

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

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will show whether the changes proposed will mean an additional burden on the corporate sector or they are meant only for simplification of the existing system of taxation. But, Sir, the point to which I was really going to refer is with regard to the levy of excise duty on tea, although it does not form part of the Finance Bill. Sir, I had occasion to refer to it in the course of my speeches here on one or two occasions, and the hon. Minister of State in the Finance Ministry was good enough to say that he was going to look into my representation, the points raised by me in the House, and see how best relief could be given to the common tea producer. Sir, I am aware that Government have gone a long way in giving relief to common tea. They have divided the country into three zones. Zone No. 1 is given relief in the sense that the excise duty on tea produced in this zone is only 2 nP. In zone No. 2 it is 4 nP. and in zone No. 3 it was 10 nP. formerly. It is now divided into two zones—'a' and 'b'. The excise duty in zone 'a' has been increased to 12 nP. and in zone 'b' it has been reduced to 8 nP. I am also aware that export duty is reduced from 26 nP. to 24 nP. All these measures are measures of relief which are welcome. But I was pointing out a peculiar problem. In a particular region there are about 4,000 small growers who find themselves in the midst of the two sub-zones under zone 3. But these 4,000 assesseees are actually producing common tea. I want to know if any of my statements are being challenged by the Finance Minister. These are facts. This could be judged by the price they fetch, and if relief is not being given to these 4,000 assesseees, I think it is going to work great hardship on them. Sir, for the same tea produced in the neighbouring region the excise duty is only 2 nP., with the result blenders do not purchase tea from the producers of these gardens which I just now referred. Then, Sir, these are in an area where the yield is not high.

MR. DEPUTY CHAIRMAN: Will you take more time?

SHRI N. M. LINGAM: I will take some more time. About 10 minutes.

MR. DEPUTY CHAIRMAN: The time is limited to 15 minutes. You have taken ten minutes. You will take another five minutes. You can continue at 2 o'clock.

The House will meet at 2 o'clock, not at 2-30.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch at two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

SHRI N. M. LINGAM: Sir, I was referring to a peculiar problem where thousands of producers of tea in a particular zone have to pay a higher duty just because they happen to be located in a region notified for a different type of tea. Sir, I have already explained that the quality of the tea is what is commonly known as common tea. The price fixed is not above Rs. 1/8 per lb., and the yield per acre is also among the lowest because of the terrain. It is precisely because of this reason that even the quality tea producer in the Nilgiris was given a relief recently up to 2 nP. per lb. in excise duty. Although the common producer shares this relief, the yield per acre in the case of the small producer is even less and he has no machinery to produce quality tea.

Sir, the hon. Finance Minister, while speaking on the Finance Bill in the other House, had stated that he was not fully satisfied with the demand, but still he has given some relief to Khandsari sugar. Here, there is every case for giving some relief and I am still hoping that the Minister is seized of the problem, and if they have come to any conclusion, I hope the hon. Minister will be good enough to tell us what exactly stands in the way of Government in coming to the relief of this hard-pressed section of producers.

Sir, as I said in the beginning, the Finance Minister has gently chosen a few items and very deftly and gently he has tried to raise revenue to bridge the gap in the revenue budget. But, Sir, since the new taxes and the Budget of which they form part, are built round the Plan, it becomes necessary for me to speak about the Second Five Year Plan.

Sir, we have completed three years of the Second Five Year Plan, and although we are doing our best to achieve the targets set forth, we cannot shut our eyes to some broad trends. I wish to draw the attention of the House to three disquieting features in the Plan. The one is the falling employment potential. The second is the rise in prices. The index of wholesale prices has risen by nearly 15 per cent. since the Plan was launched. Thirdly, it is the lowering of our national income.

The national income, according to the latest estimates for the year 1957-58, is only 108 abjas. Sir, when we began the Plan it was 104 abjas and we estimated that the national income would rise by 5 per cent. per annum. So, at that rate after three years it should have been in the neighbourhood of 120 abjas. Sir, it is explained that because we had a bad agricultural season last year, it has affected our national output. But I do not think the position could be explained by attributing it to the low agricultural output even in a series of seasons. Sir, I hope the hon. Minister would be good enough to tell us, although the Minister and the Government are doing their best to implement the Plan and achieve the targets, how these features, which cause disquiet in the country, arise. I am sorry—I wanted to develop this point—since the time at my disposal is short, I sit down. Thank you.

SHRI ROHIT M. DAVE (Bombay): Mr. Deputy Chairman, Sir, while speaking on the Budget I have already covered some of the points that are relevant with reference to the Finance Bill which is now before the House.

I have no desire to go through these points all over again and waste the time of the House. But I would like to take the opportunity, while speaking on this Bill, to draw the attention of the House to some of the good points that are in this Finance Bill, and also to express some apprehension regarding some of the proposals that are contained in this Bill.

Sir, the first most important point that strikes one, as one goes through the Finance Bill, the memorandum that explains the various provisions of the Bill and the arguments that are put forward by the hon. Finance Minister while presenting this Bill to the other House, is that Government at least seems to have taken the question of the simplification of our tax structure seriously. There was a Committee appointed to go into the question of direct tax administration and I am glad to note that they have not waited for the report of the Committee in order to make the desirable changes which might make our tax structure simpler, our tax procedure easier, to be understood by the tax-payers and also by the tax-gatherers.

I read the other day in the press that the Government is also considering the question of rewriting the entire Income-Tax Act with a view to making it simple and easily understandable and while doing so, they have promised to take care to see that there will not be any substantial change as far as the tax structure is concerned and as far as the procedures laid down are concerned. All these, Sir, are very happy auguries and even in the present Finance Bill we have got some provisions that deal with this aspect of the problem.

Sir, I would like to draw the attention of the House especially to clauses 22, 23 and 24 of the Bill which have tried to simplify the procedures and calculations regarding the Expenditure tax. Sir, whenever any tax law is being written or whenever any tax procedure is being laid down, it is always desirable to take the social realities as they exist into considera-

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tion and to lay down procedures which are in consonance with those social realities. It is well known that in India the wife has got a certain property of her own but, at the same time, when the expenditure of the family is being incurred, the income comes not only from the property and income of the husband but also from the property and income of the wives and also of other dependants that are staying with the tax-payer. It was, therefore, quite in the fitness of things that in clause 22 it is proposed to dispense with this requirement in their cases that the wife and children of an individual has to be regarded as dependent only if they were wholly or mainly dependent on him for support and maintenance. The Expenditure tax, Sir, is mainly meant to see that expenditure for a family does not go beyond a particular point, because it is now the accepted social policy as well as our economic policy, not only of the Government but of the country at large, that there should be some relationship between the expenditure of one family which may be on the highest bracket of income and another family which may be at the lowest bracket. It is because of this that the Expenditure tax has been levied and it is because of this that Parliament has thought it wise to see that there should be a tax if there is any ostentatious expenditure, if there is extravagant expenditure, so that social tensions might not raise jealousies, might not develop jealousies and it may not be difficult to keep the social cohesion. That being the case, I am quite sure that it is quite in the fitness of things that expenditure of the entire family is to be taken into consideration. I think, Sir, it is with the same consideration that expenditure on bullion, precious stones or jewellery—at present they are completely exempt from the Expenditure tax—are sought to be included in the Expenditure tax by clause 26(ii) of the present Finance Bill.

Here again, Sir, arguments had been put forward against particular inclu-

sion on the ground that when a person buys jewellery, he does so, and more so, with a view to investment rather than with a view to incurring any expenditure. Now, Sir, that may be partly true in the villages where this tax is not likely to create any great difficulties but I have not the slightest doubt in my mind that in the urban areas bullion and jewellery etc. are being bought for two main reasons: firstly, in order to show that a particular family has affluence which should be recognised by the society as such and the result of such competition among some of the families that are in the highest bracket is this ostentatious expenditure and secondly in order to avoid taxes in other respects. This type of avoidance of taxes should be, as far as possible, discouraged and if this particular provision had been included over there, it is quite in the fitness of things.

Similarly, Sir, the corporate tax system is also being simplified. In this connection, in the memorandum that has accompanied this particular Bill, a detailed statement of the considerations that led to the present provisions that are in clauses 14, 15 etc. of the Bill have been included. When we go into the various reasonings, again we find that the main idea is that of simplification and to do away with legal frictions that existed so far. To that extent it is a very desirable innovation and has to be properly taken into account in assessing the importance of the present Finance Bill.

I am, however, unable to appreciate fully the reasoning which had been given on page 2 of the memorandum in which it has been stated that:—

"Companies will deduct tax at prescribed flat rates from the dividend payable to the shareholders, by way of advance recovery, and pay it to Government. When the shareholders' assessments are made, the tax deducted at source from the dividends received by them will be made good to them either by way

of set off against their tax liability or by way of refund”.

The idea in this particular provision seems to be that there should be a taxational source and that a company should first deduct a part of the tax which the shareholders have to pay to the Government, pay it to the Government and give certificates to the shareholders that this tax is being paid so that if any refund is allowable or if any tax relief is allowable, they may claim that from the Government. This idea is quite sound but my fear is that the amount of clerical work that will be involved both at the level of the company and at the level of the individual shareholders will be not quite in consonance with this laudable idea which is sought to be incorporated in this particular provision.

I would, therefore, appeal to the Finance Minister to examine this question more carefully because we are in the habit of now putting on more and more work on the individual which really should be carried on in the Government department. We have got the Sales Tax Act. We have got various forms that have to be filled in with reference to Expenditure tax, with reference to Estate duty, with reference to Gift tax, with reference to Wealth tax, etc. and the filling in of these forms has become a real headache to an ordinary shareholder. It would be very difficult for the shareholder, therefore, to take full advantage of this particular provision.

I fully realise that the principle of taxing at the source is a very desirable principle and that it should be given full effect to but while trying to give effect to that particular principle, care should be taken to see that avoidable hardships are, as far as possible, not imposed on the tax-payers. Coming now also to the question of what might be called the avoidance of tax I find that there are some interesting and salient provisions in this particular measure which try to plug some of the loopholes that exist today. I

would only draw the attention of the House to some of them because I have not the time to go into all the various provisions

Firstly, there are clauses 25 and 26 which try as I have already pointed out, to bring in certain of the expenses under the mischief of the Expenditure Act. Then there are certain provisions in clauses 3 (i) (b) and 3(ii) and 8 (i) and clause 16 and other clauses, where also attempts are made to bring the Income-tax Act up-to-date and to see that more of the loopholes that are there are properly plugged. For example, it is proposed now that the salaries of persons not resident in India, when those salaries are being paid out of the public revenues of India will be subjected to tax, irrespective of the period of the government employee's stay abroad. In this way some of the Government employees serving abroad escaped this income-tax provision. But now income-tax is payable because of the fact that the salaries are being paid to them out of the public funds of India. They will be brought in. Secondly, with reference to the Income-tax Law which exempts from tax High Commissioners, Envoy, Consul, Vice- Consul etc. the point is now made clear that only full-time representatives and members of the staff who are citizens of the foreign States concerned, will be within the scope of these exemptions and not the honorary members or those who are citizens of India. These are some of the provisions which are very good and which have brought in some of the taxable expenditures and which will plug some of the loopholes and which would make it possible for us to have larger amounts out of the taxes that are really due to the exchequer.

