

utilised portion of the loan is as follows:—

1-12-49 to 30-11-50	= \$ 97,323.02
1-12-50 to 30-11-51	= \$ 143,171.03
1-12-51 to 30-11-52	= \$ 135,031.20
1-12-52 to 31-5-53	= \$ 51,579.79
TOTAL	\$4,27,105.04

(iii) The total amount paid as Commitment Commission (Retention Interest) at $1\frac{1}{2}$ per cent. from 1st December 1949 to 15th August 1950 and at $\frac{3}{4}$ per cent. thereafter on the unutilised portion of the allotted loan is \$ 1,73,836.40.

(b) The total amount spent on the Organisation and adjusted upto the 31st March, 1953 is about Rs. 8,75,37,700. The figures are approximate because the accounts for 1952-53 have not yet been finalised and audited.

(c) (i) The total amount so far recovered from State Governments is Rs 1,36,90,093/14/-.

(ii) The total amount still pending collection is Rs. 4,88,28,335/1/-.

(d) The amount involved is Rs. 99,10,779. This sum is not included in the figure given in the reply to part (b) of the question.

PAPERS LAID ON THE TABLE

RAILWAY ACCOUNTS

THE MINISTER FOR FINANCE (SHRI C. D. DESHMUKH): Sir, I beg to lay on the Table of the House a copy of each of the following papers under clause (1) of article 151 of the Constitution:—

- (i) Appropriation Accounts of Railways in India for 1950-51 (Parts I and II). [Placed in Library. See No. U. a. (75).]
- (ii) The Block Accounts, Balance Sheets and Profit and Loss Accounts of Indian Government Railways, 1950-51. [Placed in Library. See No. U. a. (75).]

(iii) Balance Sheets of Railway Collieries and Statements of all-in-cost of coal, etc., for 1950-51. [Placed in Library. See No. U. a. (71).]

(iv) The Audit Report, Railways, 1952 (Part II). [Placed in Library. See No. U. a. (76).]

THE ESTATE DUTY BILL, 1953

MR. CHAIRMAN: Mr. Deshmukh to move the Estate Duty Bill.

SHRI C. D. DESHMUKH: Sir, I move:

"That the Bill to provide for the levy and collection of an estate duty, as passed by the House of the People, be taken into consideration."

Death duties in one form or another constitute an important element in the scheme of taxation of most progressive countries. That, I believe, is common knowledge. In fact, so far as our knowledge goes, such duties exist in about 43 other countries. In India, the imposition of such duties was recommended as far back as 1924-25 by the Taxation Enquiry Committee, and Government's interest in the matter may be said to date from 1936-37 when a Special Officer, the late Sir Alan Lloyd, was appointed who studied the whole matter and made recommendations. So far as my personal interest goes, Sir, I might say that it dates also from the time I had the privilege of assisting one of the Governments then and I had occasion to consider with Sir Alan Lloyd the suggestions he had made with regard to this question. Actually, the Bill to impose such a duty was introduced in the late Legislative Assembly in 1946. On the dissolution of that Assembly, this Bill in substantially the same form was again introduced in the Provisional Parliament in 1948 and was referred by it to a Select Committee. In their preliminary report, the Select Committee felt that two difficulties, which apparently they regarded as insuperable, lay in the way of further consideration of the Bill. The first was the

fear that the application of the Estate Duty Act would be well nigh impossible so long as the joint family under the Mitakshara system continued to be recognised by law as a unit for purposes of taxation. The second was that they considered that so long as the then Indian States remained outside the scope of legislation, there was every possibility of flight of capital to such States, if a duty was levied in what was then known as British India. But by the time the Select Committee submitted their final report in March 1949, the integration of the Indian States was in sight, so that the second difficulty no longer stood in the way of implementing this legislative proposal. As regards the first difficulty, they tried to steer clear of controversial issues by subjecting to estate duty the co-parcenary interest that ceased on the death of a member of a Hindu undivided family. With certain further changes in the Bill, they were able to make the necessary recommendations to the Provisional Parliament.

This Bill, as reported on by the Select Committee of 1948, could not however be taken up in the Provisional Parliament as its fortunes had somehow got tied up with those of the Hindu Code Bill, and it lapsed with the dissolution of that Parliament in 1952. The Bill which is now before the House is the one introduced again in 1952 in the House of the People and as modified by them.

Sir, the present Bill seeks to impose a duty on property passing on death and on property which is deemed to pass on death like the interest in the coparcenary property to which I made a reference a little while ago. At one time, there was a suggestion in the Provisional Parliament that a succession duty would be preferable to an estate duty. A great deal of attention was given to this point by the Select Committee of 1948 which came to the conclusion that in view of the practical administrative difficulties involved in the levy of a succession duty and possibly the smaller revenue which it might yield, the duty to be imposed should

be an estate duty, and that principle, Sir, has so far commended itself to everyone in authority who has considered this matter.

