

given on the telephone and as it has been recorded here. If his information is correct, I will be only too happy because more people are receiving relief.

SHRI BHUPESH GUPTA: Perhaps the person who received the telephone suffers from the same trouble that I have.

Sir, the second question that I would like to ask of the hon. Minister is whether he is aware that the people in the affected areas as well as the public in West Bengal are demanding that there should be some modified rationing in the entire affected area and that 50 per cent. of the ration should be in the form of rice, whether he is aware of any such demand being made by various public organisations, public men and by various political parties. I do not know whether the Congress has made it or not.

SHRI A. P. JAIN: Sir, I read in the newspaper that Mr. Bhupesh Gupta's party is making a demand that the Centre should procure four lakh tons of rice—no matter how it does—and supply it to West Bengal and that some sort of modified rationing . . .

SHRI BHUPESH GUPTA: Sir, I regret that statement. I have also got information and the popular demand there is that there should be an internal procurement by West Bengal Government of 4 lakh tons of rice and that the Centre should increase its quota of rice in its supplies to West Bengal. I would ask you to impress upon the Minister not to distort what the people are saying.

MR. CHAIRMAN: You are impressing.

SHRI BHUPESH GUPTA: Then I would like to know whether it is a fact that there is a demand that a sum of Rs. 5 crores should be allocated by the Centre and by the State Government for gratuitous relief in order to meet the emergency that has arisen

there. The deficit is of the order of 8 lakh tons and . . .

MR. CHAIRMAN: Mr. Gupta, you give the whole thing to him and he will verify and find out.

SHRI BHUPESH GUPTA: He will be running away with this.

MR. CHAIRMAN: He won't run away; you have got copies.

SHRI BHUPESH GUPTA: Then I suggest that this note be circulated by the Secretariat. I have not brought it for him only. I consider the opinions and sympathies of other hon. Members are much more important than the sympathies of an individual Food Minister.

MR. CHAIRMAN: Yes, Mr. Bhagat.

SHRI BHUPESH GUPTA: Sir, I lay this statement on the Table and . . .

THE INDIAN STAMP (AMENDMENT) BILL, 1958

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT): Sir, I move:

"That the Bill further to amend the Indian Stamp Act, 1899, as passed by the Lok Sabha, be taken into consideration."

Sir, the object of this Bill is to express the existing rates of stamp duty for the instruments falling under entry 91 of List I of the Seventh Schedule to the Constitution in terms of decimal coinage.

As the House is aware, Sir, the rates of stamp duty under the Stamp Act are to be fixed in respect of some instruments such as promissory notes and bills of exchange, by the Centre, and the rates in respect of the others are to be fixed by the State Governments. In this Bill we are dealing only with the former category. The

[Shri B. R. Bhagat.]

States are promoting similar legislation in respect of the latter category, namely, the instruments falling under entry 63 of List II of the Seventh Schedule to the Constitution.

Wherever existing duties, when converted in terms of the rate of conversion given in the Indian Coinage Act, resulted in fractions of naye Paise, the rate applicable has been rounded off to the next higher stage in the multiple of five. Thus one anna is converted to ten naye Paise instead of 6.25 nP., etc. Rates such as, four annas, eight annas, etc., which have exact equivalents in the decimal coinage have been converted without any effective change. The details are shown in clause 13 of the Bill. The principle followed in the rounding off of the rates of duty was adopted after consulting the State Governments, to whom all the revenue from stamp duty is due. It is true that as a result of rounding off to the next higher multiple of five naye Paise, the rates of stamp duties have slightly increased. This, however, could not be avoided. In the interest of simplicity and administrative convenience it was necessary to convert the rates in terms of multiples of five naye Paise. We could have chosen to round off the rates to the lower multiple of five naye Paise, but that would have resulted in the loss of revenue to the States, which they could ill afford at the present time. The Governments of some of the major States therefore expressed their preference for rounding off the rates to the next higher multiple of five naye Paise, and a few States have already promoted legislation on this basis. In this Bill therefore it was necessary for us to follow the same principle.