Next, I come to some of the provisions which I consider to be not quite so happy in this present Bill. Firstly there is this question of Khandsari. We have been told that this particular impost was levied because of the fact that there was already a heavy tax or excise duty on sugar and that

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the margin in favour of the Khandsari industry was rising very high and therefore, it was necessary that some duty ought to be levied on Khandsari also. This is the argument that is given in the memorandum as also this is the argument that the hon. Finance Minister advanced in his Budget speech. But the point that I want to make here is this. I could have understood this particular impost if it was meant purely for revenue purposes. One can understand that when the country is going through a very rapid economic development, it is desirable that we must try to have taxes or revenue from as many sources if some impost on Khandsari was also desirable for that purpose, then that tax ought to be levied. But, Sir, the argument advanced both in the memorandum and in the Budget speech of the hon. Minister makes one apprehensive that this particular impost is levied because of the propaganda which is carried on by the sugar manufacturers, that the margin in favour of Khandsari sugar is very great. We are told on the one hand that Khandsari has got a certain advantage because of the fact that excise duty on sugar that is manufactured in the mills is very high and therefore, the margin of advantage for Khandsari is considerable. But on the other hand, we are told that the making of Khandsari sugar is not very efficient, that it is not an efficient way of making sugar out of sugarcane, because it leads to a lot of wastage. One argument or expert opinion says that out of some 100 maunds of sugarcane, while you can extract by the mill process some 10 maunds of sugar, by the process of Khandsari manufacture, you can extract only 7 maunds, out of a corresponding quantum of cane. So instead of 10 maunds we can get only 7 maunds. Now, I submit, you cannot have it both ways. On the one hand, the argument is that because the excise duty on sugar manufactured is very high, Khandsari has got an advantage. And then you are telling us that if the sugar is made by the pan process then out of 100 maunds of cane you can extract 10 maunds of

sugar and by the Khandsari process the sugar extracted will be only 7 maunds. Now, if this particular process is inefficient, then how can it compete with the more efficient process which can extract as much as 10 maunds out of 100 maunds of cane. By the Khandsari process you get only 7 maunds out of 100 maunds of cane. This is a disadvantage against Khandsari sugar which should be considered when you want to maintain the competitive strengths of Khandsari sugar and sugar manufactured by other methods. I can understand the Government coming out and saying that the Khandsari process is an inefficient process and therefore it should not be encouraged and so there should be a heavy impost so that Khandsari sugar making is discouraged and then we would have got all the sugar manufactured by the other process. But this argument that because we want to maintain the competitive strengths of both, Khandsari sugar as well as refined sugar, and therefore we adopt this particular excise duty, imposing this particular duty on Khandsari sugar, is not to my mind, Sir, a very relevant one.

Lastly, Sir, I come to the question of direct and indirect taxes. Recently a booklet was circulated to us called "Estimates of National Income, 1948-49 to 1957-58." This booklet has been issued by the Central Statistical Organisation. In it we have been told what we have gathered by direct and indirect taxes for the public exchequer from 1948-49 to 1956-57. This information is tabulated on pages 11, 12 and 13 of this booklet. According to the table that has been given, it is found that the total direct taxes which the administration gathered from the people was Rs. 2.39 abjas in 1948-49 and it went up to Rs. 2.93 abjas in 1956-57. After that, Sir, there have been more imposts and so it must have come to Rs. 3 abjas now. It must be round about 3 abjas today. The indirect tax for the same period rose from Rs. 3.62 abjas to Rs. 6.46 abjas. It was nearly doubled. If we want into further

question of percentage distribution, we would find that while the total of direct taxes in 1948-49 formed 34·4 per cent. of the total taxes, in 1956-57, they formed only 26 per cent. While indirect taxes formed 52·2 per cent. in 1948-49, in 1956-57, they formed 57·2 per cent. and in the last two or three years again indirect taxes have got preponderance in our tax structure and this particular percentage must have increased still further. In this particular Finance Bill the ratio is one is to eight. That is to say, for every one rupee the State collects from direct tax, there are eight rupees collected by the State out of the increase in indirect taxes.

This question, therefore, requires very serious consideration. I can understand that as the public sector expands and as the private sector begins to contract, direct taxes will go down and we will have more and more of indirect taxes but as long as the private sector is also allowed to expand and as long as the private sector has got a place in our country and has got a legitimate right to expansion in our economy, that private sector must pay larger revenues to the Government and to that extent direct taxes must be increased. The question of incentives does not arise here. The indirect taxes are paid by the common men, by ordinary consumers. Now, it is well-known and even today we read in the press that the Congress Secretary, Mr. Raju, has declared in Andhra Pradesh that because of the economic development that is going on in our country, the poor are becoming poorer and the rich are being richer. If this is the reading of the Congress Secretary, if this is the reading of the ex-President and of many other Congressmen, then it should be the duty of the Government to see that this particular reading is given proper weightage in the taxation policy and the ratio of direct and indirect taxes is properly revised.

Thank you, Sir.

SHRI J. C. CHATTERJEE (Uttar Pradesh): Mr. Deputy Chairman, it

was announced the other day that out of a total arrears of nearly Rs. 268 crores, a sum of Rs. 100 crores had been written off. During the latter part of last year, our expenditure on planning had to be reduced by about Rs. 300 crores due to want of resources. This is the position. Our expenditure on civil administration is also going up. The small savings movement has not gathered sufficient speed and some figures were also given yesterday in this regard. The figure, I think, came to Rs. 100 crores. This movement is not quite successful because the people earning small incomes have not the tendency to reduce the use of consumer goods. The remedy is public borrowing and the money position is to be maintained that way. There should be reduction in civil expenditure which, as I stated earlier, is on the increase. There has been some reduction in military expenditure but here also there is scope for further reduction. For instance, there is this unnecessary storing of supplies, a point brought out in the audit report very clearly. In order to stabilise our financial position, it is very essential that the fundamentals should be looked into. By fundamentals, I mean agriculture which is the main thing in our country because ours is a country of agriculturists. So, again and again, we have to come to that point. There is a big storm in the country about the co-operative movement. We have already started State trading. These are very good ideas but in order to carry on these things successfully, two things are very essential. There must be efficiency and integrity in carrying out these things in actual effect and here, the position is not as satisfactory as it should be. I would like to make a few suggestions in regard to stabilisation of prices. In order to get increased food production, we should depend more on the cultivators than on the Governmental machinery or the big schemes. There is a big army of officers and we have also got big schemes for increased food production but even then we see that the result is not as expected. If we go to the

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root of the troubles, we would find that in spite of these big schemes—we have these big schemes and they are to be worked—we have not laid the necessary stress on the help that we can render to the cultivators. Waste lands are to be reclaimed. Of course, this is also going on on a big scale in this country but there is much greater scope for reclamation of waste lands. We are having big dams, the canal system and so on, so far as irrigation facilities are concerned, but the fact is that we should attach greater importance to the local irrigation facilities which are already in existence there. They have to be resuscitated. The cultivators should be supplied with good seeds and manure, that is to say, they should be given what they actually need and not what they do not want. We know of instances where the seeds despatched have not reached their destination. Possibly they were delivered to enter the blackmarket. This is a real danger and should be checked.

Then, I would like to make another suggestion. In the States generally there are two separate departments. One is the Food Ministry and another is the Agriculture Ministry. If these two were combined together in the States, I think the result may be much better than what it is now.

I would make another suggestion for the improvement of our agriculture. Educated young men should be encouraged to make experimental cultivation in the rural areas to give impetus to agricultural improvement. I think that will be more effective than having a big army of officers, because these young men will be more interested and because they are educated people they will be able to look into the proper needs of the locality better than what the officials can do. Just as in the urban area the middle class man is the worst sufferer, so in the rural area also the landless and the village artisan have very little relief. Hence, I would urge upon the authorities and the

Government that they should make all efforts to improve the condition of the landless village man and also the village artisan. I think if these things are looked into, then, with lesser expenditure, there can be greater progress and greater production which we all want to be increased. This is what I wanted to say.

SHRI BHUPESH GUPTA: (West Bengal): Mr. Deputy Chairman, I rise to speak on this Bill in order to offer some of my general remarks in the beginning with regard to certain economic and political trends in our country and then towards the end, it shall be my endeavour to offer some criticisms with regard to the proposals and make some alternative suggestions. I think when we discuss such an important Bill as this, it is essential for us to take stock of the economic trends and the political trends in the life of the nation, in order that we may formulate correctly the policies both political and economic. At the very beginning, I will draw your attention to article 355 which *inter alia* lays down that it is the duty of the Union Government to ensure that the government of every State is carried on according to the Constitution. Hon. Members in this House as elsewhere will remember that there was a lot of talk about this even last year and almost every other day a demand was made to invoke this particular article of the Constitution against the Government of Kerala. That did not succeed because there was no warrant for it. I should have thought that the Government would be mindful of this Constitution this year also when at their very door-step, in the State of Punjab, constitutional processes seem to have broken down and the Government have failed to ensure the normal operations and functions of the Constitution to the great detriment of the vast masses of the people. Sir, it is not my intention to discuss the question of law and order. We are only concerned with the constitutional aspect of it. And I should in this connection like to refer you to a speech made by the Chief Minis-

ter of the Punjab at Bilga on the 9th April of this year in which he said: "I would have been very glad if one or two Communist leaders had been killed by bullets. I shall see that no Communist is seen anywhere here." To this the attention of the Prime Minister has been drawn through a memorandum submitted by our party there in Punjab, which I believe is in the Prime Minister's hands now. Now, Sir, I am not going into the story. What sort of democratic set-up are we building up; in which the Chief Minister of a State addresses a public meeting and expresses such a sadistic desire as to see that the Communists are killed by his bullets? Sir, this appeared in various newspapers and it has not been contradicted and I take it that just as the Minister of Parliamentary Affairs admitted, confessed to writing a letter, the Chief Minister of Punjab would not be untruthful to himself. But we are not concerned with how he reacts to it. We are concerned with this Bill. Here, whether you like it or not, we are a major Opposition Party in the country. We run a Government in a State and occupy some prominent position in Opposition in Parliament, and a recognized Opposition in a number of States, and against and about this party the Chief Minister of a State dares to speak in this manner. Now, Sir, I hope the Prime Minister will give attention to this thing. I have heard of dictators regaling when people are killed. I have known of Chief Ministers ordering shooting and enjoying after the shooting is done. But I have never known of a Chief Minister who gets up at a public meeting and declares that he would be happy if some Communist leaders were killed by his bullets.

MR. DEPUTY CHAIRMAN: The best place to raise it is in the Punjab Assembly.

SHRI BHUPESH GUPTA: Yes, Sir. You are quite right . . .

MR. DEPUTY CHAIRMAN: He is not here to defend himself. You are

speaking, based on newspaper reports.

SHRI BHUPESH GUPTA: Kerala Government was spoken about on the basis of newspaper reports. Is it anything . . .

MR. DEPUTY CHAIRMAN: Your party is represented there. They can raise it.

SHRI BHUPESH GUPTA: I will carry your very wise advice to them and there is no doubt about it.

MR. DEPUTY CHAIRMAN: He is not here to defend himself and you do not know whether it is true or not. You are depending on the newspaper report.

SHRI BHUPESH GUPTA: I shall be very happy if it is not true. If it is true, I hope you will . . .

MR. DEPUTY CHAIRMAN: I agree with you. Please do not raise it here.

SHRI BHUPESH GUPTA: I appreciate your gesture. I leave that topic. Now, Sir, about the situation here, I say the Constitution broke down because there the judiciary functioned almost as an appendix of the executive and I do not know when the recommendations of the Law Commission and other suggestions would be implemented in this respect. Sir, how is it that all the courts imposed Rs. 200/- fine on those who participated in the betterment levy campaign—all uniform? And how is it that immediately after the fine the attachment took place? There was no time-lag, none. In the name of attachment, looting and hooliganism went on. I am not concerned with it.

SHRI H. P. SAKSENA (Uttar Pradesh): It is again a matter which should be dealt with by the Punjab Government.

SHRI BHUPESH GUPTA: There is article 356 of the Constitution which

says that the judiciary is not to be interfered with, and which also lays down that if the normal functions of the Constitution are not ensured, the Central Government, as you advised in the case of Kerala, should come in. I am not advising that. I am only asking Government to look into the question.

MR. DEPUTY CHAIRMAN: You can move a resolution to this effect.

SHRI BHUPESH GUPTA: I would not move a resolution.

MR. DEPUTY CHAIRMAN: Finance Bill is not the occasion for that.

SHRI BHUPESH GUPTA: On the Finance Bill you can discuss the political and economic situation.

MR. DEPUTY CHAIRMAN: You can speak on the provisions of the Bill.

SHRI BHUPESH GUPTA: Then, Sir, let me stop. Naturally your ruling stands. If you take that view, then I am completely helpless. In the other House many things were said. I have read the proceedings on the Finance Bill. May's Parliamentary Practice lays down, the British Parliamentary Practice lays down that on the Finance Bill you can speak on anything.

MR. DEPUTY CHAIRMAN: It is in the general debate.

SHRI BHUPESH GUPTA: Then I defer my speech.

MR. DEPUTY CHAIRMAN: You confine your remarks to the Bill.