The Bill has been before the Parliament and the public for about seven years now. I shall not, therefore, take up the time of the House to go through its detailed provisions at this stage—we shall have it later—but shall confine my present remarks to the main changes in the present Bill from those in the 1948 Bill as reported by the Select Committee.

Sir, as the Council is aware, this Bill is based largely on the lines of the Estate Duty legislation as embodied in United Kingdom Finance Acts. Opportunity has been taken of incorporating in the present Bill some of the important changes made in the United Kingdom Finance Acts since our own Bill was originally drafted in 1948. These are confined to the charging clauses and the main changes will be found in clauses 11, 12 and 27. Therefore, in a sense, by the benefit that we have had of the experience of the working of this Act in the United Kingdom we have modified the Bill and we hope that we have been able to cover the loopholes of evasion in so far as they are known to the United Kingdom authorities.

Another important change is the incorporation of the rates of duty in the charging Bill itself. The Council may recall that the original idea was that the rates of duty should be imposed by a separate Act of Parliament. It was felt, however, that the incorporation of the rates in the Bill itself would make the law compact and remove such uncertainties as may exist in the public mind that the Government intended to come with the possible changes in the rates from year to year. Although the fact that the rates are contained in the Bill does not, by itself, prevent Parliament from changing the rates as often as it likes provided the initiative is taken by the Government.....

PROF. G. RANGA (Madras): It is always so.

SHRI C. D. DESHMUKH: That is the qualification, unless through a Resolution. Although that is the position, I might state—it is my personal view that it is unlikely that Government will suggest any changes in the next few years until sufficient experience has been gathered of its working in all aspects and until Government have formed some idea of its financial results as well as of its impact on the economy of the country.

The Council, will notice that the rates are fixed on the slab system and not on the step system as in most other countries. At a later stage, Sir, I shall explain in some detail the advantages and disadvantages of these two systems. But, I will mention here that we are familiar with this system—the slab system—because we have this for purposes of our Income Tax also.

The Council will also observe, and I hope agree with me, that the rates proposed are on the side of moderation. Because of the high exemption limit, actually the effective rate—and that is the important point—that is to say, the average rate that works out on the total value of the estate is lower than that in the United Kingdom in respect of small properties, while in the higher slabs the rates have not been fixed so high as to encourage evasion or to be a possible disincentive to savings.

Another important change is in the exemptions allowed over and above the ordinary exemption limits. In the old clause corresponding to the present clause 33, Government were to be given only a general power for exemption or reduction in rates and no details were specified. Objection was taken to such wide powers being vested in Government and I think rightly. So in the present Bill this power has been retained subject only to certain conditions, and in addition we have specified certain exemptions, as for instance, books not intended for sale, wearing apparel, small gifts made shortly before death, etc. There is an important exemption made in respect of moneys deposited or insurance effected for the payment of estate duty

up to Rs. 50,000. Therefore we hope that the collection of estate duty will be greatly facilitated.

Also, Sir, the provisions of this Bill have been liberalised in other respects. For instance, quick succession relief to the extent of 100 per cent. of the duty is to be given in case the second death occurs within three months. Unlike the old clause, the exemption given to the interest of a Hindu widow dying within seven years of her husband's death is not confined to Hindus governed by the Mitakshara law but has been extended to all Hindus. Provision has been made for the deduction from the estate duty payable of court fees paid for obtaining representation to the estate of the deceased and there is no limit to this, unlike the original Bill. A specific provision has been made that in the case of duty payable on immovable property, eight instalments can be claimed as a matter of right by the person accountable. There are certain minor provisions also to which I do not propose to refer at this stage.

Another important change to which I would like to refer is the duty payable by foreigners. The Select Committee of 1948 had suggested a provision by which persons who were "resident" within the meaning of the Income Tax Act would be deemed as domiciled in India for purposes of estate duty. But according to the present Bill, 'domicile' of a person shall be determined as if the provisions of the Indian Succession Act, 1925, on the subject, applied to him, and this appears to be consistent with the corresponding Acts of most countries. A provision has, however, been made that in respect of—and this is an important provision—shareholders of companies which earn more than 50 per cent. of their profits in India, a flat rate of duty would be charged on the passing, by death, of the property consisting of such shares. The liability for payment of this duty is imposed on the company so as to ensure recovery. There is a similar

provision in the Acts of one of the Australian States—I think New Zealand.