The question of what is to be done with the stamps already issued has also been considered. In the interest of economy the existing stamps of four annas, eight annas, etc., which have exact equivalents in round figures in decimal value have been allowed to be used until the stocks are

exhausted. Necessary provision for this has been made in clause 11 of the Bill.

Then in respect of stamps of other denominations, as for example, one anna, two annas, etc., which have no exact equivalent value in terms of the decimal coinage, and for which readjustment in rates and value of the new coinage is proposed to be effected, suitable provision for refund of the value of such stamps has been made under clause 9 of the Bill.

The other provisions of the Bill are purely consequential amendments. I hope, Sir, hon. Members will feel no hesitation in agreeing to the Bill being passed.

With these words, Sir, I move.

MR. CHAIRMAN: Motion moved:

"That the Bill further to amend the Indian Stamp Act, 1899, as passed by the Lok Sabha, be taken into consideration."

SHRI V. PRASAD RAO (Andhra Pradesh): Mr. Chairman, by this rounding off to the next higher stage in multiples of five naye Paise, another measure of taxation is being introduced. It would have been better if, as he had clarified in the other House, he would have come here and stated how much more money, by this rounding off, is coming to the exchequer. Already, by another rounding off of the postal rates, some twenty lakhs of rupees were being collected from the people without the express consent of Parliament as such. By this measure, as has been mentioned by the Deputy Finance Minister in the other House, some sixty lakhs of rupees are coming to the exchequer. I could understand if they were in need of money and for which if they would have come with a taxation measure and said that Government was short of finance and so they had come with another measure of taxation and so the House must agree to it. That is another thing; we might have agreed or might not have

agreed to that taxation measure. But here is a thing which indirectly is a taxation measure because, in the name of rounding off, they want to collect more revenue. I do not know by what logic one anna will become ten naye Paise. I am not a genius in mathematics and as such I referred to that naye Paise calculator. But there it has been given that one anna is equal to 6 naye Paise and two annas is equal to 13 naye Paise, and I do not know how in the name of rounding off of existing stamp duties 6·25 naye Paise can be rounded off to ten naye Paise and not to five naye Paise. If the principle is to the nearest multiple of five naye Paise, then 6·25 naye Paise should be rounded off to 5 naye Paise. But by no stretch of imagination can ten naye Paise take the place of 6·25 naye Paise. So it does not behove our Finance Ministry to come here and to slyly pass off this taxation measure in the name of rounding off or squaring off. It was only yesterday we found the hon. Minister of Revenue and Expenditure giving so many exemptions from payment of even the Gift Tax, but here is a measure of indirect taxation affecting the ordinary people, which is being palmed off in the name of rounding off or squaring off of the existing stamp duties. It has been stated that nearly sixty lakhs of rupees are coming to the exchequer in the name of this rounding off, and I do not know whether tomorrow they will come up with another similar measure to square off this sixty lakhs of rupees to one crore of rupees by increasing the scope of the rounding off process.

The second reason they say is that because the State Governments have passed or are passing this measure they too have to fix it at the next higher stage in multiples of five naye Paise, that is, an anna at 10 naye Paise and not at 5 naye Paise. I do not understand what comes in the way of the Government fixing an anna at 6 naye Paise or, suppose they wanted to fix it at the next above naye Paise, even at 7 nP. That would have been the correct thing. Generally less than

half is always struck off when you are rounding off a figure. Likewise, from the figure of 6·25 nP. which is the equivalent in decimal coinage of one anna, ·25 should be struck off and it should be rounded off to 6. What logic is there in rounding off 6·25 to 10nP.? Also if the State Governments wanted this measure they themselves should have gone up with it and legislated under entry 63 of List II of the Seventh Schedule. The State Governments themselves could have introduced this measure and enacted it into law. If some of the State Finance Ministers wanted you to pull the chestnuts out of the fire for them, you could have said, "It is your business; you yourself should go on with it." but certainly not by such sly measures that take us unawares and that too on the last day of this Session. It seems as though you are trying to sneak through this measure. So I think this Bill should be given up. Also I do not understand what reason is there that one anna could not be rounded off to 6 nP. or 7 nP.

