 crores as such. Anyone in business would easily know and say that for an annual turnover of Rs. 7,000 crores and, that if it is said that Rs. 1,400 crores is the income concealed which means, 20 per cent of the turnover is net income, and when the best balance-sheets do not disclose four to five per cent as net income, the amount required would not exceed Rs. 1,400 crores to make a turnover of concealed deals of Rs. 7,000 crores.

The tax evaded annually has been computed in report as Rs. 400 crores. That appears to be on the higher side, because, once the total amount of black money is computed at Rs. 1,400 crores or Rs. 1,500 crores, then we can easily judge that over a long period, the total amount concealed is that Rs. 1,400 crores or Rs. 1,500 crores and the tax evaded would be correspondingly lower. Further, the basis assumed by the Wanchoo Committee for computing black deals has been that of Kaldor. Here again, we must know that the basis has since changed. More assessees have come in with the result that the incomes have got distributed and so also wealth and so also the tax liabilities.

Further, we observe that each time reports are not taken in their totality, being interlinked. An impression exists that if we accept the recommendations adverse to the assessee and reject the recommendations favouring the assessee, then we are improving the exchequer's resources. This could not be true. Kaldor himself has recommended about 40 to 50 per cent as the maximum marginal limit. We did not accept that. If we look at tax from the other angle, today, a tax assessee would put in efforts, risks and so on, but be a 2½ per cent commission agent of the Government of India, if he has to pay the highest rate. As against that, it has been mentioned that if a 75 per cent marginal maximum tax limit was fixed, there would not be much of tax loss, but again one must recognise that 25 per cent of white money that an assessee might get would bring him year after year such income on it that he would make efforts, run risks to earn and definitely go in for that 25 per cent saving as against concealing the whole 100 per cent. He does not like to take the risk of losses, and if he makes an earning, he gains only to the extent of 2½ per cent.

Then we come to the Tax Act itself. Here, we find that up to 1939, we had hardly 60 sections in the Tax Act. Today, we have 299 sections in the Taxation Act. This is complicating for assessee, the collections and also the procedure. To that extent, there must be some revision made in whatever

legislation or recommendations we make.

Then there is the question of the total number of tax assessees. We find that probably there are over three million tax assessees today; it is, about 3.2 million to 3.5 million; any figure around that. But out of that, nearly two million have hardly an income above Rs. 7,500 a year. Therefore, if we make this slab free, probably the loss to the exchequer is not more than Rs. 7 crores to Rs. 10 crores as was estimated by Bhhothalingam Committee. But then the department's workload will be hardly a million assessees and in that case, they can discharge the responsibilities better and more than make up in taxes collected.

There has been mention made about demonetising and even eliminating transactions through currency. Replies have been given in this House about demonetisation, and I do not want to repeat. But eliminating transaction through currency would not be a proper thing, because, after all, currency is the medium, and the media can change. So, even with a changed medium, illegal transactions could be done or devised and taxes avoided.

MR. CHAIRMAN: The hon Member's time is up.

SHRI D.D. DESAI: There should be an incentive to produce, an incentive to earn and an incentive to pay.

SHRI JYOTIRMOY BOSU: To which party does Mr. Desai belong?

SHRI D. D. DESAI: Dr. Rao has said that business income is not flexible and that any professionals like lawyers, medical practitioners and so on can adjust their incomes but business or industry cannot and will up or down their incomes. Believe me, Sir, industry or business can do that, make losses also, and if there is no return, certainly indifference creeps in and a certain amount of indifference is sure loss and thus a loss of tax revenue can also take place.

SHRI VIRENDRA AGARWAL (Moradabad): Mr. Chairman, Sir,

black money is growing every day. The common man feels that the present Government is neither serious nor sincere to unearth black money. Black money and blackmail are the essential virtues of the present Government. It is well known that the present Government will not accept either the interim report or the final report. It is very obvious from the speeches made by the Congress Members.

We know that the Wanchoo Committee has made five major recommendations. First, demonetisation; second, a ceiling on cash holdings; third, reduction in tax rates; fourth, removing controls and permits; and fifth, strengthening of the tax administration I support all these five recommendations of the Wanchoo Committee.

The democratic functioning makes it obligatory on the part of the Government to be guided entirely by public opinion. Rightly or wrongly, public opinion in this country feels that demonetisation is the only solution to end black money. If the Government does not resort to demonetisation, that would simply imply that the present Government has got a share in black money. Therefore, it is not a question of going into the merits of the problem. Whether demonetisation is wrong or right, the Government have been doing a large number of things which are not in the interests of the people. The people of this country are convinced that demonetisation is the only solution to solve the problem of black money. Therefore, if this House and the country are to be guided by public opinion—and we know that any democratic country has to be guided by public opinion—then, surely public opinion in this country is that demonetisation would be the only solution for unearthing black money.