The only other changes I need refer to are those relating to the administration and operation of the Act. In the old Bill, detailed provision had not been made and the assessing authority was Central Board of Revenue. The only provision was that the Central Government could empower any officer or authority to discharge the functions of the Board in respect of any specified matter. The opinion, belief or state of mind of that officer or authority was to be deemed to be that of the Board. Now, this position was, on reflection, found to be unsatisfactory. In a vast country like ours, it is not possible for the Board actually to determine and collect estate duty, and a provision like this would have been very inconvenient to the persons accountable for the payment of estate duty. It would have been equally difficult for Government to find officers spread all over the country who would have the same opinion, belief or state of mind as the Board. In the present Bill, therefore, Controllers have been authorised to levy estate duty, but the ultimate responsibility of the Board in the matter of assessments is emphasised by a provision that appeals from the orders of the Controllers would lie to the Board. Now, so far as appeals to courts are concerned, the provision remains the same in respect of points of law. As before, points of law can be referred to the High Courts or to the Supreme Court by the Central Board of Revenue. But in respect of valuation, the provision is slightly different. Under the old Bill, a reference had to be made to the High Court who would hold, or cause to be held, an enquiry and record a finding on the matters in issue. It is now provided that in matters of valuation, the question need not be referred to the High Court but should be referred to certain qualified Valuers, a panel of which would be nominated by the Government. Provision has

been made for the appointment of one Valuer by the assessee and one by the Board and, in case of difference of opinion, for arbitration by a third Valuer. Now, it seems to us that this is a satisfactory scheme for matters of this kind which must be decided on the basis of expert opinion. Now, there are other provisions relating to taking of evidence on oath, appearance of representatives of accountable persons, arrangements with States to supply information, service of notices, etc.

Sir, I shall not take any further *time of the House in going over the* details of the Bill, because we shall have to discuss them. They will come up in due course, but before I conclude, I should ask the Council to consider this Bill from the point of view of the two objectives we have in view. Firstly, it is a step in the direction of reducing the existing inequalities in the distribution of wealth. Our second object is to raise some revenue for distribution to the States and thus assist them towards financing their development schemes. While I cannot claim that this Bill will achieve these two objects to any significant extent, I am satisfied that as a first step this measure is both fair and adequate. Sir, with these words I move.

MR. CHAIRMAN: Motion moved:

"That the Bill to provide for the levy and collection of an estate duty, as passed by the House of the People, be taken into consideration."

SHRI B. C. GHOSE (West Bengal): Sir, as the Finance Minister may be aware, we, meaning the Praja Socialist Party, are completely in agreement with the objects of the Bill. We lend our support to the Bill. Our quarrel, if any, is with the pace of the Bill.

SHRI K. P. MADHAVAN NAIR (Travancore-Cochin): Have you any quarrel?

SHRI B. C. GHOSE: Yes, I am stating them. We consider the measure...

KHWAJA INAIT ULLAH (Bihar): That is by habit. (*Interruptions.*)

SHRI C. D. DESHMUKH: If any, you said, is it not?

SHRI B. C. GHOSE: Yes, if any. I am just specifying now. We consider the Bill a timid measure and that it does not go far enough. It bears upon it the label, if I may say so, which is characteristic of all other Government measures—too late and too little. Whether the question at issue or the problem is Andhra or cottage industries or unemployment or the estate duty, it is always too late and too little. The Finance Minister, I believe, stated in the other House that it was a milestone on the road to social democracy. If it is, it is not a very notable one. We might consider a progressive income tax or a higher duty on luxuries also a milestone on the road to social democracy. There may be, of course, difference in degrees, but I submit, Sir, that they are not very significant. The object of the Bill, as the Finance Minister himself said, was twofold, first to reduce existing inequalities and secondly to make available to the States resources for development. I am glad that he himself recognises that this Bill does not make any significant move in that direction.

SHRI V. K. DHAGE: (Hyderabad): Only in the second direction, Sir.

SHRI B. C. GHOSE: In neither one, because, in so far as reducing inequalities of income is concerned. I do not believe that he can claim that it would, to any very significant extent, by itself, reduce existing inequalities. The experiences of the other countries do not substantiate that proposition. And what would be the yield of the duty? Of course, the Finance Minister has not had any estimate, but his greatest supporter, who has often been described as a wet nurse or a godmother or a godfather, has put in an estimate of Rs. 10 to 12 crores. Even if we accept that estimate at about Rs. 10 crores, I