I hope the hon. Minister will give a cogent explanation to satisfy this House that this is an important measure and that it should be rounded off only to 10 nP. and not to 6 or 7 nP.

SHRI AMOLAKH CHAND (Uttar Pradesh): Mr. Chairman, I was going through the Statement of Objects and Reasons and wanted to check as to how far it agrees with the wording of the clause. The Statement says, "Consequent on the introduction of decimal system of coinage, it is considered necessary to amend the Indian Stamp Act...." It is also said in the same Statement, "It is also observed that in some cases the exact equivalent of the existing rates of stamp-duty in terms of the new coinage involve fractions of naya paisa which require to be rounded off." Sir, the principle of rounding off is like this. As we understand it, 11 naye paise is to be rounded off to 12, 5½ naye paise to six but what we find now is . . .

SHRI V. PRASAD RAO: They should have squared it.

SHRI AMOLAKH CHAND . . . that the duty has been increased. Now, Sir, Mr. Prasad Rao has referred to one anna, 6 naye paise being made into 10 naye paise. That is one thing. Probably the Minister will say that rounding off in this case means in multiples of 10, 20, 30, 40, 50, in fact in terms of 100 but, Sir, what I want to . . .

SHRI H. N. KUNZRU (Uttar Pradesh): That is not the ordinary meaning of rounding off.

SHRI AMOLAKH CHAND: I do not know what their case will be but I think probably this is the idea on which they have proceeded but I want to draw the attention of the House not to one anna but to half an anna. You will find in clause 2, Sir, that the proposed amendment is, "for the words 'with the duty of one anna or half an anna', the words 'with a duty not exceeding ten naye paise' shall be substituted". Where a man has been paying one anna or half an anna, he will have to pay ten naye paise, that is, the duty is not exceeding ten naye paise which again means that instead of paying 3 naye paise, the man will have to pay ten naye paise.

SHRI B. R. BHAGAT: Only five naye paise.

SHRI AMOLAKH CHAND: There is no five naye paise here. If you go through the Bill, you will not find anywhere the mention of five naye paise.

MR. CHAIRMAN: The Minister says that it is five.

SHRI AMOLAKH CHAND: Where is it given, Sir? Here it is given as not exceeding ten naye paise.

MR. CHAIRMAN: Not exceeding ten but it is actually five according to them.

SHRI AMOLAKH CHAND: It would mean five?

MR. CHAIRMAN: Yes.

SHRI AMOLAKH CHAND: It means that 3 naye paise is being increased to five naye paise. Instead of merely saying in the Statement that they are only rounding it off, if they had said and had given the reasons why this increase was being made, there would not have been any dissatisfaction and people would have understood this thing. I can understand the question. They would have consulted the State Governments. The State Governments are getting revenue out of this and so naturally it is all the more welcome to them if there is an increase on this score. The increase here will be to the tune of 67 lakhs of rupees a year but, then, Sir, somebody has to consider as to how far the poor people are going to be affected by it, the people who are dealing in small amounts, not exceeding twentyfive or fifty rupees, the poor litigants in the courts of law who deal in small money transactions and these people are going to be hard hit. Therefore, Sir, while supporting this Bill, I would suggest that this rounding off may become more rational later on.

DR. A. SUBBA RAO (Kerala): Mr. Chairman, I am really surprised as to why this Bill has been introduced. I could have understood if the hon. Minister had said in the Statement of Objects and Reasons that he wanted to increase the taxation but he has said that it is intended only for purposes of rounding off. We find in the clause that an anna or half an anna is to be converted into not exceeding ten naye paise. The quantum of duty which was half an anna before will become ten naye paise now and it has not been specifically stated that half an anna will be five naye paise. I want a clarification in this respect.

