

**REFERENCE TO FOOD AGITATION
IN U.P.**

DR. R. E. GOUR (Andhra Pradesh): Sir, before the other business before the House is resumed, I submit that the Government owes an explanation to the House about the violation of the privileges of the legislators of Uttar Pradesh and the failure of the Government of India in seeing that their own polity of a national and all parties approach to the food problem is implemented in U.P.

MR. CHAIRMAN: I want to tell hon. Members that there are certain rules with regard to raising matters for discussion here. Whether it is a short-notice question, or whether it is a motion for papers or whether it is a privilege motion, they must first obtain the consent of the Chairman before they raise it on the floor of the House.

DR. R. B. GOUR: Quite true, but...

MR. CHAIRMAN: That is quite true.

DR. R. B. GOUR: I have never raised a question about motion for papers. I only said Government owes an explanation to the House . . .

MR. CHAIRMAN: I do hope that Members will kindly observe the rules which are laid down in our Rules of Procedure and not spring surprises on the House by getting up.

As a matter of fact, I was greatly distressed yesterday by the conduct of an hon. Member, the Leader of the Communist Party, and the way in which he conducted himself. These are things which affect the dignity of the whole House and of the Party itself.

DR. R. B. GOUR: I must submit that we have never meant any disrespect to the Chair and regarding the matter of yesterday, we did inform you . . .

MR. CHAIRMAN: It is not a question of informing but of getting the consent. That is different from merely

giving information. The Chairman has to satisfy himself before he gives his consent.

DR. R. B. GOUR: We merely wanted to raise in this House . . .

MR. CHAIRMAN: You see the Rules. It says that when a privilege motion is to be raised, the question must be referred to the Chairman and he has to decide whether it should be sent to the Privileges Committee or not. It is not to be raised on the floor of the House without his previous consent. Mere information to the Chair does not constitute the consent of the Chair.

SHRI H. P. SAKSENA (Uttar Pradesh) : May I bring to your notice, Sir, the very inappropriate behaviour of one of the hon. Members of this House yesterday when the House was about to rise for the day, in preventing the then Chairman, one of the Vice-Chairmen, at the point of the gong from extending the time even by a minute or half a minute? That was, of course, very undignified for the House.

DR. R. B. GOUR: Here again, I must submit on a point of explanation that this reference that Mr. Saksena has made about what happened yesterday evening is also incorrect. What we said was that according to the rules, the House cannot sit after five o'clock unless the sense of the House is taken or the Chairman directs otherwise. That was the point that we raised.

MR. CHAIRMAN: I have no doubt, Dr. Gour, that your great respect and scruple for the observance of the rules, you will observe hereafter.

DR. R. B. GOUR: We learnt it from yesterday morning's incident. I must submit on behalf of my Party, that— we are sorry to say, with due respect to you and with no aspersion to anybody—we want to express solidarity of the Party with the Opposition and the people of Uttar Pradesh who are suffering deprivation under the present Government. And to express that

Eolidarity we want to abstain from the House for some time.

(At this stage Dr. R. B. Gour and some hon. Members left the House.)

MR. CHAIRMAN: Mr. Gopala Reddi.

THE DEPUTY MINISTER OF FINANCE
(SHRI B. R. BHAGAT): •Sir . . .

SHRI MULKA GOVINDA REDDY
(Mysore): Sir, under rule 156, I want to call the attention of the Government to what happens in Uttar Pradesh . . .

MR. CHAIRMAN: Order, order.

THE ESTATE DUTY (AMEND- MENT) BILL, 1958.

The DEPUTY MINISTER of FINANCE
(SHRI B. R. BHAGAT): Mr. Chairman, I beg to move:

"That the Bill further to amend the Estate Duty Act, 1953, as passed by the Lok Sabha, be taken into consideration."

Sir, as this House is aware, the Estate Duty (Amendment) Bill was originally introduced by the Prime Minister as part of the budget proposals. The Bill was referred to a Select Committee and ultimately passed by Lok Sabha on the 1st September 1958.

The Estate Duty Act was enacted five years ago and Members might recall that the original Bill was discussed at considerable length by this House as well as the other House. It was to us then an altogether new duty and we had therefore to draw largely on the experience of U.K where this levy in its present form, has been in existence since 1894. Since we had to build up the machinery for administering the Act the exemption limit was fixed at a fairly high figure, namely, Rs. 1 lakh.

There is widespread disappointment at the poor yield from this duty. No doubt the yield has been low but there have been certain inherent difficulties, apart from the fact that the administrative machinery itself had to be built up from scratch. A review was therefore made of the working of the Act during the last five years. The review indicated that some of the provisions, *e.g.*, minimum exemption limit, rebate for full amount of probate duty paid, were unduly liberal and that the Act required tightening up in some other respects also. This in short is the justification for bringing this Bill.

The amending Bill provides for the lowering of the exemption limit from Rs. 1 lakh to Rs. 50,000 in the case of property other than that of an interest in joint family property and there has been strong criticism about this provision. In the Estate Duty Bill introduced in 1952 the then Finance Minister did not specify any exemption limit nor did he specify the rates. He thought that this could be prescribed from time to time in the Finance Bills. However, Parliament was keen that the exemption limit should be incorporated in the Act itself. The Select Committee of the Lok Sabha had recommended a limit of Rs. 75,000 but in Parliament the limit was raised to Rs. 1 lakh mainly because the tax was new and it was considered necessary to deal with a smaller number of cases in the beginning for administrative reason. Now that we have acquired some experience, we are in a position to make the tax more broad-based. In this connection, it is significant to note that the exemption limit of Rs. 50,000 is still very high considering the limits prevalent in other countries. Ceylon, our neighbour, has fixed the exemption limit at Rs. 20,000 which is 35 times the per *capita* income of that country. In Japan the exemption limit for inheritance tax is 5 lakhs yen which is equivalent to Rs. 6,615 which is just 7 times the per *capita* income. In U.K. the limit is £3,000 which comes