I know the reply that the Finance Minister gave the other day, namely, demonetisation will not be good for the country when there is a debate going on in Parliament here, on demonetisation. I do agree with it. But it is true that the country is de-



standing demonetisation from the Government, because the country is convinced that this Government has developed vested interests in black money. Therefore, it is not necessary that the Government should declare demonetisation today. Let the Government wait and see for the right time to demonetise. Demonetisation is a must, and if demonetisation is not done, the common man will believe, the nation will believe that this Government has got a share in the black money and their party has got a share in black money. I would like to make that point emphatically clear.

We have just heard the argument against ceiling on cash holdings also. I do not really see any reason why we should not place a ceiling on cash holdings.

**SHRI K. R. GANESH:** Black deeds. *(Interruption)*

**SHRI JYOTIRMOY BOSU:** Black deals by R. P. Goenka?

**SHRI K. R. GANESH:** I am talking about black deeds. *(Interruptions)*

**MR. CHAIRMAN:** What is it?

**SHRI JYOTIRMOY BOSU:** On a point of order under rule 376. The hon. Minister just now said, loud enough to be heard by some of us, that we were taking recourse to certain tactics. What tactics is he talking about? Is it about black money? Is it R. P. Goenka's patronage, the posters? What is it about? I want to know.

**MR. CHAIRMAN:** There is no point of order.

**SHRI VIRENDRA AGARWAL:** Talking about ceilings on cash holdings and the national debate on the subject, I would support the demand of Mr. Bose that the interim report must be published, if the Government wants that people should have confidence in its decency, if the Government want that the people should have confidence in the present Government.....

**AN HON. MEMBER:** That is why they have elected this Government.

**SHRI VIRENDRA AGARWAL:...** what is the difficulty for the Government to place the interim report before the House?

Finally, I know that it is true that democracy always functions through committees and commissions. But if the reports of such commissions and committees are not paid full attention by the Government and they remain in the shelves of the various Ministries allowing to get dust accumulated on them, I can tell you people will start losing faith in the democratic structure. Therefore every possible attention need be paid to valuable suggestions made by the Wanchoo Committee; we must go into the various issues. I know that various derogatory remarks have been made about the integrity of justice Wanchoo which I must condemn them with all my force. No decent man in this country, no man of integrity would like to be associated with any Government activity if any derogatory remarks are made about the integrity, about justness of a man like Mr. Justice Wanchoo. That point we must understand. We must pay respect to the recommendations that the Wanchoo committee had made. Wanchoo committee had made various estimates; we may have difference of opinion. I know data is not available. But Wanchoo committee has estimated black money at Rs. 1,400 crores. I know in 1965-66 while Mr. T. T. Krishnamachari was the Finance Minister of this country he had told me that black money did not exceed Rs. 1,000 crores in this country. These are various estimates that are being made. The question is, while income-tax rates have risen from 82 to 98 per cent, this is an incentive for tax evasion. If the reward of tax evasion is greater than there is no tendency towards declaration. A very high incidence of tax puts a premium on honesty and makes evasion profitable. The Public Accounts Committee in its 17th report said the Government should adopt a fiscal policy that tax evasion is unrewarding. The present rates are almost confiscatory.

Lastly, I can say that it is being argued that the Wanchoo committee recommendations are not in accordance with the economic and social objectives of the Congress Party. I want to know, what are the objectives of the Congress Party? What is the philosophy of the Congress Party? Is it the philosophy to produce corrupt, inefficient man or to produce an economic structure based on honesty, efficiency and enterprise? I take it for granted that the Congress Party cannot stand for corruption or dishonesty, it must stand for honesty, and efficiency and therefore I do not see how any Government on earth can ever check black money without reducing tax rates. Similarly, I would support what Dr. V. K. R. V. Rao has said. Government must go into the whole question of controls, permits and licences. It is equally true that the poor is being burdened unnecessarily.

MR. CHAIRMAN: Please conclude.

SHRI VIRENDRA AGARWAL: I feel that the common man is having a huge burden because of high tax rate and prices. He must be given tax exemption upto Rs. 7,500. If these two proposals are accepted by the Government, then both the proposals will not bring about a loss of more than Rs. 52 crores to the Government, which can go a long way not only to unearth black money but also to raise the rate of saving and investment which I think is absolutely essential for building a socialist society in India.

MR. CHAIRMAN: Mr. Stephen.

SHRI PILOO MODY: The Congress Party has exhausted its time . . . (Interruptions). Prof. Rao spoke for fifty minutes.