DR. R. P. DUBE (Madhya Pradesh): Clause 10 makes it very clear.

THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI): Clause 13 makes it very clear.

MR. CHAIRMAN: The Finance Minister says clause 13 makes it clear and Dr. Dube says that clause 10 makes it clear.

DR. A. SUBBA RAO: I can understand the argument that this Bill has been introduced for purposes of rounding off but why cannot this be rounded off to 6 naye paise or 8 naye paise? Is there some difficulty in calculation and is it then thought that it would be easy for purposes of calculation if we had it in multiples of ten, twenty and so on? This is quite easy and clear—I mean having six—because in our younger days we have studied the multiplication tables and six can be multiplied very easily. What I cannot understand is why this rounding off has been done from six to ten. After all, Sir, the object of this Bill is not to increase the revenue. I think it was mentioned in the other House that they would get only sixty lakhs of rupees out of this and that the Central Government will get only four to five lakhs while the rest will be distributed to the States. By increasing it from six to ten and from 13 to 15, you are after all going to recover about Rs. 60 odd lakhs. If you reduced it and made it into 5 naye paise the difference will be a matter of two naye paise only and there will not be much of loss in revenue, especially when the loss will be distributed to the States who get a share in the revenue derived from this source. You have given many exemptions in the form of gifts tax, etc., for respective people and you are also going to make good the loss of revenue of the States to the tune of about Rs. 172 lakhs. If it is distributed to the different States, they will have to make good another thirty lakhs more. This can very well be made good or else they can ask those people to raise taxes by direct taxation. So, I cannot understand the logic of this.

SHRI V. PARSAD RAO: There is no logic to understand.

DR. A. SUBBA RAO: Normally, it is the poorer strata of people who would use these one anna and half an anna stamps. When it comes to the question of stamps of higher denominations like four annas, Rs. 2½ or Rs. 3, there is no difference but when it comes to the question of a poor man, an ordinary man, the duty is increased. While the smaller denominations as it were are increased, the higher ones, the bigger ones are not taxed that way. There is no corresponding increase, so much so, the tax is more on the lower strata of people. I cannot, therefore, understand the logic behind all this. I would request the Minister to drop this Bill. If at all they do want this rounding off, let them round it off from 6 naye paise to 5 naye paise and give some relief to the poor. I hope the Ministry will take this into consideration and give some concession to the poor.

Thank you, Sir.

SHRI AKBAR ALI KHAN (Andhra Pradesh): Of course, much has been said about rounding off and so I will not say anything relating to the rounding off but I do feel, Sir, especially in the matter of one anna and half an anna that it is a direct charge and a direct liability on the people who really have too many difficulties and many things to look to. It would have been much better, for instance, in matters of litigation to have lessened the charge. I am one of those who would suggest that litigation should be curtailed as also the expenditure not for encouraging litigation but because it will be a denial of justice in certain cases. Some of these things that have come 12 NOON. in might add to their burden and for poorer people it might amount to denial, because these technical things sometimes have got a very fatal effect on the litigation also. I would suggest that a Select Committee be appointed. Let it go through in detail into all

[Shri Akbar Ali Khan.]

aspects of this question. Though *prima facie* it is very simple, it is, in fact very complicated and complex. That is my submission.

SHRI B. R. BHAGAT: Mr. Chairman, I very much appreciate the feelings of the House about the possible increase in the revenue as a result of this measure, but I would submit that the primary intention was not to levy an additional tax or bring about any increment in the tax rate or the yield. It was to bring about a readjustment in terms of the new decimal coinage. I would explain, firstly, with regard to the burden, the hon. Member said that it would act as a hardship on the litigants or his clients as he said.

SHRI AKBAR ALI KHAN: Not clients.

SHRI B. R. BHAGAT: The total increment in the tax yield so far as the Centre is concerned, as a result of this conversion would be estimated at roughly say, Rs. 3 to 4 lakhs.

SHRI V. PRASAD RAO: What is the total yield, either to the States or to the Centre?

