

large income is included in a low slab. It may mean an amendment of section 54 of the Income-tax Act, but I think the results will justify that step.

Another point that I would like to place before the Finance Minister is the present practice of the Income-tax Officer sending to an assessee a chalan for payment of tax along with a notice. This involves a good deal of waste of time at the Treasury or the Reserve Bank. I believe it is often the case that the counterfoil of the chalan which is intended for the department is not received promptly by the Income-tax Officer, with the result that his registers do not disclose the correct collection portion.

Sir, I referred at the beginning of my speech to the arrears in the collection of income-tax as being Rs. 280 crores and to the large amount of Rs. 118 crores that has been written off. The problem is really more serious than these figures disclose, because the Finance Minister cannot take into account assessments which have not been completed. Articles 32 and 226 of the Constitution permit assessee to go to the High Court or even the Supreme Court even at the preliminary stages. There are inevitable delays in the settlement of legal points, and I believe that in a number of cases assets are scattered during that period. I confess it is a difficult problem for which I have no answer. One cannot think on the one side of curtailing the rights and liberties of the individual; at the same time, Sir one has to think of the large amounts which have to be written off by the Finance Minister and the loss it involves to the exchequer. There is, as I said, no easy solution, but perhaps, the Finance Minister will consider calling a small conference of competent persons—some with judicial experience, others with income-tax experience—to consider how this problem can be tackled keeping both the considerations that I have just mentioned in view.

## STATEMENT BY MINISTER

### PERSONAL EXPLANATION REGARDING THE CONTENTS OF A PRIVATE LETTER

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI SATYA NARAYAN SINHA): Mr. Chairman, Sir, last Friday Shri Bhupesh Gupta spoke in this House and produced a photostat copy of an old private letter of 1954. I was not in the House then, but when my attention was drawn to this matter, I read the report of what Shri Bhupesh Gupta said. I do not quite know what I am supposed to explain in this matter as the old letter he quoted was not only a private one, but there was nothing said in it to which I can see any objection. I had written to Shri B. M. Birla about a private affair which had pained me and which had nothing to do with public affairs. In the course of that letter I had mentioned that the proposed steel plant in Durgapur was likely to be in the public sector and that Shri Gulzarilal Nanda was strongly in favour of this. This was no secret information, but what was being discussed in the lobby of Parliament and in the press. I do not attend Cabinet meetings as a rule, and I had no knowledge of the view of the Cabinet in this matter. Indeed, the Cabinet had come to no decision then. I had gathered that when Shri B. M. Birla was going abroad, he enquired from the then Commerce and Industries Minister if he could explore the possibility of finding some one to collaborate with him in order to start a steel plant in Durgapur. The Commerce and Industry Minister told him that he could certainly explore this matter, but what the final decision would be about it, he could not say. It might be useful to know what the possibilities were of foreign capital being obtained for this steel plant if it was placed in the private sector.

In the letter I wrote to Shri Birla there was thus no divulgence of any secret or indeed of any decision. I had made a casual mention of this matter in the letter which dealt with other and entirely private matters. In Mr. Birla's reply, a reference is made

[Shri Satya Narayan Sinha.] to my having had a great shock. This was about a Member of Parliament I had referred to. I should like to mention here that in 1954 there was a Member of the Lok Sabha who had the same name as mine—Dr. Satyanarayan Sinha. Because of this similarity of names, letters were often delivered to the wrong person and many other mistakes were made. Apparently he got this letter addressed to me by mistake. He did not send it on to me, but opening it, showed it to a large number of other M.P.s. then in the Central Hall and outside. When I learnt of it, I enquired from him. I also informed the Prime Minister who saw nothing improper in the letter itself, but considered that the behaviour of Dr. Satyanarayan Sinha in opening other people's private letters was not proper. At the instance of the Prime Minister, I wrote to Dr. Satyanarayan Sinha accordingly. Evidently he had taken a photostat copy then, which he has now after four and a half years passed on to Shri Bhupesh Gupta, himself or through someone.

SHRI BHUPESH GUPTA (West Bengal): I strongly protest that anything has been passed on to me by the gentleman named.

SHRI SATYA NARAYAN SINHA: It is my presumption, Sir, that either he himself or he through someone else . . .

SHRI BHUPESH GUPTA: Evidently; since his letter has come into my hands, it must have come through somebody.

SHRI RAGHAVENDRARAO (Mysore): Through what source did he get this information?

SHRI BHUPESH GUPTA: I got it from the sky—does it help you?

SHRI RAGHAVENDRARAO: You got it from Dr. Satyanarayan Sinha . .

SHRI BHUPESH GUPTA: I said "No". My question was not that.

