

SHRI T. S. AVINASHILINGAM CHETTIAR: That is right. So it is not what is intended in clause 12. What is done in Massachusetts in that the number of days to be attended has been reduced and 20 weeks' attendance has been imposed. There is no separate part-time school; it is the same school which is being conducted.

DR. K. L. SHRIMALI: It becomes part-time all right.

SHRI T. S. AVINASHILINGAM CHETTIAR: I can understand his saying that the number of working days that a child has to attend has been fixed by rules. But that is different from the provision in clause 12. So the example of Massachusetts quoted by him does not support clause 12. So the example of Massachusetts it was there for a long time. It is true but very much will depend upon the work in future, on what percentage of the pupils goes into the part-time schools and when the education becomes ineffective and so on. I hope even if this Bill is passed with this clause, it will not do harm to the real compulsory pattern of the scheme.

DR. K. L. SHRIMALI: I have already dealt with this clause at length and we have not said in detail as to what the part-time institution would be. It is possible that it may be two to three hours; it is possible that we may exempt a child for some time. The whole thing will have to be worked out in greater details.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 12 stand part of the Bill."

The motion was adopted.

Clause 12 was added to the Bill.

Clauses 13 to 26 were added to the Bill.

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

DR. K. L. SHRIMALI: Sir, I move:

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

The question was put and the motion was adopted.

THE TAXATION LAWS (AMENDMENT) BILL, 1960

THE MINISTER OF REVENUE AND CIVIL EXPENDITURE (DR. B. GOPALA REDDI): Sir, I move:

"That the Bill further to amend the Ind an Income-tax Act, 1922, the Wealth-tax Act, 1957, the Expenditure tax Act, 1957 and the Gift-tax Act, 1958, as passed by the Lok Sabha, be taken into consideration."

The provisions of the Bill are by now well known to all and I hope that the Bill would be welcome to all the hon. Members of this House. I do not want to take much time of the House in explaining the various provisions therein and will confine myself only to the salient points. As I have already explained before the other House, one of the objects of the Bill is to give effect to the Government's decision to relax the secrecy provisions of the direct taxes Acts for the purpose of publishing the names and other particulars of various types of tax offenders and for the purpose of disclosure of information regarding the amount of tax payable by assessees. I should explain here that the decision to relax the secrecy provisions was taken by the Government even before the Report of the Direct Taxes Administration Enquiry Committee was received by the Government, but its implementation was deferred till after the receipt of the Committee's Report, because the Committee was also considering similar questions. This Bill is, therefore, not intended to give effect to any particular recommendation of that Committee. All the recommendations made by that Committee are under the

active consideration of the Government and it is proposed to bring up as soon as possible a comprehensive Bill to give effect to such proposals as are accepted.

The relaxation of these secrecy provisions is expected to help the Government to fight the problem of tax evasion in the country. The publication of names of tax offenders would act as a deterrent against commission of such offences by other assessees. As regards the other provision for disclosure of information to any member of the public, I would like to emphasise that only the amount of tax as determined to be payable by an assessee will be disclosed. Details of income returned or assessed or other matters leading up to the assessment will not be disclosed and thus the secrecy relating to the facts disclosed by an assessee to the Department regarding the details of his business activities, will continue to be preserved. A criticism has been made that such disclosure would give encouragement to blackmailers. I fail to see any force in such criticism. An honest assessee need have no fear of any blackmailing.

Amendments in this regard to the Indian Income-tax Act, Wealth-tax Act, Expenditure-tax Act and the Gift-tax Act have been incorporated in clauses 9, 11, 12 and 13 of the Bill. Necessary action to amend the Estate Duty Act in this regard will be taken subsequently at a suitable opportunity.