SHRI BHUPESH GUPTA: I am within the right side. You may say that particular things should or should not be mentioned, but on the Finance Bill one can speak these things. There was no interruption in the other House at all.

MR. DEPUTY CHAIRMAN: I am not concerned with what happens in the other House.

SHRI BHUPESH GUPTA: Then I would beg of you . . .

MR. DEPUTY CHAIRMAN: I was not there nor were you there.

SHRI BHUPESH GUPTA: I have read the proceedings.

SHRI N. M. LINGAM: In the other House the practice is to discuss everything.

SHRI BHUPESH GUPTA: Sir, this is a matter of ruling. If it is your contention that on a Finance Bill one is only to speak on the provisions of the Bill and nothing else, I would request you to ask me to sit down and I will submit to your ruling, and I would only request you to take this up as a question of privilege of a Member and give a proper ruling after careful thought. You need not give it now. I would ask you to go into this matter. I would request through you the Secretary to kindly note that point and refer it to the Privilege Committee of which I am also a Member. I would not hustle you into this position. I have consulted May's Parliamentary Practice. I have consulted various other things. Here, if you refer to the proceedings of the other House, you will find that Mr. Vasudevan Nair was speaking about the Intelligence Branch on the Finance Bill, and he was listened to with rapt attention.

MR. DEPUTY CHAIRMAN: You are entitled to criticise the Government, Mr. Bhupesh Gupta, but that must have some relevance to or must be based on the provisions of the Bill.

SHRI BHUPESH GUPTA: If I say that this Government has no business to impose tax on the people . . .

MR. DEPUTY CHAIRMAN: You can say that.

SHRI BHUPESH GUPTA: I have no quarrel with Mr. Morarji Desai for the dress he wears. I am not concerned with that. I am concerned with his policy. I am concerned with why Government behaves in this manner. You have given me a limited time . . .

MR. DEPUTY CHAIRMAN: You are going into all sorts of things.

SHRI BHUPESH GUPTA: I want to do that because I consider it my privilege. Therefore, please do not interrupt. If you say this thing, we shall withdraw from the discussion on the Finance Bill altogether. This question should be decided once and for all in Parliament because you cannot have two standards. Last week Mr. Vasudevan Nair had spoken, and I have gone through the speeches. May's Parliamentary Practice clearly states, the British House of Commons parliamentary procedure says what we can say. All this which I say on this point of order should not be taken away from my time. A record should be kept. Please understand this, I do not want to hustle you.

Therefore, I say we are right to criticise the Government. The Government has failed to ensure the normal operations of article 355 of the Constitution in the Punjab in this manner. I am not going into law and order, I leave it for the Punjab Assembly. But I will ask the Government to go into the question because there are 400 or 500 people in jail. Not only promises have been violated but the manner in which the whole thing is handled calls for an investigation by the Government from the point of view of this constitutional provision.

Now, Sir, I am grateful to you that you were shocked when I read out that particular thing. If it is true, you will no doubt, and every right thinking man will no doubt, be shocked. In this respect I am a little safer. The Chief Minister would not like me to be shot. Naturally I feel very happy. But what is challenged here is not the life of one or two Communists; what is challenged here are the parliamentary tenets of democracy, the normal standards of public life, the constitutional principles, and that is why I have referred to this particular utterance of the Chief Minister.

Then, Sir, Government's attitude with regard to Kashmir again generally seems to be very unsatisfactory.

Sir, we have been suggesting that the Government should extend the jurisdiction of the Election Commission to Kashmir. The supervisory jurisdiction of the Supreme Court should likewise be extended to Kashmir. There should be democratisation of the administration there. These we have been suggesting in the course of the Budget discussions, and we do not have any replies on the subject. Yet, Sir, we feel that many years have passed since we had the Delhi Agreement. Now the situation is ripe and the conditions also demand that the Government of India should make fresh moves in order to bring about the complete integration of Kashmir with India, politically, constitutionally, economically and otherwise, naturally with full respect to the rights of the people of Kashmir, so that it becomes a reality, so that in point of political set-up it becomes constitutional in every way. I say this because it seems that the absence of the jurisdiction of the Election Commission does not ensure a free and fair election, whatever is possible, under the circumstances there. I demand that complete democratisation of the administration is essential. A lot of money is being wasted, and we pay for their funds considerably. A lot of money goes into channels which are dubious channels. There are also very serious allegations—I am not naming people—about corruption, nepotism, and so on. Therefore, in all fairness the Government of India should enter into the picture and see that the normal processes of the Constitution are extended to Kashmir. Sir, the National Democratic Conference is being attacked there. It is the opposition party. Only on Sunday its meeting was attacked by the people of the ruling party. Such things do happen there because there are no proper constitutional guarantees there. I have got here—I would not read it—a telegram from Mr. Sadiq, the Chairman of the National Democratic Conference. He has said how on Sunday a meeting of theirs was attacked by the members of the ruling party. Such things should not take place. We

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quarrel but allow each other's meetings to be held. We listen to each other. Why should this not be there? That is another point.

Then, Sir, I come to another instance which concerns, I believe, the External Affairs Department. I would refer to the 'Students Health Home' case. Now, Sir, we have a large number of students suffering from tuberculosis. Many of them are sent abroad for treatment. In Calcutta a home called the 'Students Health Home' was started by the combined and conjoint efforts of the medical men, of the principals of colleges, medical students, doctors and various other people, which made certain arrangements for treatment there and also for sending students abroad. I thought that the External Affairs Ministry would take particular interest in this matter. Sir, I would only in this connection refer to what the late Dr. H. C. Mookerjee, who was Governor of West Bengal said about it:

"Perhaps more than any other illness tuberculosis is one which calls for the services of the social worker from the beginning to the end. I am very glad to learn that the students of Poland have shown a good gesture to the boys who are being sent abroad for treatment. I am very glad to learn that the 'Students Health Home' have been able to send abroad the following students suffering from pulmonary tuberculosis for free treatment."

Then towards the end he says:

"I lastly send my sincere good wishes to the ailing boys and pray to Almighty God for their speedy recovery.

(Sd.) H. C. Mookerjee,
Governor of West Bengal,
12th February 1953."

This is what he spoke of this institution.

Then, Sir, this institution again was spoken of very highly by other quarters also. The Calcutta University

Senate passed a resolution: "The Senate places on record its appreciation of this endeavour of the 'Students Health Home' in Calcutta in serving the health needs of the students." Then there is the extract from the inaugural speech of Dr. N. K. Siddhanta, once Member of the Public Service Commission and now Vice-Chancellor of the Calcutta University; he paid a wholesome tribute to this institution. Then Dr. Triguna Sen, the Rector of the Jadavpur University, an ex-Mayor of Calcutta, says: "The service which is being rendered by this Home to the student community is invaluable." That is how it was spoken of by him. This institution approached the West 3 P.M. Bengal Government for economic and other assistance and the West Bengal Government refused such assistance on the ground that it was sending students for treatment in China. And in a letter dated 2nd September, 1957, a high dignitary wrote to the Chief Minister:—

"My dear Dr Roy,

* * *

I am shocked to find that the Leftist parties are sending some of our students to China for treatment. I need hardly add that in addition to treatment for T.B. they also receive indoctrination.

* * *

Yours sincerely,
(Sd.) Padmaja Naidu.
Governor of West Bengal."

Now, things began to change. I do not know why. And then I have got a copy of the complete file of Dr. Roy.

THE DEPUTY MINISTER OF EXTERNAL AFFAIRS (SHRIMATI LAKSHMI MENON): How does it affect the External Affairs Ministry?

SHRI BHUPESH GUPTA: Don't bother about that.

SHRIMATI LAKSHMI MENON: Is this a matter for the External Affairs Ministry?

SHRI BHUPESH GUPTA: I told you, your Ministry is coming. I am just on the point.

Now, the Chief Secretary of the West Bengal Government wrote:—

“There is little that I can usefully suggest. As far as I remember, the suggestion made by C.M. was that the Health Home should not take aid from iron curtain countries. If the authorities of the Home say in writing that they will not do so, not send patients to iron curtain countries, then what C. M. suggested would, in effect, be fulfilled.”

This is the iron curtain country letter dated 13th August, 1957. Order was given according to the Chief Secretary's note

Now, what is this business of iron curtain country? This morning we were advised by the Prime Minister not to speak in terms of cold war language. Iron curtain countries is, I suppose, a cold war expression and this expression was used by no less than the Chief Secretary of a State with immunity and it is not denied that the expression has been used, because the matter was also raised there in the West Bengal Assembly. But I would ask the hon. Minister here to advise the officers in the State not to indulge in cold war language—Tibet or no Tibet. This is something . . .

SHRIMATI LAKSHMI MENON: No, I would like to tell the hon. Member that till very recently, we used to give passports to patients recommended by that Institute and you, Sir, know it, he knows it and also Professor Mukerji in the other House knows it. So many know it. So, it is not that the External Affairs Ministry has put any impediments whatever in the Institute.

SHRI BHUPESH GUPTA: We have drawn attention to it. Professor Mukerji wrote, I believe, some letter that way. You are not against passports, but such a language is being used. They were told nobody can go there.

SHRIMATI LAKSHMI MENON: It is the State Government; why bring in our Ministry?

SHRI BHUPESH GUPTA: Why? Anyway, here what happened? There was opposition that one should not go to Communist countries. Then in a meeting with Dr. Roy . . .

MR. DEPUTY CHAIRMAN: It is far beyond the scope of this Bill again, Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA: I am just finishing this interesting thing. Dr. Munsji told Dr. B. C. Roy that, “Well, we send people to all countries.”

MR. DEPUTY CHAIRMAN: You are speaking about persons who are not here to defend themselves and making all sorts of allegations.

SHRI BHUPESH GUPTA: What is the allegation?

MR. DEPUTY CHAIRMAN: Order, order.

You must be relevant. Even when speaking on the Finance Bill, whatever you speak must relate to the provisions of the Bill.

SHRI BHUPESH GUPTA: Therefore, what I am saying about the provisions of this Bill is this. You are asking for money and you are not doing your job well. I am asking you to do the job well.

MR. DEPUTY CHAIRMAN: You can say that.

SHRI BHUPESH GUPTA: Would you believe that when Dr. Munsji said to the Chief Minister of West Bengal that we send people for treatment to all the countries—to France—then the answer was, according to the authorised resume of this meeting between Dr. Roy and others, “There are Communists in France.”? What is all this? I say the Government should look into this kind of thing. I think it is a case of discrimination and one should not talk about friendly countries in that manner. Certainly the

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Chief Minister should not speak in this manner. I would ask the Central Government to put a stop to such a thing. This is what I have to say.

SHRIMATI LAKSHMI MENON: He has not told us how it affects the External Affairs Ministry.

SHRI BHUPESH GUPTA: This is how your senior advised this morning that we should not talk in cold war language.

SHRIMATI LAKSHMI MENON: Yes.

SHRI BHUPESH GUPTA: You should tell your Chief Secretaries that iron curtain country is precisely a cold war expression and they should not indulge in such a thing.

MR. DEPUTY CHAIRMAN: You must tell the Leader of your Party in the West Bengal Assembly to speak to the Chief Minister.

SHRI BHUPESH GUPTA: He did say. But there was a suggestion in the foreign affairs debate—iron curtain or no iron curtain.

MR. DEPUTY CHAIRMAN: That has nothing to do with external affairs.

SHRI BHUPESH GUPTA: It has something to do. Before it was done here, I did advise and he had done that—nothing was changed. Now this another thing.

Then, Sir, about this big business thing, I think the Finance Bill is a big business to which I am coming. The day before yesterday, the Prime Minister spoke—it is here in the Sunday papers—at some meeting of the Indian Institute of Public Administration. I am on the point which you would very much like.

"During his discussion of the public and private sectors, Mr. Nehru deprecated payment of high salaries by private firms, especially to retired servicemen, and said this was apart from affecting the Indian public service, 'highly undesirable' in the context of prevailing conditions in the country."