About the other thing whether one can open a private letter or not I may disagree.

DIWAN CHAMAN LAL (Punjab): On a point of order, Mr. Chairman, can there be a discussion after the hon. Minister . . .

MR. CHAIRMAN: Are you asking for a clarification? There can be no discussion.

SHRI BHUPESH GUPTA: I am asking for a clarification, Sir.

DIWAN CHAMAN LALL: All that I was saying was that on a statement of personal explanation there can be no debate; there can be no further questions.

SHRI BHUPESH GUPTA: Yes, Sir. I am asking for a clarification, and before you hear what I ask, why do you anticipate things?

DIWAN CHAMAN LALL: I am not at all sure that you are entitled to seek a clarification.

SHRI BHUPESH GUPTA: All that I ask is: First of all . . .

SHRI B. K. P. SINHA (Bihar): Let the statement be finished.

MR. CHAIRMAN: If you have anything to say . . .

SHRI BHUPESH GUPTA: How can I do when I am interrupted, Sir? First of all I think in all fairness the other letter should be placed, the letter the hon. Minister wrote. Secondly, Sir, I am not concerned with a private letter or private shock. The letter deals with a public matter and I think, since the Prime Minister of the country is here, he will understand the implications of such a letter. Up to that time we were not informed as to what had been decided in the Cabinet. I read out from the proceedings and *Statesman's* speculation about it. Am I wrong?

THE PRIME MINISTER (SHRI JAWAHARLAL NEHRU): This asking for

clarification seems to me that it is an argument being advanced.

**SHRI BHUPESH GUPTA:** Sir, I do not know. May I now ask the Prime Minister to say whether that letter before being written was placed before him or, when it was brought to his notice that a letter of this kind had been written whether the Prime Minister considered this that there might be some channel operating from the private sector in order to pressurise the Government in this.

**MR. CHAIRMAN:** That will do.

**SHRI BHUPESH GUPTA:** The letter is symbolic of that. Is any clarification available?

(No reply)

#### THE FINANCE BILL, 1959—continued

**SHRI N. M. LINGAM (Madras):** Mr. Chairman, Sir, the Finance Bill seeks to make some changes in the present enactments so that the gap of Rs. 58 crores in the Revenue Budget over the next year may be filled up to a certain extent. Actually the amount sought to be raised is to the tune of Rs. 23 crores.

[**MR. DEPUTY CHAIRMAN** in the Chair.]

Sir, the principal items chosen by the Finance Minister for the levy of additional duties are sugar, vegetable non-essential oils, art silk fabrics and changes in the company taxation scheme, that is, the corporate sector. Sir, before I make my comments on some of the changes proposed in the Finance Bill I would at the outset say that the levy on diesel oils is regressive. Sir, representations have been made to the Finance Ministry about the effects of this levy on agricultural production, especially in the South. For instance, Sir, in Madras there is already a levy of four annas on a gallon of diesel oil and this levy—I will presently show with facts and figures—is going to hit agricultural production. Sir, if one installs a diesel engine of 10 h.p. he has to pay a duty to the

tune of nearly Rs. 400 per annum and, since he has to work this engine for nearly eight months in the year it does affect his agricultural production in the sense that the cost of production goes up, and since we have fixed a ceiling on agricultural produce, it is bound to affect adversely the producer; in other words, there is no incentive; the incentive for agricultural production will be hampered by this levy.

Then, Sir, this levy also affects the motor transport industry in Madras. Madras, as the Finance Minister is aware, is a State where the taxation on motor vehicles is the highest in the country. In spite of this, owing to the lack of adequate railway facilities a large number of motor transport companies have come into being and they are doing their work efficiently. With this additional levy on diesel oil the motor transport industry is also going to be affected adversely. Sir, in these two principal fields this levy hits the Madras State in particular and the country in general. I am aware the hon. Finance Minister has broadly indicated that he was thinking of how best to give relief to the agriculturists, and I agree with him that this levy was not imposed with a view to come to the relief of railways in the matter of earnings, but the Finance Minister by now should be convinced of the need for some relief in the matter of this levy, and I hope he would announce concessions as he has done with regard to some of the other levies.

Sir, then I come to the levy on the corporate sector. Sir, the hon. speaker who preceded me has said that the shareholders are going to be affected adversely by this system of doing away with the grossing-up scheme. The Finance Minister himself has not given any categorical answer to this argument but, Sir, the Finance Minister himself has said that he has no apprehensions that these changes in the company taxation scheme, namely, the lowering of income-tax by 20 per cent. and the raising of the super-tax by 25 per cent. are on the whole equitable, and I for one, think that time alone