The other clauses of the Bill contain amendments which have become necessary owing to some judicial decisions and in the light of the experience gained in the working of the Act. These were of an urgent nature and hence they have been included in this Bill. These clauses have been explained in the Notes on Clauses and I do not want to take the time of the House to explain them in great detail here. I would only say a few words about clause 4 of the Bill which seeks to amend section 10 of the Income-tax

Act so as to provide that with effect from the assessment year 1960-61, development rebate will not be available to road transport vehicles and office appliances. The provision has been criticised on the ground that the discrimination against road transport vehicles is not justified particularly when development rebate is given to ships. I would like to make it clear that even when the provision for development rebate was introduced in 1955, it was explained by Shri C. D. Deshmukh, the then Finance Minister, that the rebate would not be available in respect of motor cars, office equipment, etc. As, however, Courts have since held that the intention was not properly carried out by the language of section 10(2)(vi)(b), it has been proposed to amend it suitably. As regards ships, a specific provision has been made in the Act itself and further a higher development rebate at the rate of 40 per cent. is allowed on ships in view of the special importance of shipping industry in the economy of the country. The non-availability of development rebate to road transport vehicles is not likely to discourage the growth of transport industry in the country as depreciation is allowed a generous rates to different types of road transport vehicles—25 per cent. for buses and lorries and 20 per cent. for motor cars.

Sir, I move.

The question was proposed.

SHRI BHUPESH GUPTA (West Bengal): Sir, I seek clarification on one point. Recently Mr. Morarji Desai, the Finance Minister, made a statement in Bombay that he thought that the names of the assessees of income-tax should be published and he expressed his views. I would like to know whether that is covered. It does not seem so. Only the names of tax offenders are to be published. Why is it that the other thing is not being done—publishing the names of the assessees—so that people may know

[Shri Bhupesh Gupta.] whether the people have been correctly assessed? They can furnish information. He said it in his speech. I would like to know why that is not done.

DR. B. GOPALA REDDI: I am sorry I have not seen his speech, but this Bill does not cover that.

SHRI BHUPESH GUPTA: I raised that question because I thought that this matter would come up when this amending Bill was brought before the House. As far as the recommendations that were made by the Committee, of which the hon. friend, Shri Sinha, was a member are concerned, they have been shelved. The Tyagi Committee made recommendations.

DR. B. GOPALA REDDI: I said in my speech that a comprehensive Bill was going to be brought forward very soon.

SHRI BHUPESH GUPTA: May I ask him when?

DR. B. GOPALA REDDI: In another two or three months or four or five months.

SHRI BHUPESH GUPTA: At least under provocation he has said that. (*Interruption*). Don't say four or five months. I think it should be recorded 'two or three.'

DR. H. N. KUNZRU (Uttar Pradesh): He has corrected himself by saying 'four or five months'.

SHRI BHUPESH GUPTA: Well, Sir, tomorrow he might say ten or twelve months. Can you ask him to give us an idea? How, let him make up his mind. I am prepared.

MR. DEPUTY CHAIRMAN: Both the statements are there.

SHRI BHUPESH GUPTA: Both cannot be true—two or three or four or five. It is not like that. Either it is 'two or three' or 'four or five'.

MR. DEPUTY CHAIRMAN: If it is not 'two or three', it will be 'four or five'.

SHRI BHUPESH GUPTA: No, it cannot be.

SHRI N. M. LINGAM (Madras): It may be 'three or four'.

SHRI BHUPESH GUPTA: This is the attitude which the Government takes. Therefore, I said it is being shelved. I said it because I know that there is an attempt to shelve it. And unless Parliament Members, this side and that side, put pressure upon the Government, they will not go ahead with it. That is why I wanted to catch him and he was caught. I think this kind of piecemeal measures will not do. I shall come to it tomorrow when you take up the discussion. I will point out how these things were not properly worked out. As far as these three taxes, which are the subject matters of the amending Bill are concerned, they have produced nothing. Prof. Kaldor said that several hundred crores of rupees would be coming through these various taxes, the three items there, but very little money has come. And the Government say in other Committees that they are not satisfied with the progress of the work of these particular branches. They are dissatisfied with the realisations from these taxes. It looks as if we have no rich men in the country when they die. We see rich men going about in the streets of Calcutta, Kanpur and Bombay in big cars, but unfortunately when some of them die—as all are to die some day or other—it is found that nothing is left. How does it happen? When a millionaire living next door dies, nothing is found. Something is wrong somewhere. How are you going to stop that? Every one anticipates death some day or other, and even Mr. Chinai is not immortal.

MR. DEPUTY CHAIRMAN: You can continue tomorrow. The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at five of the clock till eleven of the clock on Thursday, the 25th August 1960.