I share the Prime Minister's sentiment. But the trouble is the good

sentiment expressed by the Prime Minister can be frozen in the lobbies of the Secretariat or in the chambers of the Secretariat. This is my trouble. Now, Sir, in this connection, I would ask why the Prime Minister does not issue an order that such things should not be made. Why did he give permission to Mr. C. C. Desai, former I.C.S., who is drawing pension, to join the Birla Brothers' Public Relations Department? Was it not possible for him to deny that permission? Why was not that done? Then, Sir, he is the Public Relations Officer of the Birlas, having the best of both—drawing pension from the Government and a handsome salary from the Birlas. This thing should not have been done. The ex-Deputy Governor of the Reserve Bank, Mr. Sundaresan, is now Birlas' Financial Adviser. He is also on the Investment Committee of the Life Insurance Corporation. How were such things permitted? Mr. Vashisht, a former member of the Railway Board, is now with the Cambattas. Then, Sir, there are big names; I can give you more big names who were given permission. Then there is Mr. Khagen Mukerji I.P.S. retired, who was Superintendent of the Special Police Establishment. After retirement he has been appointed as the Chief Security Officer in Birla's Hind Motor Co., Ltd. Mr. Robinson, the Deputy Commissioner in the Traffic Department of Calcutta Police, is now a Director of the Calcutta Tramways Co., Ltd. Mr. Robertson I.P.S. of the Calcutta Police, after retirement joined Messrs. Jessop & Co., Ltd., as Chief Labour Welfare Officer. Mr. Norton Jones, I.P.S.—formerly he was in the Calcutta Police—after retirement joined Messrs. Balmer Lawrie & Co. Ltd., Mr. Nirmal Gupta was an informer of the Calcutta Police—I do not blame you because he was a petty informer—and he also joined service after retirement. Mr. Balakrishnan—Income-tax Officer, Government of India—resigned Government service and joined Messrs. Jardín Henderson.

This is how things are happening. You are giving permission lavishly.

Whenever they come, you give them permission. This creates complications. It causes demoralisation in the administration, opens avenues of contracts, opens avenues of pressure, opens avenues of getting your secrets and passing their desires to you in order to influence you. This thing should not be done. Well, Sir, I would like to hear from the Government what they would do on such occasions.

Now, Sir, I may tell you that the Special Assistant to the Prime Minister again has got *de facto* control of an English newspaper controlled by Birlas in Delhi. Such things are happening. Now this is very significant. I made a reference to a letter by Mr. B. M. Birla which was referred to in the statement by Mr. Satya Narayan Sinha. He admitted having written a letter. All the papers published it, but the Birla paper! Not a word about it appeared in it. The matter was so important that the Parliamentary Affairs Minister came this morning buttressed by the Prime Minister. He was tired after making the statement; he was brought here. He said . . .

THE DEPUTY MINISTER OF WORKS, HOUSING AND SUPPLY (SHRI ANIL K. CHANDA): Not under duress.

SHRI BHUPESH GUPTA: Anyway, he was here. I saw him running. I knew what it was then. I came running. I was alert. He made the statement. Now, nothing, not a word appeared in the Hindustan Times. Either I was telling the truth or not. This is how things are going on. Just see how things are happening in the country.

I come to the question of land reforms. Now what has happened to the Nagpur Resolution? Will it be a mere talking point to please some Congressmen occasionally at meetings and so on?

Now, Sir, if it were not to be a mere propaganda point, we are interested in how it is being taken up for implementation. West Bengal has

passed this ceiling some time back, in 1954 or so. The ceiling there is 75 bighas, 25 acres. 25 acres is the ceiling. *Benami* transactions took place. No land was available. The peasants are finding out the land. They are telling the Government: Here is *benami* land which should go to Government. Settle it with us. Take what is due from us, as landlord—the Government is the landlord here—and let us retain what we should. Now the peasantry is being persecuted; they are being attacked. Murders are taking place. Police camps are being started. Is this the way then to implement the ceiling, I would like to know. Peasants take the initiative after you passed that resolution in order to point out to you which land had passed wrongfully into the hands of those who should hold that. And then you attack the peasantry. Now therefore vested interests are coming in the way. The close relation between the vested interests and the Ministries in the States are a very important factor, and a Government interested in land reform should take that into account.

Then, Sir, about State trading; almost *tit* is all but scuttled. As you know, the National Development Council decided that there should be State trading by the Government. Earlier the Asoka Mehta Committee submitted its report in which similar recommendations were made. Now we are told by Shri Ajit Prasad Jain that wholesalers will be licensed to buy, and it will be left to them; Government will buy from the wholesalers. What will happen? The wholesaler will be in a position to manipulate accounts and in the matter of purchase and sale they will be able to cheat the peasantry by giving them lower prices than those fixed by the Government, because they will be always in a position to pressurize the peasantry and have the better of the bargain. They will be in a position to refuse to purchase at the fixed prices in sufficient quantities, and naturally in collusion with corrupt officials they will be able to smuggle

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stocks out of sight and indulge in all kinds of malpractices. Now, Sir, it seems the whole scheme is one of trying to restrict Government's operations to the minimum. Whereas Government should itself buy from the market, Government should itself go as the buyer and build up its own stock. They are leaving things entirely to wholesalers many of whom are guilty of malpractices and so on. This is another point I would like to say; that way you will not be able to build any stock; this is my fear. Sir, it is regrettable that a scheme of this kind, a project of this kind—not this—an idea of this kind, which received the support of the entire country should have been so stabbed in the back and ultimately scuttled by some ministerial touches—I do not know the inspiration for such touches, nevertheless the touches were there.

Then, Sir, this is another point I would like to make. Now, politically, Sir,—I do not want to say that—you will say: "Ask the State Party to do so". We have made serious criticisms of a State Government like Orissa's from a broad angle—I am not going into details. What has happened? Instead of accepting the criticisms on Orissa flowing from Parliament also sometimes there is an attempt to club together with the Ganatantra Parishad in order to consolidate reaction. This is how they react to it; stability has to be obtained by surrendering principles, by consolidating reaction and getting all the Rajas to come to bolster up a tottering and unstable regime. This certainly is not the way to serve the cause of democracy, not to speak of parliamentary democracy. There will be intrigue; there will be corruption; there will be jealousy; there will be fight; there will be instability, and in the bargain political life will be polluted and corrupted and the people will have to pay a heavy price.

SHRI S. PANIGRAHI (Orissa): When the Ganatantra Parishad leaders were arrested last year, how did

you club yourself together with the Ganatantra Parishad?

SHRI BHUPESH GUPTA: I am very grateful to 'Ganatantra'. We never said we shall join Ganatantra Parishad in any block at all. Even when Ganatantra Parishad wanted our name to be included in their list we did not allow them to do so. You know it very well that if we had done so, Ganatantra Parishad would have been sitting in the Ministry today and because of that the Governor of Orissa did not allow a Ganatantra Parishad Ministry.

SHRI S. PANIGRAHI: You supported the Maharajahs all right.

MR. DEPUTY CHAIRMAN: Order, order. It is time.

SHRI BHUPESH GUPTA: I am finishing, Sir. It is not yet time, Sir. Please do not interrupt because you know what is happening. I had been to Orissa. There was heart-burning on your side also. All the hearts are burning; some are warming up.

Then we raised a number of other questions. What about that enquiry committee report? I understand Mr. Vishnu Sahay has been appointed to enquire into the allegations I made. Am I not entitled to know the progress of that enquiry? What has happened to it? Rumours are spreading. It is being said that he has been exonerated. Shri C. C. Desai and Birlas are all interested in spreading this rumour, but we should be told where the enquiry stands, what are the results of this enquiry and how it is progressing. You talk of parliamentary democracy; Opposition is completely ignored in this matter; Parliament is completely ignored in this matter. Is this the way to set about handling business of this kind? I demand again, before you adjourn this Session, that the entire report should be placed before Parliament for discussion, and the attempts at hushing up of this enquiry should be given no quarter. I am glad the Finance Minister is here. I am told he

is a strong man, and I would like to see his strength in dealing with this particular enquiry and placing the whole thing before the country and Parliament to enable them to reflect upon it and to bring his judgment to bear upon the findings on some very serious allegations against a person who became almost a *de facto* Cabinet Minister if not a Deputy Prime Minister.

Then, Sir, you have seen in the newspapers about a fine of Rs. 55 lakhs on Shri S. P. Jain. We would like to know Are we not entitled to know? Must you always read newspapers to find out things and then be told here as to what has happened? We raised this matter. Parliament was seized of it. Discussion took place. Hon. Ministers made statements. And we do not know; we have to read in the newspapers that a fine has been imposed. According to my calculations the fine should have been higher, even according to the law. But we should be told. He is here. Tell us; take us into confidence. Why do you like to be fed with newspaper reports all the time? It is no good; it does not speak well of our system.

Finally, towards the end, I think I should register my protest against the taxes, all the indirect taxes he has imposed.

THE MINISTER OF FINANCE

(SHRI MORARJI R. DESAI): May I say, Sir, on this matter that every case is not reported to Parliament, and this is not a matter in which Government imposed anything. It is done by the Director and that is bound to be known to him from the papers. I knew it from the papers.

SHRI BHUPESH GUPTA: I am very glad. The Director is under the Finance Ministry, the Director of Enforcement (Foreign Exchange Regulations) if you look at the Telephone Directory. It is wrong . . .

MR. DEPUTY CHAIRMAN: To get the information you may table a

question; there are ways of getting the information.

SHRI BHUPESH GUPTA: Why? It is the duty of the Minister to tell us. It is the duty of . . .

MR. DEPUTY CHAIRMAN: You cannot expect everything to be reported here.

SHRI BHUPESH GUPTA: I want it; let them not give it; but I shall shout for this kind of thing.

MR. DEPUTY CHAIRMAN: You can shout.

SHRI BHUPESH GUPTA: And I will have to trouble you also in the bargain. They should have told; is it good for you even to read it? From the Chair you should have known it.

MR. DEPUTY CHAIRMAN: But he generally depends only on newspapers, you see.

SHRI BHUPESH GUPTA: Well, Sir, I would not like to get the information from the newspapers where the hon. Ministers should give it to us here earlier. Otherwise I shall have to raise it here. What can I do?

MR. DEPUTY CHAIRMAN: You know the rules and you can get the information if you put a question.

SHRI BHUPESH GUPTA: That too I have done—I have given notice of a Short-notice Question.

(Interruptions.)

Now, Sir, these are the things. This is how they get on. Then comes the Vivian Bose Enquiry Committee Report. All kinds of stories are spreading. Tell us. We are not strangers. We have been with you for such a long time, many of them belonging to your party. Take us into confidence and tell us what is happening. It is not something under a very secret regime that we should not know anything.

SHRI MORARJI R. DESAI: Again, Sir, in this matter the report does not come to Government. How is Government going to say anything in the House?

SHRI BHUPESH GUPTA: Surely the Director of Enforcement must have sent the report to you as far as Shri S. P. Jain is concerned, and I am sure you are in possession of this.

SHRI MORARJI R. DESAI: I am talking of the other things . . .

SHRI BHUPESH GUPTA: Can you say you are not in possession?

MR. DEPUTY CHAIRMAN: You refer to someone else.

SHRI BHUPESH GUPTA: His colleague, the Leader of the House, for whose speedy recovery we are all anxious, possesses that.

MR. DEPUTY CHAIRMAN: All right; you have exceeded the time.

SHRI BHUPESH GUPTA: Just a minute, Sir. About the taxes I say the whole fiscal policy has got to be changed. That way you cannot get very far. The hon. Finance Minister should know once and for all that in this manner of taxation he cannot get very far. What is important is a radical change in the fiscal policy of the Government, and I should repeat—in order to find the resources for the development of the country—that we must lay emphasis or rather, shift the emphasis from the taxation as a whole to other resources earned from the public sector, State trading, nationalised industries and so on. This is my suggestion. I would therefore suggest that you should take over the scheduled banks as a whole; general insurance should be taken over and nationalised. What is the harm? You have taken life insurance business. Take this over. I have information that funds are being abused, not properly used; regulation are being violated and they think they will never be touched. I think general insurance which should be a source of income, should also be taken over immediately. Sir, Calcutta Tramways should be taken over under the Industrial Regulations Act. It will give you a lot of money. You know the manner in which the antinational British sources are behind its control. Similarly, you

can take over plantations and coal-mines. You have seen what is happening there. They will get you money.

Sir, I would implore that there should be a change in the taxation structure. Today excise duties are already very heavy. You have almost reached the saturation point. The moment you put more excise duty, you invite the people to a kind of rebellion against such a duty. They feel very upset about it. Income-tax, you say, would not yield very much although I know there is great scope for it. This should be done. I would like to know from the hon. Minister how Rs. 112 crores of arrears had been written off. Again, we are told in the newspapers that Rs. 112 crores of arrears have been written off.