MR. CHAIRMAN: It has got one hour and 25 minutes. Dr. Rao spoke for 36 minutes and I spoke for 24 minutes. Mr. Desai spoke for six minutes—making a total of 66 minutes. These are the calculations.

SHRI C. M. STEPHEN (Muvattupuzha): Rising to speak on this document, I am conscious of a very important fact that this House is discussing

a report which could have been of a very vital importance to the economy of our country. But the trend of discussion and debate, and the method in which the discussion was initiated and the act of adventurism Mr. Bosu demonstrated have done more disservice to the country than any service. Mr. Chairman, you spoke from this side and Dr. Rao also, and both of you have dealt with different proposals of this report and I do not want to cover the same ground.

I do want to highlight another aspect as between the Government and Mr. Bosu, the way in which the report was handled by the Government on the one hand and Mr. Bosu on the other hand I specifically say Mr. Bosu, because I do not identify him with the entire opposition, nor even with the party to which he says he belongs, because I do not find much of enthusiasm in the party generally on the line he has taken.

This report was not put in cold storage by the Government. The report was discussed by the Consultative Committee of Parliament which met recently and at two sittings elaborate discussions took place. More than that, I understand that under the auspices of the Government themselves, a national seminar was organised wherein economists, professors, financiers and persons from different walks of life participated and detailed discussions took place for over two days. I am sure this report must have been studied by serious persons who count and who are going to execute this. That is the way a report of this nature has got to be handled

A specific question was asked: why not publish the interim report? Was there any need to publish it? Would it have done any service to public at large? Demonetisation is a matter which he highlighted. If the Government wanted to accept demonetisation proposals, nothing would have been more foolish than publishing the report to give the warning that demonetisation was coming. On the other hand, if the Government do not want to accept the demonetisation proposal, government would certainly be doing

[Shri C. M. Stephen]

a havoc to the economy and the monetary structure of this country, giving fright to the people by officially publishing this demonetisation recommendation, by giving an indication that there is a possibility for demonetisation to come through. Either way, it would have been causing havoc for the government to publish the report on demonetisation. Therefore, I should compliment the government for the act of sanity, sobriety, maturity and administrative efficiency and foresight they showed in treating this report as secret which considering the recommendations made in this report.

I entirely agree with the submissions made here about the contents of the report. I do not want to go into that. But I will deal with the way in which our hon. friend, Shri Jyotirmoy Bosu, handled it. He has said so many things about the Prime Minister. I am not bothered about it because the Prime Minister is tall enough to stand up to any slander. But what did he do? Let us look at it from a moral standpoint. The document which he produced the so-called interim report, is either genuine or not genuine. If it is genuine, then I submit it is a stolen property. I can understand a journalist making a scoop. But before the Parliament of India, a sovereign body, a Member comes with a particular document, saying here is a document I have stolen, and the document is placed before the House. That document was not initially placed on the Table of the House. He made an application to the Speaker. Pending consideration by the Speaker, he distributes copies of that to the press. In fact, a question of privilege arises . . . (*Interruptions*). It is stipulated in the rules that where a notice is given, before the notice is disposed of by the Speaker the concerned document shall not be published. That is a specific injunction contained in the rules. Anyway, I did not give notice of a privilege motion . . . (*Interruptions*).

By bringing this document before the House, by repeatedly shouting about demonetisation, by giving notice to the entire country that this matter was before the government, what has

happened? Prices have gone up. Even the twenty rupee note which was recently issued is not seen. Persons who have got black money have changed it into small denomination notes and they are in a safe position.

Shri Bosu makes an allegation against us that we are hand in glove with people who have black money. Now I put the allegation on him that this was not an innocent performance of his. It was a calculated, deliberate attempt to play the role of an agency of certain people who have black money, giving warning to these people so that they may . . . (*Interruptions*). This is what has happened. This is a very important matter. This is the result of his action. By the discussion of this topic the prices have gone up, the gold prices have gone up, small denomination notes have just gone underground and persons who have got black money have changed it and they are now in a safe position. Though he now puts on or assumes the image of a different person, this is what he has done.

Now that my time is up, I want to say only one thing about demonetisation before concluding. Demonetisation is not so simple a matter. If demonetisation is effected, lakhs and lakhs of people in the rural areas, workers who may have a few hundred rupee notes with them will have to declare them and they will be in a calamitous position and may be other consequences may follow. I do not want to go into the details, but I do want to deal with this aspect of the matter. The way Shri Jyotirmoy Bosu initiated the debate, the way he brought forward the interim report, the way he made noise about demonetisation, by that he was making a deliberate attempt to safeguard the blackmarketees, people with black money. That is why he initiated that.

