

as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clauses 2 to 5 were added to the Bill.

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

THE DEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

The motion was adopted.

THE PROVISIONAL COLLECTION OF TAXES (AMENDMENT) BILL, 1964

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR SAHU): Madam, I move:

"That the Bill further to amend the Provisional Collection of Taxes Act, 1931, as passed by the Lok Sabha, be taken into consideration."

Madam, this is a simple measure and I will not take much of the time of the House in explaining the purpose of the Bill. As the hon. Members know, by virtue of a declaration under the Provisional Collection of Taxes Act, 1931, any provision of a Bill purporting to impose or increase any duty of Customs or Central Excise can be brought into effect immediately upon the introduction of the Bill in Parliament. The imposition or increase in the rates of duty in respect of which such a declaration is made comes into effect immediately on the expiry of the day on which the Bill is introduced and they continue to remain in force for a period of 60 days. In case the Bill does not come

into operation as an enactment before the expiry of that period the whole of the duty collected by virtue of the declaration has to be refunded.

A declaration under the Provisional Collection of Taxes Act is almost invariably inserted in every Finance Bill or any such Bill which seeks to impose or increase any duty of customs or excise. This becomes necessary as the markets react immediately to any proposal for the imposition or increase of any commodity tax and the consumers have to pay increased prices almost from the very time the proposals are announced. The application of the Provisional Collection of the Taxes Act to some extent helps in mopping up the unearned profit at least on the stock of goods which are still with the manufacturers or in the warehouses or are about to be cleared from the docks.

Of late, due to the large tax effort that have had to be made, the Finance Bills have many more clauses and sub-clauses than in earlier years. It is but natural, therefore, that the hon. Members in the two Houses of Parliament should desire to have more time for consideration of the proposals. It is with this object in view that it is proposed to increase the time limit from sixty days to seventy-five days. I am sure that the House will unanimously support the measure.

The House will recollect that in 1957 because of the General Election, consideration of the annual Budget and the Finance Bill had to be spread over two sessions of Parliament. To meet that situation the Provisional Collection of Taxes Act was temporarily amended extending the period from 60 days to 120 days for that year only. The amendment was operative up to the 31st December, 1957 only.

Madam, I move the Bill for consideration.

The question was proposed.

SHRI SANKAR PRATAP SINGH DEV (Orissa): Madam, I may not have any hesitation in agreeing to the increase of the period from 60 days to 90 days in validating the change in taxes, direct or indirect, by the Executive but I do so with reservation.

I have repeatedly said that taxes have been on the increase from year after year. In 1957-58 the total revenue from taxes was Rs. 695.7 crores. In 1963-64, within a period of six years, it rose to Rs. 1,478.4 crores, more than 100 per cent. increase. Do you not think it is staggering? In our country where the per capita income is the lowest and stands at Rs. 300, out of this about 25 per cent. go to taxation. Forty per cent. of our lowest income group earn only five annas per day and out of that about two annas goes to direct and indirect taxation. Can we commit a worse crime than this, to tax a man by two annas a day whose income is only five annas a day? The newspaper report says that in Delhi the other day, within this week of cold wave, about nine people died because they could not clothe themselves. This was the reported number of deaths but what would be the actual death roll? Nobody knows. Is that the result of your seventeen years of planning? I do appreciate the problem which the Government are faced with in mobilising internal resources. Developmental planning has received considerable attention in our country in the last decade. The Government can borrow money, increase taxes, etc. for financing the lopsided Plan. That the Plan is lopsided is obvious from the failure on all fronts. We have hardly achieved any target. Numerous people are dying of hunger. While foodgrains import has been progressively increased, still we have failed to meet the internal requirements. You can see the long queue outside the fair price shops. People have to wait for hours before they get their turn and even at times when they get to their turn, the shopkeeper says that the stock

has exhausted. From the taxation figure which I have quoted above, you will see that the incidents of taxation on commodities and services has shown an increase of more than 100 per cent. There cannot be two opinions that such an increase specially on indirect taxes is not conducive to the interest of equity as the main burden of indirect tax is borne by the common man. The Government can come forward with numerous explanations to defend their action of taxing the poor people.