SHRI MORARJI R. DESAI: I may tell him that they have not been written off.

MR. DEPUTY CHAIRMAN: He is saying it from some newspapers.

SHRI MORARJI R. DESAI: He is always for newspapers.

MR. DEPUTY CHAIRMAN: He says nothing is being written off.

SHRI BHUPESH GUPTA: Yesterday . . .

THE DEPUTY MINISTER OF FINANCE (SHRIMATI TARKESHWARI SINHA): He should make an intelligent discrimination.

SHRI BHUPESH GUPTA: You are an intelligent person and I cannot rise to such heights. But I am dealing with a person whose intelligence I can understand. Mr. Gopala Reddi gave certain figures to show what has been written off or what would be bad debts and arrears. Well, I do not know how they would be collected. They would not be collected. We would like to know which are these categories. Why is it so? Who are responsible? Where this course has been an absolute necessity we would like to know. These are things that we justly ask you. But nothing is said.

Similarly, various other things. Sir, you always said "Write to the Minister". Do you know how many letters I write every day? I think I should send you a copy of the whole file one day. So many letters I write. They give evasive replies. Some of them are not replied to. Of course, some of them are promptly replied to, but they do not give any remedy. This is why I raise this point again and again here. I raise this point here to impress upon the Government certain changes which are called for. Your Finance Bill does not show your intelligent imagination. The hon. Finance Minister is supposed to be a very imaginative type of man. But he has followed the traditional line and we do not find anything there except the abolition of the Wealth tax and Dividend tax from the rich and so on. Except some concessions to the rich nothing is there. We are not concerned with the rich. We are concerned with what the country gets, what the poor gets. That is most important. As such the Finance Bill is thoroughly disappointing.

Now, some concession has been made on the Khandasari. I do not know what the quantum of concession is, but the length of the hon. Minister's speech is horrifying. I do not think that after making so little concession there should have been so long a speech. This is what I feel. But you see how big a speech has been made out of nothing. Therefore, Sir, I say this thing should be taken into consideration.

Sir, before I sit down, I again warn the country and the Members opposite that we are alarmed by the manner in which the big business is trying to influence the Government, frustrate some of their declarations, pressurise them into submission. In this context I draw the attention of the House to the Indo-U.S. Economic Co-operation Conference that is going to be held in Washington. It seems Mr. Asoka Mehta has gone to join this Conference. I wish him luck. But, in the long run, it seems, nothing will come out. Mr. Eric Johnston is there. Mr.

Harriman and others are there and some Government of India officials have also joined. According to the press reports, it seems the whole of this Conference is to improve the climate for private capitalists' investment so that the American millionaires would be in a position to make more investment, earn profit, exploit our resources. This is the whole purpose of this Conference. And, Sir, I do not know how this delegation was chosen. I find that Mr. Asoka Mehta has gone there.

SHRI MORARJI R. DESAI: Government has nothing to do with this.

SHRI BHUPESH GUPTA: Why? Your officials of the Government of India are joining this Conference. Again, in the newspapers names have appeared of some Government officials including the name of the Ambassador there who is going for this Conference—Mr. B. K. Nehru and others. I am told some others from the Government, somebody from the Reserve Bank are going to join it. Anyway, I would like enlightenment, I would like to be assured that we do not take such a step whereby they will be giving Pakistan Sabre jet fighters a chance to shoot down our Canberra or giving arms to the Pakistani Armed Forces for training themselves against us and firing on us from beyond the borders, and then hold such Conferences to lead us into believing that their help is to create a more favourable climate, a favourable situation for capitalistic penetration into our economy. We do not like such a thing. Ask your delegate to tell the Americans there that they should stop supplying these Sabre jet fighters or other weapons to the Pakistan authorities which threaten not only the independence and security of our country but make us embark on heavy expenditure. But for our obligation to spend out of our savings on that account we could have spent a lot of money for national reconstruction and nation-building projects. That is how we should view this matter.

Sir, I am sorry if I have digressed a little. I find the hon. Finance Min-

[Shri Bhupesh Gupta.]

ister is now leaving. But I am very grateful to him that he has listened to me at least, and I hope when he goes there, he will send a telegram to the authorities concerned—those who are joining—that their function should not be to create a climate for the American private capitalists to penetrate into our country's economy while they are giving arms to Pakistan to endanger and imperil our security and independence.

PANDIT S. S. N. TANKHA (Uttar Pradesh): Mr. Deputy Chairman, Sir, in my speech on the last occasion I had given my unstinted support to the Finance Minister's proposals on the question of direct taxation and I am glad to find that he has not made any vital changes; or rather has not accepted any vital changes at the hards of the Lok Sabha in these proposals.

As you are aware, Sir, the matter of direct taxation has been entrusted to an expert committee appointed by the Government, with Shri Mahavir Tyagi M.P., as its Chairman, and the public awaits its recommendations with interest. Until such time as their report is not in our hands, I think the Government is right in not making any vital changes in the direct tax structure.

But, Sir, I may be allowed to mention that I am thunder-struck at the report which appeared in the papers a few days back that an exorbitant amount of tax collection has not been realised and that a sum of as much as Rs. 112 crores may have to be written off. It is true that the Finance Minister has not stated that the amount has been written off, as Mr. Bhupesh Gupta was just saying, but his statement in the Lok Sabha was that since the amount cannot be realised or recovered, it may have to be written off. Now, Sir, we must certainly . . .

SHRI BHUPESH GUPTA: I am sorry I lack that subtlety of intelligence.

PANDIT S. S. N. TANKHA: We must certainly know, Sir, what were

the circumstances under which such large amounts of money could not be collected. Even if many of the assesses went away to Pakistan, they must certainly have left their property here and it was the duty of the Government to realise its tax arrears from those properties. However, Sir, whatever has been done in the past, or may be done now with respect to those monies, is not my main concern. I am now concerned more with the future than with the past and I would submit that if this writing off process of such large amounts continues in the future, those bigger assesseees who are today in a position to pay may be led to resort to further delaying tactics in the payment of their dues in the hope of benefitting by the delay or by not having to pay the amount ultimately. Even where this tax amount is realised after several years from the assesseees, during this interim delaying period they make profits by the investment of that very money and they not only realise interests on that amount but in addition makes huge profits out of that money. Therefore, Sir, earnest efforts must be made by the Government to see that taxes are made to be realised from all assesseees at the earliest opportunity each year. I realise, Sir, that there are various difficulties in the Government's way of realising the monies namely, the right of assesseees to go to courts of law or in appeal before the Income-tax Tribunal. But at the same time I would submit that the Government should devise means or other methods to see that tax realisation is not delayed and that if any assessee has to go to courts of law, then the amount of tax is deposited by him to the Government account before he gets the benefit of going to the court of law.

Now, Sir, there is yet another very important thing on account of which, perhaps, it is difficult for the Income-tax authorities, to realise the dues readily from the larger assesseees, namely, that the position of these larger assesseees in the cities and towns being very high in the society these officials find it difficult to take action against

the assesseees or to insist upon its payment within the prescribed time. Now, for that Sir, I would suggest that either some higher officer should be posted at such places who should see to it that tax realisation is not delayed and is paid within the time, or some other suitable means should be devised to get the money collected. Naturally these larger assesseees being higher up in the society, the small Income-tax Officers are compelled to show great courtesy, consideration and leniency to them in the payment of their dues and as such it is necessary that the Government should consider this matter carefully. I say this, Sir, because so far as my information goes, assesseees of above a lakh of rupees are in arrears to a very great extent in most of the larger business towns and it is their cases above which remain undisposed of during the course of the year while the cases of smaller assesseees are decided and the money is realised from them within the prescribed time.

While I am dealing with this subject, I would like to point out to the administration one or two difficulties which are experienced by the junior Income-tax Officers in the larger cities and I hope the Department will keep this matter in mind and try to see that some relief is given to these junior officers. I will give the instance of my own State. In my State, house rent allowance is allowed to the junior Income-tax Officers only if they are posted in Lucknow, whereas if the posting is outside Lucknow they do not get any house rent allowance. As you know, Sir, housing in larger cities like Allahabad or Agra or Banaras is equally expensive and difficult as it is in Lucknow and, therefore, I would suggest that at least in KANPUR towns of Uttar Pradesh, this house allowance may be allowed to these officers. Then, Sir, the percentage of allowance which is given to them is also rather too meagre because of the high rents prevailing in these days. That matter may also be considered by the Government.

Yet another matter which I wish to bring to the notice of the Hon'ble Minister is that according to the rules of the Income-tax Department, there is a limit below which an officer cannot get money for purchase of cars. I suppose an officer getting below Rs. 600 or so cannot get a loan for purchase of a car, with the result that this class of officers whenever they need a car have to ask for it from the larger assesseees and as such naturally, they get under an obligation to them with the result that it becomes difficult for them to handle strictly the cases of those very persons in their official work. Therefore, this matter also should be taken into consideration by the Department.

Now, Sir, in the other House certain changes which have this year been made in the Expenditure tax have been objected to, namely, that the amount spent on purchases of bullion, jewellery and precious stones shall be considered as expenditure incurred by a person within the meaning of the Expenditure tax. The objection taken is that these purchases are investment and as such this investment should not be taken into account under the Expenditure tax. But, Sir, I do not agree with this point of view and I wholeheartedly support the view taken by the Finance Minister in the matter, namely that it is not really an investment but it is a purchase of gold, silver or other jewellery with a view to avoiding taxation under the Wealth tax. As such Sir, I agree with this point of view and consider that the change made is very proper. Moreover, as we know, investment of excess money in gold or jewellery or precious stones by the public should be discouraged by the Government since if this money can become available to it in the shape of loans or so, the amount can be utilised by the Government for the betterment of the people as also for furthering its future five year plans. Therefore, Sir, the amendment made is a very right step which has been taken by the Government.

[Pandit S. S. N. Tankha.]

Then, Sir, coming to indirect taxes and the changes made by the Government in some of them, I welcome the changes which have been effected by the Finance Minister in the matter of some of these taxes, even though it will cost the exchequer as much as Rs. 109 crores, which is not a small amount, especially at this time when we are so much short of money for our plans. The reliefs given are to the Khandsari sugar industry and the small units producing non-essential oils, as also certain types of units producing art silk fabrics. A criterion for granting the reliefs in these cases has been determined by the Finance Minister, namely, as to whether the industry is purely of a village type or it is of a type which is on a large scale and which employs power in its manufacture. This criterion for judging as to whether a certain industry is a cottage industry or not is very logical and simple, but at the same time, Sir, it should not be overlooked that there are some industries which, because of their employment potential or other considerations, need to be helped for their existence, even if they are not pure cottage industries falling within the formula adopted by the Finance Minister. Under this category I mention the case of Khandsari sugar, on the prosperity of which a very large number of people in the rural areas and also in the urban areas in my State of Uttar Pradesh depend. While it is gratifying to note that Khandsari will be deemed assessable to duty only where power driven centrifugals are used in its manufacture, yet the merit for the exemption of other classes of this sugar has also to be taken into account. The relief granted to the industry is that Khandsari produced with the aid of sulphitation plant will now be taxed at Rs. 5.67 per cent. in place of Rs. 6.30, while Khandsari produced without the aid of this plant will be taxed at Rs. 4.41 per cwt. But I am afraid Sir, that the concession granted will not be sufficient to keep the industry going and if the industry is forced to close down it will cause very great unemployment

in my State. It must also not be forgotten that this industry bears the same relation to the mill sugar industry as khadi and the handloom industry bear to the textile industry. (*Time bell rings.*) If the Government has considered it proper to help khadi and the handloom industry because of their employment potential throughout the country, then there is no reason why this sugar industry should also not be helped. In this connection I would like to remind the hon. Minister that the Government had, at one time, imposed a duty of eight annas per cwt. on this sugar which was later withdrawn in 1952, after a careful consideration of the report of the Indian Tariff Board. In their report on page 60 of volume I the Tariff Board gives the reasons and it has been mentioned herein, I quote:—

“On the other hand it has been maintained that encouragement should be given to this village industry which holds a position somewhat analogous to the handloom weaving industry. It has also been argued that, since the present production of factory sugar does not meet the total demand of the country, Khandsari sugar may be able to supplement factory sugar, especially in times of scarcity. Besides a large number of cultivators and middlemen, especially in U.P. derive their maintenance from this industry in certain rural areas, which are far remote from factories and whose surplus cane finds an outlet in this industry. . . . But the imposition of an excise duty of eight annas per cwt. at present on a village industry of this character is hardly justified. We have been given to understand that the realization of excise duty from Khandsari sugar has been insignificant during the last few years. We recommend that, in order to give encouragement to this village industry, Khandsari sugar should be exempted from payment of excise duty and that such technical assistance as is necessary should be given to encourage its production in

efficient units and on economic lines."