I say that this government must take drastic steps for the purpose of combating black money. Apart from that, our socio-economic fabric has to be changed. That is the only answer to combat black money. This sort of gimmicks have to be faced up. I appeal to the government to initiate steps and make an inquiry as to how this

stealing took place from the archives of the government. That inquiry has to be instituted. With these words, I conclude.

**SHRI PILOO MODY (Godhra):** Mr. Chairman, Sir, today I have heard Shri Stephen make the most enlightening speech that has ever been heard in any Parliament of any country in the world. He has actually stated that it is Shri Jyotirmoy Bosu who is responsible for the circulation of the black money in this country and that he, his leader and his party, are totally absolved from all responsibility for having brought about and created this black money in the last 20 years or more. The Congress Party has been fooling the people all these years by saying that they are anxious to eradicate black money. I charge this Government of the most blatant hypocrisy every time they mention they are interested in eradicating black money because they are just not interested in eradicating it. They have from time to time brought experts, instituted committees, called upon commissions to examine the question.

The question of eradicating black-money requires no examination, requires no study, but a modicum of commonsense which I cannot possibly credit this Government with. If I had been asked ten years ago to give on two type-written sheets how black money can be eradicated, I would have given them the same conclusion which they have arrived at after having gone through all these tortuous processes of consulting experts, committees and commissions.

They appointed a committee, by all means, by all methods the most unexceptional committee consisting of Justice Wanchoo and many others, experts in their own fields, and that committee with great pains, with great care, with great effort sought to find out how this blackmoney has accumulated and how it can be cured.

17.52 hrs.

(**SHRI K. N. TIWARI in the Chair**).

When the Wanchoo Committee Report had been published, what

happened? The Young Turks of the Congress Party, I do not know whether they were led or misled by Shri Salve himself, started casting derogatory remarks against the Wanchoo Committee Report—at one time Shri Salve himself got up and said that this report could have been written by the Swatantra Party, as if this was the greatest smear that he could put on the Wanchoo Committee Report. After all, if the Government were anxious to produce a report which reflected their own thinking, I do not see why they did not appoint a committee or commission consisting of Shri Mohan Kumaramangalam as its Chairman, Shri K. R. Ganesh, Shri Raghunatha Reddy, Shri S. M. Banerjee, Shri Chandrajeet Yadhav and Shri N.K.P. Salve so that he could point out all the loopholes in the suggestions that they made.

**SHRI K. R. GANESH:** That Committee would not be complete without an agency. I hope he will provide that agency.

**SHRI PILOO MODY:** I do not know how I can possibly represent the KGB. In case he likes, I can give him a list of the names of the persons belonging to the agencies of the KGB, from top to bottom in order of priority and protocol. Do not give me any nonsense about agencies. It is all in his mind.

Coming back to the Committee, it was an honest Committee consisting of decent people in this country who were entrusted with a decent job of work to do and who have done a decent job, and they came out with a report only to find it being smeared by those people who are much too clever by half.

It was, after all, Mr. Kaldor who came here many years ago, in 1956, and suggested a method by which black money can be eradicated. He suggested a tax structure which if it had been employed by them, today there would have been hardly any black money in this country. But this Government could not, cannot and is not willing to accept any rational suggestion which will eradicate black money from this country. For obvious

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reasons, which we understand only too well, not a single one of them would have been elected to this House but for the fact that black money is available to them from morning, noon and night, year in and year out, day in and day out. None of them would have been here . . . (Interruptions).

SHRI K. R. GANESH. It is a wild allegation . . .

MR. CHAIRMAN. Mr. Piloo Mody, you are casting an aspersion on all your colleagues on this side of the House . . .

SHRI PILOO MODY: I am prepared to exempt you.

MR. CHAIRMAN: I am one of them. This is very objectionable.

SHRI PILOO MODY: When he gets up and makes an accusation of people belonging to agencies, this and that, his voice gets choked in his mouth. But when somebody makes a little allegation which is a hundred per cent right, he shivers and starts raising objections. It is time that somebody spoke the truth.

SHRI K. R. GANESH. It is a wrong allegation.

SHRI PILOO MODY: It is time you learnt the truth.

SHRI K. R. GANESH. It is time somebody called you this . . . (Interruptions).

SHRI P. K. DEO (Kalabandi). He has got the right of reply.

SHRI K. R. GANESH. He will go away; he will not sit here to hear my reply. (Interruption)

SHRI R. D. BHANDARE (Bombay Central): On a point of order, Sir.

Mr. Piloo Mody has made certain remarks—I will not use the word 'allegation'—which cast an aspersion on the Members of this honourable House. It is derogatory not only to the honourable House but also to the

Members to say that but for black money, they would not have been able to come to this House. This is a representative form of Government. We have been elected by the people unless he goes to the extent of saying that without even votes we have come here.

SHRI PILOO MODY: That is also true in some cases.