SHRI B. R. BHAGAT: I am coming to that. So far as all the thirteen States are concerned, the total increase in the revenue would be about Rs. 60 lakhs or may be a little more. It is only a guess.

SHRI V. PRASAD RAO: One crore.

SHRI B. R. BHAGAT: But so far as we are concerned, that is the concern of the 13 Legislatures in the various States and as I said some of the States have already gone in for this conversion according to this rate. So far as we are concerned, and so far as the result of this legislation is concerned, the increase is only to the tune of Rs. 3 to Rs. 4 lakhs. So, even if you take the whole thing, it is not going to be such a heavy burden. I am only

emphasising that it is not our intention to have it as a back door taxation, because the intention is merely conversion of the new rates. Why we have followed it is this. The reason is really this. In the decimal system if we adopt any other multiple except five, it would defeat the purpose of simplicity and administrative convenience which the new decimal coinage enjoins upon its working. Some hon. Member suggested why not have six; somebody said why not have seven. Any other figure would lead to fractions, 3, 7, 6 etc. Six would mean multiple of three. It would mean printing of a large number of stamps, 1, 2, 4, 5, 6—any number of stamps. But we want to restrict it. Our idea is to bring the number of categories of stamps to the minimum. In the present scheme if we restrict it to five, we will have need only for four stamps—5, 10, 25 and 50—others are optional. There is no difficulty about 25 and 50 because we have exact equivalents. After the present four anna and eight anna stamps are exhausted, we will have 25 nP. and 50 nP. stamps. The only difficulty is about one anna and two anna stamps. Now, there were only two alternatives. The alternative was to have either multiples of five or multiples of ten. We would have also preferred to have multiples of five, because it was not the intention of Government to have back door taxation. We put it in a straightforward manner if we want taxation and increased revenue. Particularly this Government never fights shy of it. Even before the election we came with a measure of heavy dose of taxation. Then last year we had a heavy dose of taxation and we would not fight shy if it is in the interest of the nation or the national economy. So, I would beg of the House not to harbour that fear or any apprehension that we have come with a measure of back door taxation. The only thing is that we are convinced. Here also we have to take the States with us because they are the beneficiaries. They are the ultimate beneficiaries of this

revenue. Even this Rs. 3 or Rs. 4 lakhs increase in revenue that accrues out of this legislation will go to them. So, they do not want that there should be any reduction in their revenue, which the multiple of five would have meant. The only other alternative was to have the multiple of ten. I appreciate that in the lowest category one anna means 6.25 nP. and we have to pay ten nP. for this. Particularly I know the psychological obsession that hon. Members of Parliament may have, because when they go to cash their salary bill they now pay ten nP. instead of one anna that they were paying. That psychological value I do appreciate. But I would beg of the House to appreciate that this was something which could not be avoided and the balance of advantage is this. When we have accepted the decimal system of coinage, for a transitional period we have to bear with all this. It is our intention that the change-over should be smooth and after a time the psychological value in the change—the difference between 6.25 nP. and 10 nP.—will also be eroded. As far as the third point made by the hon. Shri Amolakh Chand is concerned, I think, that is as a result of some misunderstanding because clause 2 is legal drafting. My legal advice is 'not exceeding ten naye paise'. It is a device by the draftsmen or the legal experts. This includes even five which is made amply clear by clause 13 where it is said for the words, letters and figures "half an anna", "one anna", "two annas", "three annas", and so on substitute the figures "five naye paise", "ten naye paise", etc. So, that is very amply clear. With these words, I would commend this measure to the House.

DR. A. SUBBA RAO: I asked why it could not be reduced to 5 nP. from 6.25 nP.

SHRI B. R. BHAGAT: I explained about the reduction in revenue and a majority of State Governments was not prepared for that.

24 RSD—2.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Indian Stamp Act, 1899, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: We shall now take up clause by clause consideration. There are no amendments.

Clauses 2 to 13 were added to the Bill.

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

SHRI B. R. BHAGAT: Sir, I move:

"That the Bill be returned."