MR. DEPUTY CHAIRMAN: Yes, it is time.

PANDIT S. S. N. TANKHA: Two minutes, more.

MR. DEPUTY CHAIRMAN: No, it is time.

PANDIT S. S. N. TANKHA: Just two minutes more, Sir, I am finishing. Later a fact-finding committee was appointed by the Government of India in 1958 and the conclusion of that committee also were that this industry should not be taxed.

Because of these considerations, I would beg of the hon. Finance Minister to see, even if not now, then at least at a later stage, that this industry is not forced to close down and if he finds that at any time any such eventuality occurs, then he should try to help the industry to keep it prospering.

DR. P. J. THOMAS (Kerala): Mr. Deputy Chairman, I am glad the hon. Finance Minister has shown some realism in his methods of taxation and there have also been further changes made recently. All this indicates that at least now there is some breath of fresh air in the Government and I do hope that there will be still greater realism in the future. There are certain other matters also which require consideration and I shall place some now before the hon. Minister.

The hon. Finance Minister agrees that some reduction can be made in expenditure, but actually he has made only a small reduction. Recently there was a reduction of Rs. 50 lakhs per annum and that was in addition to the reduction of Rs. 1 crore which was made earlier. And this is in a country where the civil expenditure has gone up three times during the last ten years. When we have to go ahead, it is necessary, of course. After all, it is a developing economy and therefore, we must increase expenditure. It is only by putting in more money that we can expand production and thus raise our national income.

But here comes the fundamental question as to how we raise these resources. To my mind it is a very difficult question. Things have been going on for the past 3 or 4 years, depending on foreign conceptions of taxation, increasing direct taxes chiefly. But I do not think that this will bring in the necessary revenue that is required. To my mind what has happened in the recent past should indicate to us that we should be more realistic in the future.

After all what are our resources? Take first customs duties. Could you expect much out of these? At one time we could get much because we were importing commodities then of our liking and we were not worried as to what we were importing, but today when we are importing capital goods we have necessarily got to be careful about important duties being reasonable. Similar is the case with export duties. We are today competing with some of the most powerful countries China, Japan, Germany and so on. This means that we cannot go on increasing our export duties. They are already too heavy. We have had some increases in customs duties but we have not been able to get much that way.

Then there are the direct taxes. What have you done in the course of the last two or three years? We have had the Wealth tax, the Expenditure tax, the Gifts tax and the Estate duty but what have we got out of all these? The Wealth tax gave you ten crores perhaps it may be more in a little while—the Gifts tax about Rs. 120 lakhs. The Expenditure tax, which is our special pride, brings in hardly one crore. All these may improve later on but we want money immediately. People have been saying that we will get all these later on but in a developing economy we want money and resources now, immediately. I do not think it is possible to get much by direct tax. We have shown our inclination to be rather socialistic in these taxation measures. That may be good, but we cannot expect much out of

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these. Out of the total national income of the country, only ten per cent. comes under income-taxation and the remaining amount goes scot-free. That cannot be taxed because incomes are low. Not even one per cent. of our people pay any income-tax. If you compare this with other countries in America or Europe, things will be different. At this juncture to expect that we can get much by raising the income-tax can only mean putting hindrances on production efforts in the country. I am not against socialism at all. I also want it but only after we have increased production.

Mr. Bhupesh Gupta said that we should nationalise everything. That is a different matter but now we are working a mixed economy and without increase in production, we cannot get much either from the public sector or from the private sector. We were told the other day that the public sector was doing wonderfully well. Probably it is true in respect of some items or some factories but one swallow does not make a summer, and so, you cannot entirely depend upon this factor. Just because one or two firms are doing well, let us not think that we can get very much out of the public sector in the next few years. It is an exaggerated conception to think that we can get much out of the public sector. By all means expand the public sector and make it more efficient but until then something else must be done.

To my mind, it is only possible to increase our revenue resources by having resort to consumption taxes. This is the sector that has been taken advantage of by other Governments in like situation to raise their resources. We are an under-developed country trying to develop our economy. They have the turn-over tax in Russia. The result of it is a reduction in consumption. It is not only a question of reduction in consumption but of arresting inflationary tendencies. Whenever you put more money into the country, inflation will be there and the only way of curbing this tendency is to take the money away from

the people. Now, there are two ways in which this can be done. It can be done through a system of compulsory savings. Whenever you increase the salary of the employees, whether of private employers or of Government, take out a part of it and invest it in savings to be given to the people after a few years or may be to their children. They can get interest for the accumulations. The other way is taxation. This is what was done in Russia or in the capitalistic countries too. In Japan, for instance, they have been raising excise duties on liquor, on textiles, on sugar and such other items and also certain State monopolies like salt and tobacco. A sensible arrangement to my mind, and they were able to raise a large amount of revenue. Now they are in a position to depend more on income-tax and all the rest of it. Therefore, what I am suggesting is not merely for purposes of raising revenue but also as an anti-inflationary measure. Much talk has been going on in this House for the last year or two about inflation. After all, whether the money is spent on the public works or on industry, people get it and the question is whether you are going to control that money by taking it out of them temporarily to be given back to them after some time or to be taken as a tax measure. Really speaking, for a developing economy, this is a fundamental fact at this stage. After ten years probably you will not require this because of expansion of income-tax, company tax and so on, but today, for the next few years, if you want to get money adequately, then you must work upon the consumption taxes. I do not want to elaborate this point just now but there are several lines which you can tap immediately. A question that will come in this connection is, "Won't it raise prices immediately?" Well don't touch those items immediately which will affect the cost of living of the common people. There are several items which you can touch without much difficulty. Take, for instance, this one particular case. During the last few years, much profit has been made by certain producers of goods here in this country on account of the

restriction on imports. The import of several articles have been restricted and there have risen industries which have gone to manufacture those articles here in India, very legitimately and very rightly. We are all very happy. You can certainly tax some articles produced by those industries without, of course, discouraging industry. There are several such items on which we can raise revenue by the imposition of consumption tax. Take for instance, razor blades. Some of us have been accustomed to buying imported razor blades at high cost but today you can get them for one anna and some of these blades can be used four or five times. We were formerly importing these blades at very much higher costs, and so there is justification for putting a reasonable tax upon razor blades and even though it will not be a big impost on us—the poorer man does not use this; it is chiefly the middle class people that use the blades. Yet, the amount that you will collect may be big. You can have such an impost on tooth paste, fans, bicycles and so on. All these are consumer goods much in demand in our country. We must devise some means of raising money from the consumer goods which have been produced at considerably low costs on account of the foreign imports being kept away. Our tariff policy has enabled these industries to earn profits and I don't see why we should not utilise this opportunity for raising some revenue from these items. There are certain capital goods also—some of them may affect our industrial development—like chemicals and so on. I would not like to go into all that just now. I would take up another tax. In the old days we had the salt tax. It brought in much revenue, with a tax of one anna per head per annum today, we may raise about Rs. 25 crores. Thus we will be able to raise a large amount of revenue, as used to be the case before. After all, the ideological argument is that Gandhiji was against this tax. I discussed this matter with him and he was prepared to agree with me. I told him, "At that time, it was the foreign Government which was there and, therefore, we were against it." He then said that

we economists should look into this matter and advise about it. He was very adjustable but unfortunately our present Ministers are even more Gandhian even more vehement than the great Gandhiji himself whom I knew personally very well. To my mind, salt tax in some form is very essential and it can bring in a very large revenue, much larger than the amounts that you have been getting lately by giving terrific trouble to our businessmen and industrialists. After all, one anna per annum even for a poor man cannot be very much. He is prepared to pay large sums for his biris and like things. The revival of the salt tax is essential if you really want much revenue. Otherwise, we must follow Mr. Bhupesh Gupta's suggestion of nationalising the whole thing. I am not against it provided government is prepared to do that. Otherwise, the only safe way is to depend in future more on consumer goods, consumption taxes being imposed on these articles, that is to say, sales tax, excise duty and so on, all with a view not to putting too much burden on the poor man, but only some small burdens upon him. After all, only by putting some burden upon them, can we curtail consumption at this juncture and that is the most important factor apart from giving revenue. I therefore think that this matter should be considered rather than go back to the Kaldorian ideas, some of which are unjust and unjustified in my opinion. We have got the work of Chanakya in the past and books have been written of economics in India. We can draw much from the experience in the past. Let us work upon it and modernise those ideas. Then, we will be able to raise revenue, if you want revenue. I am personally for reducing administrative expenditure and keeping taxation low. But as this is not possible, we must definitely find out sources like the ones I have just mentioned and boldly act on them, rather than fear about political results. There might be people talking against indirect taxes. I am prepared to give strong arguments supporting them. But unless there is

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boldness and leadership in the country, we cannot raise revenues in the way we want. And unless we raise revenues adequately we cannot rapidly develop the country's economy. Certainly, unless we raise our income much faster, people will be very unhappy. Let us, therefore, boldly go ahead with these taxation measures, rather than be timid, as we have been in the past. Thank you.

SHRI P. N. SAPRU (Uttar Pradesh): Mr. Deputy Chairman, the Finance Bill has to be considered in the context of the Second Five Year Plan. The Finance Minister has to function within the framework of that Plan. He has to so frame his proposals as to further its implementation. Not only must he think of the Second Five Year Plan, he must also have his gaze fixed upon the Third Five Year Plan. For that reason we have to devote thought to the question of priorities. So far as the Third Five Year Plan is concerned, we are hoping to build up a self-generating economy and for that purpose all of us must be prepared to make some sacrifices. But, for the development of this temper of sacrifice, or this spirit of sacrifice, we need to convince the common man that we shall seek to achieve, in the interests of the future generation, real equality of sacrifice. He must be made to feel that there is real equality of sacrifice. Any failure on our part to generate this feeling in the common man will lead to anger, despair and frustration. Life is a toilsome burden with most of our countrymen and our assertion that tomorrow will be better than today and yesterday will not carry conviction until they see that we are doing all that we can to satisfy their primary needs of food, clothing and shelter. To take food, for example, without going into figures, I would say that the real problem of food is one of prices. Food is available for the rich man, but at prices which the common man cannot afford. I go to Connaught Circus and I see many beautiful articles, many beautiful

things, which I would like to purchase for my children, my wife and myself. But I just do not purchase them, because I have not the money to do so. The poor man sees food all around him. He would like to purchase it, but he just cannot afford to do so, because he has not the money for it. True, we have fair price shops. But the number of fair price shops is not adequate. From my point of view, the good things that I see in Connaught Circus or in the Bombay Fort area excite my envy and jealousy. Well, I can very well understand the feeling of the common man. He feels envious. He feels jealous of the privileged position that we are occupying in the matter of food, shelter and clothing.

Now, Sir, we are thinking in terms of State trading in foodgrains. I have no prejudice against State trading. I am all for it and I approve of it in principle. But let us examine the scheme which has been put forward for State trading. One does not know, in the first instance, how long it will take for the scheme to fructify. State trading should have meant the direct procurement of food from the cultivator and the elimination of grain merchants who have not played fair by the community. The establishment of warehouses all over the country and fair price shops on a scale big enough to be able to stabilise prices should have been there. The position under the scheme is that grain dealers, who represent the biggest anti-social elements in the country, will hereafter work as licensees. No provision has been made to fix procurement prices, to build up warehouses on a sufficient scale to stock foodgrains and thus build up a sufficient reserve which could be profitably utilised in times of scarcity. Nor has any worthwhile attempt been made to control both wholesale and retail prices. It is hardly the scheme which can make any positive contribution to solving the problem of soaring prices.