SHRI R. D. BHANDARE: It is not in keeping with the dignity of the House. Therefore, his remarks which are derogatory to the House and to the Members must be expunged from the records.

SHRI PILOO MODY: Never.

SHRI R. D. BHANDARE. Have I made the point clear? He says, but for the black money, we would not have been elected to this House. This is derogatory to the House and to the Members. Ours is a parliamentary democracy. Under the Constitution, we have been elected by the people. These remarks should be expunged.

Under the People's Representation Act we have made a provision that certain amount would be spent on elections. Under the People's Representation Act, we are allowed to spend certain amount. If that amount is to be called black money, then, I think—I am not making an allegation or an accusation—he is making derogatory remarks against the House and against the Members. Therefore, those remarks should be expunged.

18 hrs.

MR. CHAIRMAN: I will look into the records. There is one thing. It is not in very good taste, what you have said about your colleagues on the Congress Benches sitting here . . . (Interruptions)

SHRI R. D. BHANDARE: I have made a point of order. You have not given your ruling. You have only made an observation that it is not befitting the hon. Member to say that. The hon. Member says specifically that we have been elected with

the help of black money. That is derogatory to the Members and the House. Therefore, it ought to be expunged.

MR. CHAIRMAN: I will look to the rules and the records also.

SHRI R. D. BHANDARE: After looking into the records, you expunge it

SHRI PILOO MODY: What is your ruling, Sir?

MR CHAIRMAN: I will look to the rules and the records. Then, I will come to a decision.

SHRI JYOTIRMOY BOSU: On a point of order, Sir

I thought Mr Bhandare was a knowledgeable person. At one point, he was going to be the Law Minister in the last House. If he looks at Rule 380, it does not say about derogatory remark. I am most disappointed.

SHRI PILOO MODY. Sir, to the best of my knowledge, I have not said anything that is unparliamentary and requires to be expunged. I have not been elected to the House of the People, to the Indian Parliament, only to say things that this Government would like to hear or to flatter my colleagues as far as the House is concerned. If he wants my flattery, he will have to come out in the Lobby or in the Central Hall. I am not prepared to flatter them in the House; I am here to speak the truth.

This is as I see it. If this is what I feel has been happening in the country, it is my birth-right to be able to say it in the Parliament of this country. If it is unparliamentary according to the rules, by all means, expunge it. I certainly will not be a party to any expunging of what I have said so far. What I might say in future is subject to your ruling, Sir.

I was talking about the various committees and commissions that have been appointed from time to time, first Kaidor, then the Bhoothalingam Committee Report, now the Wanchoo Committee Report. I

would like to make one very pertinent objection on the percentage of highest taxation slab that the Wanchoo Committee recommend, that is, of 75 per cent. This is very pertinent to note that in 1956 it was permissible for an expert to get up and say that in order to eradicate black money, you have to bring down the maximum slab of taxation to 45 per cent. It is indeed strange that within 15 years, we have been so brain-washed, so completely frightened, so completely injected with fear in our minds and thinking that it is with the greatest hesitation that the Wanchoo Committee reported and managed to bring it down to 75 per cent.

If you were to go back to the Wanchoo Committee and ask them, "Do you really think 75 per cent is enough?", they will say, "No. But we were afraid of suggesting a further reduction for fear that the entire report would be thrown out."

I say this only to illustrate the sort of propaganda offensive, the sort of brain-washing, that the entire country is going through so that even dispassionate advice tends at times to be somewhat hesitant.

Prof. Rao made several, rather interesting suggestions.

SHRI JYOTIRMOY BOSU: Where is he?

SHRI PILOO MODY: He has gone home. He only comes to make speeches

Being a professor, he has, of course, been carried away. But there is one thing that he said, that payment shall not be made in cash that is worth considering. It is a very good idea. Nobody likes to make payment in cash. I myself have very often been inconvenienced by the fact that I did not have enough cash with me; I had to carry so much cash with me in order to make a particular purchase which I could not make by cheque or any other document, that it had made me uncomfortable. Therefore, I think that some method is necessary by which less and less transactions take place in cash. Un-

[Shri Piloo Mody]

fortunately this cannot be done by legislation. Unfortunately the Professor being highly technical had gone beyond himself. What should be done is that the banking system should be made better as in European countries or in America. You do not have very serious difficulties in encashing cheques there, and I certainly do not want to say that we in India are more dishonest or less dishonest than we cannot adopt this system easily. I grant you that there are certain difficulties, particularly in rural areas where you have a shortage of banks and their branches. But it is a very good idea.