MR. CHAIRMAN: Motion moved:

"That the Bill be returned."

SHRI V. PRASAD RAO: The hon. Deputy Minister says that there is no intention to enhance the taxation. Yet they are going to collect Rs. 60 lakhs by this measure. It is always there is no intention on their part to avoid a discussion still there is no discussion. They do not have any intention to levy a tax, still there is a tax of Rs. 60 lakhs. They have an intention to introduce land reforms; still no land reforms come into existence. People are not worried about what the Government is intending. What is practically happening, that is what we are concerned with. They may not think that they are taxing, but still they are taxing Rs. 60 lakhs. That is a hard fact which is going to pinch. Secondly, he says it is not much of a burden. Perhaps it may not be a burden to a Minister or a Deputy Minister who is drawing Rs. 1,000 or Rs. 2000. But for a man who is drawing Rs. 30 or Rs. 40 this is certainly going to be a burden. For a common man whose average income is not more than a rupee a day, certainly it is going to be a burden.

The third argument that he has made out is that it is a very complex

[Shri V. Prasad Rao.]
 problem. There is going to be a sort of multiple things. After all life is not very simple, economy is not so simple. If Government are trying to oversimplify problems, they shall never be able to do it. In order to justify this measure, they are doling out all these arguments as though it is a very, very complex problem, as if printing 6 nP. stamps is such a big and complex problem, or printing 7 nP. stamps is such a very big and very complex problem. Now, also in the case of 4 anna, 8 anna or one rupee stamps no problem is there. It is only in the case of 1 anna, 2 anna and 3 anna stamps. Is it going to be such a big and complex problem that you are going to say that you are not for that taxation, and justify it by saying that there is no intention? We are bitterly opposed to it and we are opposed to this measure in whatever name they are going to bring it.

SHRI B. R. BHAGAT: Sir, I have nothing to add except to say that the hon. Member, because he has to oppose, does not see any validity in the argument.

MR. CHAIRMAN: Any logic in your argument.

SHRI B. R. BHAGAT: He says life is not simple, therefore you add more complications to it. He said, to make it simpler or to make it more convenient, this should not be resorted to. Basically, Sir, perhaps he does not accept the logic of decimal coinage.

SHRI V. PRASAD RAO: We do.

SHRI B. R. BHAGAT: It is true that conversion leads to certain anomalies. In some cases it may lead to certain anomalies, as it has done. I submit again that the intention was not to levy any additional tax.

(Interruption.)

SHRI V. PRASAD RAO: Why not decrease it in certain other cases?

MR. CHAIRMAN: The question is:

"That the Bill be returned."

(After taking a count) Ayes— 32;
 Noes— 15.

The motion was adopted.

REPORT OF THE UNION PUBLIC SERVICE COMMISSION FOR THE YEAR 1956-57

DR. NIHAR RANJAN RAY (West Bengal): Sir, I beg to move:

"That the Report of the Union Public Service Commission for the period 1st April, 1956 to 31st March, 1957, together with the Government Memorandum on the Report explaining the reasons for non-acceptance of the Commission's advice in one case during the said period, laid on the Table of the Rajya Sabha on the 9th December, 1957, be taken into consideration."

I am grateful to you, Mr. Chairman, for having allowed me and this House an opportunity to discuss the Seventh Report of the Union Public Service Commission and the Ministry of Home Affairs' memorandum on the Report.

In any democratic set-up, Sir, the courts of law and the Public Service Commissions, I believe, occupy a special place of prestige and privilege. While the courts of law are the guardians of the rights, privileges and prerogatives of the people, the Public Service Commissions are more or less directly responsible for setting the standards of ethics, efficiency and integrity of the civil services and civil posts that regulate the day-to-day administration of the affairs of our people. When therefore we the representatives of the people and the States are allowed to discuss the working of such Commissions, in this case, that of the Union Public Service Commission, in a responsible House like ours, we do it with a sense of respect and with the fullest sense of responsibility that a