Parliament, I venture to think, should have been presented in this Session with a detailed scheme indicating precisely the extent to which the Government's procurement policy will seek to make State trading in food-grains really effective, and it should have been presented with a scheme which would show how the community would be saved from the clutches of anti-social elements which utilise this food crisis for their own ends—these anti-social elements which thrive on the distress of the community. In the scheme announced very little is disclosed as to how the interests of the cultivator will be protected from the wholesale merchants to whom licences will be given. They will become monopolists, and they will be in a monopolistic position much more so than they were in the past because the door of competition has been closed. The situation created may be even worse than the one which would exist under a pure system of capitalism. The interests of the consumer, so far as I have been able to understand the scheme of the Food Ministry, have not been protected because, while the licensee may buy cheap, he is under no obligation to pass on the benefit to the consumer. There is no control over retail prices, nor is there any provision fixing any margin for procurement prices and selling prices. Under the scheme there is the possible danger that both the cultivator and the consumer may be exploited even more so than they are at present.

Now, Sir, the House would have expected that any scheme of State trading in food procurement that Government would introduce would take the help of projects like Community Development Blocks, National Extension Blocks and Panchayats. Over these Community Development Blocks, National Extension Blocks and Panchayats huge sums of money are being spent. They are dotted all over the country and it is claimed that they are doing excellent work,

but no part has been assigned to them. We have been discussing the co-operatives and co-operative farming, and we have pinned our faith, and I say rightly, on co-operation. There is no doubt that co-operation will give meaning to our social structure. It will give meaning to our social structure because it will mean liberty with equality in diversity and real fraternity. The message of co-operation needs to be carried to our countryside. We shall need for this purpose thousands of multi-purpose co-operative societies entitled to receive all aid from bodies like Community Development Blocks, State organisations and National Service Extension Blocks. It is amazing that in the scheme as formulated neither does the co-operative ideal nor do the Panchayats nor do the Community Development and Extension Blocks come into the picture at all.

Sir, just a word about service co-operatives and co-operative farming. I have not heard anyone seriously suggest that the ideal of service co-operatives is wrong. Practically everyone is agreed that there should be service co-operatives. We need to emphasize the co-operative element in life. It has been made clear beyond any shadow of doubt that there is no intention to force people to cultivate jointly. Joint farming is certainly an ideal which we have in view, but it has been made clear that joint farming will not mean collective farming. I cannot understand, Sir, in these circumstances how it is wrong to educate the people on the benefits of co-operative farming or joint cultivation. Those who say that joint farming is against human nature assume that human nature is a constant factor. Human nature is, as far as we know, very complex, and human nature is capable of development in ways other than the older generation of economists thought it could. We have reached a stage in our material and intellectual development when we can hope to purposefully direct and mould the character

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of our society. Why should the idea of individual ownership be regarded as a prerequisite for intensive effort? Given the right material and social environment men can be taught to substitute co-operation and the art of co-operative living for competition. We need to substitute the ideal of co-operation for the ideals of an acquisitive society. We as democratic socialists have faith not in the perfectability of human nature but in man's capacity to control and to direct his material environment, to direct his energy into socially beneficent channels. An acquisitive society must make way for a society based on the principle of co-operation in life. I am wholeheartedly therefore, Sir, for a vigorous propaganda for the realisation of the co-operative ideal. Given the right lead, our individual farmers will begin to appreciate the utility of co-operative farming. What he needs is a spirit of dedication. The future would be more hopeful if we could truthfully say that we have this spirit of dedication.

I should like to say a few words about the taxation policy behind the Finance Bill. (*Time bell rings.*) Just two minutes, Sir. I would say that my preference is for direct taxation. I do not like this indirect taxation. The phenomenon which we are witnessing is that the ratio of indirect taxation to direct taxation is going up. Now, Sir, indirect taxation leads to inflationary pressures. Indirect taxation is working very great hardship on the poorer elements in our society. It is having an injurious effect upon the development of a good middle class in our country. It is essential to show in a visible form certain measures of economic reforms which benefit the common man. We must give moral and intellectual encouragement to things which make for social transformation by democratic methods. I think we want a policy which would rely more on direct taxation—also perhaps, it may be on State trading, on State-run industries,

on State enterprises—than on indirect taxation. We must think of developing sources of revenue other than those which come now under the name of taxation. We wish to build a society that will not be a party to exploiting our weaker fellow men, but will seek an equality that will allow for variety and that will emphasise to the utmost extent the co-operative as opposed to the acquisitive principle in life. We wish by the democratic process to achieve a classless society which would provide for genuine self-rule by our toiling millions in the countryside. Planning is essential, but, Sir, we must remember that planning by itself will not solve all our problems. Planning exists even in Fascist States. What we need is planning for social justice, for creative purpose, planning for the co-operative way of living, planning for the eradication by the effort of the community of all those evils which make life ugly and hideous for the ordinary man.

I do not propose to criticise the taxation proposals of the Finance Minister for the simple reason that I have no alternative except in the sense that I would have a review of our entire social and economic system. (*Time bell rings.*) I am glad, Sir, that the Finance Minister has given some relief to the khandsari sugar industry. I would like also to mention one or two points about pension and pensioners. I think we need to have in the Ministry of Finance a separate department of pensions. They have in England, as you know, Sir, a Minister of Pensions who does a lot of thinking on social questions and economic questions. Well, I am not suggesting that you should have a Minister of Pensions, but I think that it is time that we had a separate department for pensions attached to the Finance Ministry. I would also say that every effort should be made to improve our taxation machinery.

Thank you very much.

SHRI JASWANT SINGH (Rajasthan): Mr. Deputy Chairman, Sir, about a month and a half ago the Budget was presented before Parliament. Then there were certain proposals. Now with the presentation of the Finance Bill, we have a complete picture of taxation that the people of this country will have to pay for the current year. Sir, it is the duty and right of the State to levy taxes and it is also the duty of the people to pay taxes to the State; otherwise, the administration of the country cannot be run.

[THE VICE-CHAIRMAN (SHRI P. N. SAPRU) in the Chair.]

Sir, any one year's taxation cannot be judged in an isolated condition; you will have to take into consideration the whole structure of taxation before you could judge as to whether the taxes are fair and whether the people are willing to pay these taxes to the Government. Therefore, before we come to the proposals of taxation, we will have to see whether on this day it is within the capacity of the people to pay any more taxes. We have seen during the last three or four years that a record number of items of taxation have been levied. And some of the taxes have been of a novel type. Nowhere in the world have some of these taxes been levied nor are they ever likely to be levied. Sir, this integrated system of taxation has also made our country one of the most heavily taxed countries in the world. All this has been done in the name of development of the country. People have willingly made sacrifices even though they could ill-afford to make any more sacrifices. Therefore, howsoever little money the taxation may bring in to the exchequer—whether direct or indirect—the stage has been reached when people are entitled to ask the Government before any more taxes can be levied, what the Government on their part have been doing with the money which the people have been paying through their nose up till now. First of all, people would like to ask the Government—in spite of the fact

that so many varieties of taxes have been levied, in spite of the fact that people have made tremendous sacrifices and have paid according to their capacity, has the lot of the people been in any way improved by the administration? Are the essential goods like food, clothing and other consumer goods available at a price which is within the means of the people? Further we see that development under the Five Year Plans is going on all over the country. Is this development of various States not done on political grounds? Is equal development taking place in all the different States? There are backward States. They require prior consideration. There are already rich States. They require secondary consideration. Is it not a fact that because of the politics of a particular State or the Ministry, already rich States have been given more works of development while other backward States where unfortunately the Ministry is very weak do not pull such weight with the Central Government as other States?

DR. W. S. BARLINGAY (Bombay): Have you got any evidence of this?

SHRI JASWANT SINGH: Evidence is my own poor State of Rajasthan which consists of backward States.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): We feel that our State of U.P. has not been treated fairly.

SHRI JASWANT SINGH: Here the Vice-Chairman has given the reply to my hon. friend here. But we consider that U.P. is a very rich State, and if something cannot be done there, well, they can afford, but the position with regard to the State of Rajasthan is different. It consists of the former India States which were in various stages of development and they have been integrated. Some of the former Indian States or Princely States were very progressive while a large number of them had no administration to talk of. Fortunately or unfortunately, since the attainment of the country's independence ten

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years ago—I would like to tell my friend Dr. Barlingay—there had been no crisis in the Ministry in the sense that the Opposition had not been strong enough to throw out the Congress Ministry. So always there has been a Congress Ministry in an overwhelming majority. But for his information I can say that in the ten years there have been seven changes in the Ministry, and when in ten years there were seven changes in the Ministry, well, what development can be expected and what money the Centre can give? The result is that hardly they . . .

DR. W. S. BARLINGAY: What has that to do with the Central Government? It is the fault of the State Government.

SHRI JASWANT SINGH: The Central Government comes this way. When the State Government fails to give relief to the people, the responsibility to lift the people from their backward condition falls on the Central Government. The Five Year Plan is directed under the Central Government itself and therefore these backward areas had to be brought up if the people there were to be contented. We are now talking of the the taxes by the Central Government and if the State Governments do not do their duty, well, the people residing in those particular States could expect the Central Government to come to their aid. Otherwise the Central Government should not levy any tax whatsoever on such people.

The other day I was talking on the Appropriation Bill about law and order. All these things count and the people are to be satisfied by the Government, whether by the Central Government or the State Government concerned and except the one State of Kerala all other States are governed by the Congress Party. Therefore it is all the more the responsibility of the Centre to see that the people are contented, and if the people are contented, then you can ask them to tighten their belts, but if you do not

make them contented and do not give them security and do not give them food, clothes and the other essentials of life, which the hon. the Vice-Chairman while he was making his speech referred to and with which I wholeheartedly agree—in his own characteristic way he put those words very nicely—then discontent will prevail. I would therefore say that these taxes in these circumstances—your calling upon the people to make more sacrifices—are not fair.

Again, Sir, there is the question of food and the hon. the Vice-Chairman, Mr. Sapru, while speaking a little while ago referred to the inadequacy of the fair price shops. I would go a step further and say this. Take the case of Rajasthan, particularly the Ganganagar district in the Bikaner Division which is the food granary of Rajasthan. Sir, in the worst famine years, within living memory, it has never been known that the prices of foodgrains have gone up beyond Rs. 14 or Rs. 15 a maund but today, in spite of the bumper crops, local wheat is not available at anything less than Rs. 25-30 a maund. Of course fair price shops have been opened but then there too it is available only at Rs. 17 or Rs. 18 or Rs. 20 a maund, but it is available. But I cannot say, though the prices charged by the fair price shops are reasonable, that they are within the reach of the poor people, because, till the other day, before development was undertaken in the country, when there was not so much money flowing in the country, people could get foodgrains at a cost of Rs. 13 or Rs. 14 a maund. So in addition to the inadequacy of the fair price shops, the prices charged at the fair prices shops also are in no way reasonable; comparatively they may be cheaper, but it is beyond the capacity of the people, particularly the middle-class people with fixed incomes, to buy the foodgrains at this high cost, and on top of it, Government by direct taxes and indirect taxes, goes on increasing the tax burden, and according to some of us there has been reached a stage where this is the last straw to break the camel's back, and people cannot be

expected, unless the Government on their part do their duty, to pay any more taxes. Sir, if the conditions will go on in this way, it can be envisaged that a situation may arise where the people may refuse to pay taxes, and one of the reasons why evasion in the payment of taxes takes place is this, that the people feel—whether legitimately or otherwise they evade paying the tax is another matter—the people feel like not paying even where they can pay, and they are within their rights because Government is failing to give them the very necessities and essentials of life.

Sir, another point which I want to stress is this, that we have got this food policy. This is another aspect of the food problem on which there is a great deal of expression of opinions in the country; there are different shades of opinion. Recently the Congress Party passed a Resolution in regard to land reforms and co-operatives, and what not. Then there is the socialistic pattern of society which the ruling Party envisaged. They are all very good as far as the slogans are concerned. They are very good to take the wind out of the sails of our Communist friends. But in the conditions of India, if you have to look realistically, I would say that they will never be able to deliver the goods with these kind of slogans. You have to take to either of these two paths. Either you be governed on the capitalistic pattern as the Western democracies are, or take the courage in both hands and accept the path chosen . . .

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): Western capitalism too has changed beyond recognition.