Then another suggestion which Dr. V. K. R. V. Rao has made, which is excellent from every point of view and unexceptionable, is that the transactions which take place on property and things like that, should be in the public gaze, in the public domain. Nothing destroys as much as public exposure. Therefore, I would like the Government to have the names of tax-evaders posted up, to have their names published. I would like to see the transactions taking place in the open and not in a clandestine fashion where nobody knows what the relevant details of the contracts are. Even about the system that the Government has started of publishing people's incomes etc., at first I thought that it was in questionable taste, but from the sort of corruption and nepotism I see today in which the entire country has been shrouded, I think it is a very good idea. We must have public exposure of those who evade and break the law. But then there must be a certain rationality about the law itself. There must be some reasonableness about the law; the law must be such that people like to obey it. After all, the way the tax structure is at present fixed, no man in the country who works or has the capacity to work will want to work. This is the sort of society that they have created.

I have said this once before. All that we have managed to create after 25 years of Independence as a value for our society is the value of

being poor. With the language tussle and the educational tussle that have been going on, we have now added another dimension to the values that we have created for our country—the value of being ignorant—so that if you are poor and ignorant, you can inherit this country. But if you are hard-working, if you are talented, if you have skill, if you have entrepreneurship, if you have any capacity, this country is no fit place for you to live in. These are the values that we have created after 25 years of self-government.

When I hear discussions on Bills, reports and Commissions, all the time evading the basic issues and going round and round on the periphery, trying to get a little bit here and a little bit there, trying to gain political leverage out of a situation, I get angry, when what you want is to clean up society, and when I find my colleagues, whom you say I should treat with love and respect, getting up and defending this sort of things, it makes my blood boil.

It is with these words that I request that Government accept the Wanchoo Committee report *in toto* if it is serious about eradicating black money, and fiddle with it if it is not

18.10 hrs

### BUSINESS ADVISORY COMMITTEE

#### SIXTEENTH REPORT

SHRI R. V. BADE (Khargone):  
Sir, I beg to present the Sixteenth Report of the Business Advisory Committee

### MOTION RE FINAL REPORT OF THE DIRECT TAXES ENQUIRY COMMITTEE—*contd.*

SHRI N. K. SANGHI (Jalore):  
Sir, today we are discussing a very serious matter. We are considering the final report of the Direct Taxes Enquiry Committee which was laid on the Table of the House on the 20th March, 1972. It is a very important subject. The whole House is exercised over this matter, and every Mem-

ber has been wanting that some desirable changes are brought about in the taxation structure of our country.

When the Wanchoo Committee was appointed, it issued a questionnaire to be replied to and I am glad to say that I had the privilege of answering the questionnaire and also appearing before the Committee to give evidence for more than four hours before the Committee.

The Final Enquiry Committee Report that we have received, I think the committee has done a very helpful task. They have received and taken voluminous evidence and they have still found it possible to submit this report in the quickest possible time, and it is really a matter on which the members of the committee should be congratulated.

SHRI JYOTIRMOY BOSU: Which report? The interim report or the final report?

SHRI N K. SANGHI: It would be very nice to go into a little background of the tax structure in this country, particularly on the direct taxes administration, after Independence, we have had as many as six committees. In 1947, we had the Tax Investigation Committee; then we had the Mathai Commission; later, we had the Direct Taxes Inquiry Committee's report of Shri Tyagi, which resulted in the bringing forward of the new tax law of 1961. Thereafter, we had the Bhoothalingam Committee's report, and now the Wanchoo Committee's report is before us. I am glad that we are today having an opportunity to discuss the Wanchoo Committee's report in this House.

Whenever we have a report of a commission, it gives out many recommendations which come before the House, before the public and before the Parliament and the people. That is exactly what has been done by the Wanchoo Committee's report. There have been more than 400 directions and recommendations that this Committee has brought before us. It is always that no one Member would agree to every one of the recommendations; there would

be recommendations with which one person might agree and the others might disagree.

18.13 hrs.

[SHRI R. D. BHANDARE in the Chair].

There will be a number of recommendations on which they will have divergent opinions. But we have really to take stock of the things as a whole. Before the report of a committee is submitted by an expert body, they take evidence, they take the administrative difficulties into account and they take into account also all the consequences that are there in the country because of the proliferation of black money and various other matters. Therefore, we shall have to take this report a little more seriously.