The Finance Minister himself will bear me out that the tax proposal in the country must be realistic and should not inflict undue hardship in sections of the community which are known to be weak. A broad analysis of indirect taxation shows that it has been particularly oppressive on the less fortunate sections. Can there be a worse thing than taking away two annas out of five annas a day which a poor man earns? Of course excise duties on items like iron and steel, cement, motor spirit, etc. directly do not enter into the consumption budget of the poor section. However, the Government cannot deny that induced effect of such taxation on housing, will to a greater extent have its effect on the poor sections by directly increasing the cost of construction as a result of increase in the price of other materials which are taxed and be a sympathetic increase in the price of substitutable items. These are some of the problems which the Government should not lose sight of before the Finance Bill is prepared and rates of direct and indirect taxation are fixed from time to time.

The aim of planning, if I have understood it correctly is to achieve the various goals laid down in the Directive Principles of our Constitution. This can only be achieved if we concentrate all our efforts in ameliorating the most weaker sections of our society and that can only happen by progres-

sively decreasing their duties on consumer goods and other items which are generally consumed by our poor people. This can be done by taking away levy on agriculture as majority of our population depends on the land. Anything which helps to reduce the burden on the agriculturists is welcome. With these words I conclude.

THE MINISTER OF PLANNING (SHRI B. R. BHAGAT): Madam, if I have understood the hon. Member aright, I think he did not object to the extension of time of the provisional collecting from 60 to 75 days. So I am very happy to learn that he agrees with this Bill. But what he has said was probably his concern about the increase in the resources by way of taxation successively every year and also by the incidence of various duties on the various classes of people. That is what he meant to say. I think that particular matter the House is at liberty to take up at any moment in the Budget discussions. So far as increase in internal resources is concerned, that is one of the dictates of this House. This House having accepted the Third Plan, has also accepted the policy of raising internal resources. So we, in the Government, take it as more or less a commitment or a duty towards the House to raise the resources so that the Plan targets are fulfilled and instead of expressing satisfaction that the Government has done its duty in raising the resources to the maximum extent, anxiety should not be expressed. Secondly, about the incidence on various classes of the various types of duties, that is very carefully gone into while formulating the Budget. The main policy is, whether the direct tax impost or indirect tax impost, the imposts should be levied in a manner so as not to hinder the production and they should not affect the common people generally they should try to mop up unproductive wealth and encourage productive investments and give relief to the smaller people, the middle-income group, etc. All these devices which

have been devised from year to year have been implemented in our tax policy, but certainly any tax when imposed, will hurt but so long as the burden is distributed very equitably, so long as the Fund is going towards the development of the country which is to increase the real, income of the people, I think it will go to help the common man about whom the hon. Member who spoke is worried. With these words, I move.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the Provisional Collection of Taxes Act, 1931, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clause 2 was added to the Bill.

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

SHRI B. R. BHAGAT: I move:

"That the Bill be passed."

The question was put and the motion was adopted.

(I) RESOLUTION RE. THE ESSENTIAL COMMODITIES (AMENDMENT) ORDINANCE, 1964 AND (II) THE ESSENTIAL COMMODITIES (AMENDMENT) BILL
1964.

श्री ए० बी० वाजपेयी (उत्तर प्रदेश) :
महोदया, मैं निम्नलिखित संकल्प उपस्थित करता हूँ :

"यह सभा ५ नवम्बर, १९६४ को राष्ट्रपति द्वारा प्रख्यापित अत्यावश्यक वस्तु (संशोधन) अध्यादेश, १९६४ (१९६४ का अध्यादेश संख्या ३) का अनुमोदन करती है।"

महोदया, ५ नवम्बर को केन्द्रीय सरकार ने एक अध्यादेश जारी किया। उस अध्यादेश