SHRI JASWANT SINGH: But they are not hanging in mid-air like *Tri-sanku*, and we are neither fish nor fowl. We have no courage to adopt the methods of the Communist countries or the methods adopted by the Western countries. And what is the result? The result is this that we are nowhere, and if we think that the recent policy of the Congress adopted

at Nagpur can be successful, well, that can be successful only if we adopt the Communist methods, where people who do not work will be made to work and even then if they do not work, they will be finished. Or if we want to be governed by the democratic methods, where people are free to do what they like—and they can influence Government in their policies—let us adopt that method. The Government should organise big farms to grow more food, but if they hope that the co-operatives as envisaged in the Congress Resolution at Nagpur four months ago can ever be successful and if they are successful it will be one of the wonders of the world.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): There also the people can unite. If people can co-operate to build up joint stock companies, why should it be impossible for them to unite to have co-operative farming?

SHRI JASWANT SINGH: Joint stock companies are a different thing, where the businessmen have great stakes. In this case the tradition of this country has been that the people have attachment to land; they feel that the land they possess belong to them, not to somebody else, and if the land belongs to somebody else, then they would be reluctant to work with the same enthusiasm unless everybody works to the same extent, which may not be possible. Therefore, Sir, we feel that this policy is bound to fail, and in the bargain the sufferers will be the people. That is our conviction and we stand by it.

Then, Sir, one thing more and that is this. We have the ideal before us of being a welfare State. As an ideal it is a very good thing. But can you fulfil the conditions of a welfare State? In the Western countries—I need not dilate on this question but in the Western countries there is almost complete security from birth to death, but as far as our country is concerned, as I pointed out a few minutes ago, even the very necessities of life are hard to get, and it is not within the

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buying capacity of the people to procure them at the prices which are prevailing at this time. Sir, another point that I will come to is this. The people are entitled to ask the Government as to how the Government is spending and collecting the revenues before they are made to pay any more taxes. Sir, in regard to the tremendous increase in civil expenditure, civil administration and miscellaneous expenditure, much criticism has been levelled at the doors of the Government. It is not necessary for me to dilate upon this point, but I would agree with the Government that with the growth of development this expenditure would increase. There cannot be two opinions on this point. But at the same time the people are entitled to ask whether the Government is doing their best. I have read the speech of the hon. Finance Minister made in reply to the debate in the other House where he is stated to have said that as far as collection of arrears of income-tax are concerned, they are doing their best. We agree that this expenditure would increase where it is proportionately justified. But it is not sufficient for the Government to say that they are doing their best. We want the type of Government which can deliver the goods. If they are failing in their duty, this Government is answerable to the people.

Sir, again, the people would like to know, before they are called upon to pay new and novel taxes which are very irksome and which fall very heavily on them, whether the Government have taken exceptional steps to see that taxes which will bring in more income and which will not fall so heavily on the people have been collected. Without collecting them, why should they go on levying taxes which are more troublesome and more irksome?

In this connection one of my friends speaking on this Bill has already made one point, *viz.* that a really people's Government should see to the difficulties which the people are facing and

then alone they should think of these taxes. Sir, if on account of the whims and idiosyncrasies of some officials and Ministers in the Government certain items of taxation which can be easily borne by the people are not touched—items which can bring in much more money than all the taxes taken together—people have a right to ask the Government as to why they are not doing so.

DR. W. S. BARLINGAY: Can you give an instance?

SHRI JASWANT SINGH: I am coming to this. First of all scarp prohibition. Sir, Congress as a party might have, as one of its creeds, *viz.* not to drink. But from the Congress benches I know some hon. Members who, whenever they come to me, have the finest drinks from me. They appreciate it. Most of my Congress friends appreciate it.

THE MINISTER OF REVENUE AND CIVIL EXPENDITURE (DR. B. GOPALA REDDI): Is it most or a few?

SHRI JASWANT SINGH: I mean few, who appreciate good things in life, who are connoisseurs, who are well-wishers of the country, who are swayed by idiosyncrasies, who are fair-minded, who are broad-minded and who feel that for any right steps taken by the Government they will stand by them.

Here, as I stated the other day in connection with some other subject, even at the risk of repetition I would say the excise duty on liquor and whisky in England brings them over £400 million of income which is more or less equivalent to the total income of our country, a country which is about 20 times as big as England in area. Sir, certain people are puritanic. They feel that by not drinking alone they can be more sacred and pure and other things do not count. So, they should not have liquor in this country. Sir, by way of losing excise duty and by way of maintenance over the enforcement staff how much money are we losing? Similarly, in respect

of salt also. I need not speak much about this item because even some of the senior Congressmen and women are prepared to revise their opinion in regard to this item. Sir, the idea of the Government, the obstinacy of the Government not to have taxes over these things, and instead have taxes which nowhere in the world are being levied, which are irksome and troublesome to the people, is not justified.

Sir, I now come to the tax proposals. I think I have got plenty of time. I had 40 minutes, I suppose.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): Your party has got 40 minutes.

SHRI JASWANT SINGH: I am speaking on behalf of the party. Nobody else is speaking. I have spoken for 20 minutes. I have enough time.

In regard to taxation, first I will refer to indirect taxation. We note that concessions have been made by the Finance Minister in regard to Khandsari sugar, vegetable non-essential oils and silk fabrics. So far so good. It will give some relief to the people and to the smaller industries. Some of the items, of course, have not been agreed to, but still whatever little concessions have been made are welcome and for them the Government is entitled to thanks.

Sir, in regard to direct taxation, of course proposals put up in the Budget stand and no concessions have been made. I do not claim to be a financier or an expert on finances. Therefore, it is not possible for me to offer any remarks, but I would offer remarks that strike a layman.

In regard to companies there are two points. One is the removal of Wealth Tax from them and the other is the removal of Dividend Tax, and so on. On these points the Finance Minister, while presenting the Budget, in his speech stated that financially it was not going to have any effect on the

revenues, or the shareholders would be hardly losing anything on the dividends. Here, I understand, opinions have been sought of the businessmen and some of the financial experts on both these points. They have expressed their views. They do not agree with the assertion of the Finance Minister. But that is a moot point, and at this stage it is difficult to say what its result will be. The Finance Ministry and the hon. Minister hold some views while the experts in this field hold different views. Only the future will show what its effect would be.

Now, Sir, with regard to Expenditure Tax, there are two items which had been referred to in this House: one is in regard to exemption of bullion, jewellery and certain other articles of that nature which had been excluded and now sought to be brought within the purview of the Bill. I have read the speech of the Finance Minister which he made in the other House and he justified this step. Some of our friends here also— and Shri Tankha just now referred to this point, the Expenditure Tax on bullion and jewellery—supported this step. Here also there are two things. I would like to refer to one point saying that this cannot be denied that by purchase of bullion and jewellery now one will have to pay the Expenditure Tax and then as assets, these articles will be subject to Wealth Tax. So there is double taxation. The Finance Minister said that jewellery up to Rs. 25,000 would be exempt from the Wealth Tax but in the present time Rs. 25,000 is not a big amount. Ten or fifteen years ago, you could get as much jewellery as you get now for Rs. 25,000 for Rs. 5,000 or 6,000, the value of which at present has come to Rs. 25,000. But, the Finance Minister said, beyond Rs. 25,000 Wealth tax would be levied on jewellery also. So, this is double taxation. In the system of Indian household life, jewellery and bullion have always been purchased by the families not only by way of investment but for safeguarding of their future life, of themselves, in bad time and for their

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DR. B. GOPALA REDDI: Buy gold and declare insolvency.

SHRI JASWANT SINGH: That also is a good thing; if they can get away with this, why should not they get away?

Sir, in this connection the Finance Minister also referred to the fact that wife and minor children have been included for purposes of the Expenditure Tax in families; that is, if they spend beyond Rs. 36,000 why should not they pay to Government? He said that if they can afford in this poor country such large amounts, then they should not hesitate to pay to Government also. It is difficult to follow this strange argument of the Finance Minister because, I can tell you, those who spend such huge amounts they do not personally want to spend these amounts. They spend

these amounts because they have to keep, according to Indian traditions, hundreds of people as dependants. Now, with these taxes, thousands of the *sahukars* have dispensed with the services of their servants and the Government do not help these poor people. They are worried because the number of educated unemployed is everyday increasing. But as far as uneducated unemployment is concerned, the Government do not come to their help. Because of the abolition of the rulership in the States and of the big jagirdars and of the *seths* and *sahukars* in all parts of the country, there are thousands and thousands—probably lakhs and lakhs—of people who had been thrown out of employment. Nobody comes to their help.

Previously, these rich people used to contribute money to institutions for ameliorative work. All this has been suspended. In Bikaner itself I have collected from the Marwaris lakhs and lakhs of rupees for several institutions. For a medical college in Bikaner, the Rajasthan Government had been approaching these people to pay Rs. 10 lakhs and they have not been able to collect that money, while in my life I have collected lakhs and lakhs of rupees from these very people because they were in a position to pay then and they could be tackled nicely.

What is the result now? The poor people suffer and the Government does not come to their help. By levying these novel taxes, they have enhanced the burden without doing any good to the people.

Lastly, I will submit one point for the consideration of the Minister of Civil Expenditure in the absence of the Finance Minister and I sincerely hope that he would give sympathetic consideration to this request. That is this, Sir, that land reforms have been given effect to everywhere and so also in Rajasthan and as a result of this, the jagirdari system had been abolished. There are lakhs and lakhs of small jagirdars—big jagirdars are

a different matter and they can stand on their legs—and it is a misnomer to call them as jagirdars, because their annual income comes to only about Rs. 150, 200 or, at the most, Rs. 250 a year. Formerly, they were in the service of the rulers or big jagirdars or in the army or in the police of the States. They have small landed properties which they used to give out to the tenants and used to have 50:50 share in the produce. Now, with the land reform, as bad luck would have it, all the feudal system and system of rulerships had been abolished and they have been removed from the army and the police and they have come back and they cannot get their lands back because the tenants cannot be ejected. They have to depend on land rents that they will get from the small pieces of lands. It is hardly anything. Now, under the Land Reforms Act their land has been resumed and they would be getting for 15 years or so compensation—and Mr. Nehru had been very sympathetic and kind to these people and he has enhanced this period of instalment from 15 years to 18 years in regard to small people recently—to the extent of Rs. 100, 150 or Rs. 200 per year and this compensation is not subject to Income-tax. Bonds have been issued to them. They have got no other income. They are beggars on the streets although they are the most loyal people and whenever there is trouble in the country, they will willingly and with great pleasure lay down their lives in the service of the country. But what is their plight? Their plight is that they are on the streets. Anyhow, that is a different matter, but the point that I want to urge upon the Finance Minister to consider is this. The Rajasthan Government have expressed their inability to help us. Recently we had a meeting—I am a member of the Central Advisory Committee on Jagirs of Rajasthan. These unfortunate small jagirdars number lakhs and lakhs. They have received their bonds. They have received interest on these bonds to the extent of Rs. 10, 15 or, at the most, Rs. 50 per year for a number of years. Now, full income-tax, tax at

full rate, is being charged on the interest which an unfortunate man gets of Rs. 10 a year unless he brings a certificate from the Income-tax Officer to the effect that he is not paying Income-tax. This is in accordance with clause 9(iii) of this Finance Bill. This provision has been made there. I would submit that these people do not know what an Income-tax Officer is. They have no access to him. They do not know how to approach him and lakhs and lakhs of people are involved and unless they get a certificate as required, the Treasury Officer would deduct while making payment half-yearly on the bond full income-tax on even five rupees. This question we placed before the Rajasthan Government but the Rajasthan Government pointed out that they could not help it, although they admitted that this was a very hard case. They said that only the Centre could help. For these poor people to approach, in every case, the Income-tax Officer to give them exemption certificates is well nigh impossible. I hope the Finance Minister has caught my point. If not and if he can spare a little time, I myself or some of my friends from Rajasthan, who come from our class of jagirdars, can meet him and give him more facts. If something can be done to these poor people, it would go a very long way to relieve them of the anxiety and of the hardships which they are undergoing.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): Would you take more time or are you likely to finish soon?

SHRI JASWANT SINGH: No, Sir. I have finished.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at five of the clock till eleven of the clock on Tuesday, the 28th April 1959.