Today, what is happening in the society. We find there is a crisis of confidence in society. There is no doubt that everyone says that there is proliferation of black money. Everybody today is, however, going towards black money and thinking of how to make some easy money to live by, and that has become the bane of the society; the attention of everyone, including the politicians, the statesmen, the services and the bureaucracy is being focussed on this vagary which is spreading in this country cancerously and also in the other parts of the world. But there is a crisis of confidence today in our country, when we say that we have no faith in the tax administration. After Independence, we have seen that people have lost faith. When it comes to the politicians, they say that the bureaucracy is corrupt; when it comes to the bureaucracy, they say that the people are dishonest; when it comes to the tax-recovering inspector, he feels that the assessee is dishonest and he is not doing his job honestly. When it comes to the assessee, he feels that the politicians are not behaving properly and the tax administrator of the Government is not doing his job properly. This goes on in a vicious circle. Instead of having any remedial measures we find that we have been going on proliferating the whole matter. Without proper educa-



[Shri N. K. Sanghi]

tion, with the prices rising and with the multiplicity of controls that are going on today in the country, with the situation that we have, where the value of the rupee has gone down during the last decade by more than 50 per cent, we have really brought ourselves to a difficult situation. It is really a problem to be solved with a lot of restraint.

In the wake of this, we have received this Wanchoo Committee's report, and I am sure that this report will give us the desired light and direction, if only we would care to work on it.

I am reminded, Sir, of a story in this connection. There was a king who did not believe in anyone's honesty and who thought that everyone was dishonest. He wanted a gold crown to be made for him. So, he called one of the best goldsmiths and told him 'You have to make me a gold crown, but it has to be made in my presence only'. The goldsmith worked for a number of days and made a crown. When the crown was ready, the goldsmith said 'Now, it will have to be polished, and for polishing it, I shall have to put it in a particular acid, and after I take it out from the acid, you will have the crown ready'. The king agreed, he thought that the crown was ready by then and, therefore, there was no harm in allowing the goldsmith to take the crown and put it into the particular acid in order to purify it and polish it. After 24 hours, the crown was brought to the king. The crown was really dazzling, and it was very nice, and the king was happy.

The goldsmith then said: 'Oh King, the crown you are wearing is not made of gold but of some other alloy'. This was a revelation to the king because for the last 25 or 30 days the goldsmith was working at it in his presence. So he thought how it could be other than gold. But the goldsmith said: 'You did not believe me. I am a goldsmith and I wanted to make a good job of it. But since you did not believe me and since you wanted everything to be done in your presence. I have been making and chiselling another crown of the same type in my

house. I put it in acid and this is what I have got, a non-genuine crown'.

This is the sort of crisis of trust from which we are suffering today. One does not believe the other. Whatever work is given by one to another is not carried out sincerely and there is lack of confidence everywhere. We will have to find out ways and means by which we can revive this confidence. Today the junior officer does not respect the senior officer. The C.B.I. is after the officers and the officers are after the assesseees. In this mess, we have to find a solution and I think if we take care of this Report before us, it will go a long way in helping us to do so.

The alleged Interim Report of the Wanchoo Committee that has been laid on the Table by Shri Bosu, whether it is the genuine one or not is not important, but because of the fact of its having been laid on the Table, attracted a lot of comments, editorials and reactions. There are certain points in it which have been highlighted, particularly, demonetisation, a ceiling on cash holdings etc. All these matters are there. But what we are really concerned with is what is contained in the final report and the direction in which the recommendations made therein go.

My hon. friend, Dr. V. K. R. V. Rao, said that there should really be reliance on more banking operations, that every person should operate through banks for payment wherever he can. It is a very good suggestion. But the question is: can we really make it practicable?

I remember a recent incident. A friend of mine was getting his daughter married. For this purpose, he drew a loan from Government of Rs. 4,000. He wanted to take it to Jodhpur. But the banker suggested that instead of taking it by a draft, he could take it in traveller's cheque which he could encash at Jodhpur conveniently and easily either in part or in whole. But to his misfortune, when he went to Jodhpur to cash it, the State Bank of Bikaner in Jodhpur took 3 hours because this was the first traveller's cheque that had come to that bank for encash-

ment, and until he went to the General Manager, he could not get it cashed.

This is really what is preplexing the society. We have recently seen the bank clearance strike in Rajasthan. Crores of rupees remained uncleared by the Bank putting the people to a huge loss. There is presently a strike by the Reserve Bank staff at Calcutta. There are innumerable difficulties. There should be a judicious method by which we conduct operations smoothly and to the satisfaction of all. In this the Wanchoo Committee Report can help us.

There are about 400 recommendations made in that copious report made by a man of the highest integrity, a man with the highest judicial knowledge in the country, Shri Wanchoo. I am sure this a report which we should not overlook or take lightly. Government should go through the report in its entirety and accept those recommendations which are administratively feasible and give effect to them so that we can have a better tax structure and there can be an atmosphere of confidence in society which will help in building a better society.

Shri Baladhandayutham told us that many social and economic changes are necessary. We are not lagging behind in bringing about social and economic changes. Today we are marching hand in hand for the emancipation of the common man. Whether it was nationalisation of banks or nationalisation of the insurance companies or the matter of land ceiling or ceiling on rural wealth, without minding about vote-catching, we have brought about the necessary social and economic changes. The party is fully aware of its responsibilities to the people and we are going faster than all the Opposition parties put together.

I hope the Central Government will take the Wanchoo Committee report seriously and proceed in the direction indicated therein so that we bring about a better tax structure in the country.

Our tax administration requires a lot of changes. One of the suggestions

made by the Committee is that there should be an independent, autonomous Board of Revenue. If this will bring about the desired change, I see nothing wrong in implementing this recommendation. We have autonomous bodies like the P & T and many others. It is high time we accepted this and many other recommendations which would enable us to build a better society where man can breath freely, where the rich and poor march hand in hand and we have less of class distinction in the country and we can really be proud of this country. With these words, I hope the Finance Ministry will look into the whole matter for the betterment of the tax structure in the country.

**SHRI SHYAMNANDAN MISHRA** (Begusarai): Mr. Chairman, Sir, really I am in a peculiar predicament. The time that falls to my share is so ridiculously brief according to your calculus, that I would be making myself ridiculous too, if I attempt to make any meaningful contribution to this debate.

You will realise that we have to deal with a voluminous report of 272 pages, containing recommendations of the order of 267. I cannot even touch the fringe of this voluminous report. So may I concentrate my attention on the most burning topic of the day, that is, black money. Black money, to my mind, is the progeny of black politics, and so long as black politics remains in command, we will always have black money and black economy. So long as the present political constellation exists and may I say also, the kind of political regime that we have in the country exists, there will be no political will to eradicate black money. In fact, there would be a pronounced tendency in the contrary direction namely to augment black money so as to freely draw upon it. That is very much in evidence today.

One positive evidence that one would like to have from the political set-up of the day is—if they want to show any political will and commitment to eradicate black money—they should come forward with a law which would oblige every political

[Shri Shyamnandan Mishra]

party to declare its respective receipts and expenditures, their assets and liabilities. Are they prepared to do this? If they are not prepared to do that, I would say that they are not going to bring the political will and commitment to eradicate black money.

As I told you, I am really in a peculiar predicament due to lack of time. I would, therefore, content myself by reading out a limerick on the Wanchoo Committee report: a small limerick:

Why not enjoy the magical bloom,  
Why do we want to revel in gloom?

Black money and tax evasion,  
Sovereign remedies for democratic erosion.

Massive mandate for Garibi Hatao,

Anti-prohibition and Khoob Filao.  
Would you have them if you heed

Jyotirmoy's nonsensical plead?

Let us celebrate this colourful marriage,

Politics and money have wonderful carriage.

Attempts to weaken the basis of stability,

How can we put up with this audacity.

Gems in the crown, the great Navarathnam

Led by Goenka and Chidambaram.

SHRI JYOTIRMOY BOSU: Maruthi Limited.

SHRI SHYAMANDAN MISHRA: Let me complete the limerick:

Socialist lamp gives dazzling light  
Fuelled by the capitalist mite.

The Wanchoo Report, interim and final

Is for debate and decent burial.

With this, I end.

SHRI P. M. MEHTA (Bhavnagar): Sir, I would like to make a submission. We are discussing a very important subject, and because of the late hour

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there is no quorum in the House. Most of the Members have gone. (Interruptions). I would request you to allow this discussion to continue on Monday and adjourn the House now, because there is no quorum.

SHRI JYOTIRMOY BOSU: Sir I am raising a point of order.

MR. CHAIRMAN: Under what rule?

SHRI JYOTIRMOY BOSU: Under rule 376. I am surprised I have to quote the rules for Mr. Bhandare who, I am sure can quote from memory. I take lessons from you.

MR. CHAIRMAN: You are taking too much of liberty.

SHRI JYOTIRMOY BOSU: I am on a point of order under rule 376.

We are sitting on a Saturday; we have foregone our lunch hour. We are tired, physically and mentally, ourselves, those who are with us, namely, visitors, people around here, Lok Sabha staff.....

DR. KAILAS (Bombay South): Unfortunately, there is no time on Monday.

SHRI P. M. MEHTA: Even now there is no quorum. The Minister has to intervene and then the hon. Member will reply. It will take a long time (Interruptions). This is not the way to discuss an important subject. Members have left.

MR. CHAIRMAN: There is an understanding that after 6 o'clock no question of quorum should be raised.

SHRI P. M. MEHTA: I rise on a point of order now. It was my submission before; now I rise on a point of order. According to the rules the House cannot transact business without quorum.

MR. CHAIRMAN: Let the Bell be rung—There is no quorum.

Since there is no quorum the House stands adjourned till 11 a.m. on Monday.

18.30 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, August 28th, 1972/Bhadra 6, 1994 (Saka)