do not think that a yield of Rs. 10 crores is going far towards reducing existing inequalities. So, let us not delude ourselves by thinking that we are having a very far-reaching measure which will go a long way towards reducing inequalities. And, as far as the question of financing development expenditure is concerned, the same observations apply more or less, because the amount to be collected is not very large; it cannot make any significant contribution, although I readily admit that however much may be collected, or whatever amount may be collected, will go certainly towards assisting that objective. There is one point in this connection to which I should like to draw the attention of the Finance Minister. The proceeds of the duty will be available to the States. But it does not necessarily follow that the amount collected within any State will go to that State's exchequer, because the principles of distribution will have to be determined by Parliament. So, it does not necessarily follow that whatever will be collected from a State will go towards augmenting the revenues of that particular State. If it were so, even then there would have been one uncertainty so far as augmentation of State revenues was concerned, namely, that it was not a very dependable source or a certain source of income. It depends on the exigencies of nature, on death. So, even if it were stated, that the revenues would be available only to the particular States, they could not have any definite idea as to what would be the amount available year to year, on which they could frame their budget in regard to this duty. So then I do not think that the States would take into account this duty while framing their budgets, even if the whole of it were appropriated to them, because the source is uncertain. But if, as it should happen, the Parliament will decide on some principle which will make available to all States some certain funds—on principles which can be made universally applicable, for example, if the distribution is made on a population basis—then wherever the revenue may accrue, all the States may share in that revenue.

I should like to make one suggestion here to the hon. the Finance Minister. It has been suggested already that the funds collected through this duty should be utilised for development, and particularly for capital development purposes. Now I find that whatever moneys is being allocated by the Centre to the States by way of loan, the question of getting that money back is rather difficult. The States have not as yet provided any amortisation fund, and there is a general impression that the amounts which were taken by way of loans from the Centre need not be returned.

SHRI V. K. DHAGE: That is what the Deputy Finance Minister said.

SHRI H. N. KUNZRU (Uttar Pradesh): The Home Minister also suggested that.

SHRI B. C. GHOSE: So, could I suggest to the Finance Minister that the proceeds of this duty which will be available to the States might be earmarked for this purpose? I know that the Finance Minister has no authority because the revenue belongs to the States. But he might bring his influence to bear for earmarking the proceeds of this duty towards the amortisation fund, towards the payment of loans taken from the Central Government, because in that case, these funds will really be available to the Finance Minister or to the Government for purposes of development.

Sir, a lot has been said in the other House and also in the press about the effects of this duty on capital formation. I should like to agree with the Finance Minister that it will not have any very adverse effect on capital formation. These death duties have been in existence in other countries and they have not very much adversely affected capital formation. If we accept a mixed economy, as we have done here, the death duties appear to be a very helpful source of income, and this has been accepted by almost all countries. I was reading only the other day in the Economic Bulletin for

Asia and the Far East for January-June 1952 (No. 52) an observation made to the following effect:

"Low taxes on undistributed profits....."

I am not sure if the Finance Minister has provided low taxes for undistributed profits in this country, but anyway there it is said:

"Low taxes on undistributed profits, high taxes on distributed profits, and high death duties are a combination which may reconcile the desire for a mixed economy with distaste for building up private fortunes."

I believe that will be found acceptable to the Finance Minister. But it is really not this estate duty which may act as a retarding influence on capital formation. I believe that experience of other countries cannot be readily made applicable to the position in this country. I feel, Sir, that capital formation in this country will suffer, but not because of the estate duty. It has been suffering for various reasons. It appears that the private sector is not showing much initiative and enterprise. Its standpoint is that the general climate in this country i.e. the laws of the Government which have been introduced, particularly the labour laws and the labour policy,—I am not supporting what the big businessmen say, but I am stating their case,—they say that that is not conducive to undertaking any schemes of expansion. Now, it is in that general climate that this estate duty may also add some retarding influence. But the conclusion to be drawn from that is this, that whatever the Government may think, it would not be desirable on our part to depend a lot on the private sector for development. The private sector, for whatever reason—I do not support the reasons that they adduce, but for whatever reason it may be, the private sector—is not showing much enterprise.

I believe the Finance Minister also recognised that fact, because, if I am not mistaken, he said something to

[Shri B. C. Ghose.]
that effect in the other House, viz. that he did not expect capital formation, as we progress, from the wealthy. He has said:

"I do not expect capital formation, as we progress, from the wealthy. I expect capital formation which, in its essence, is saving from the common man for the good of the common man."

I could not understand the significance of the second sentence. I do not see how the common man can save too much. I take it that he can only save when he has control of the means of production. Those who will have control over the means of production will also have the means of having savings. Therefore, I think it is necessary, under the conditions as they exist in this country today, that we should increase schemes of socialisation. I do not think that Government, under the existing conditions, have any other alternative but to take recourse to increasing socialisation of our economy. What should be the pace of that socialisation, will be a matter of difference between the Finance Minister and ourselves, but I do not think that he will object to the general proposition I have stated. There may be a difference of opinion only as regards the pace.

AN HON. MEMBER: What is your pace?

SHRI B. C. GHOSE: My pace is that firstly we must nationalise banking and insurance because these are the sources or avenues from which developmental finance can be found. If these are controlled by a Government which means business, we can go ahead with our schemes of development. At the moment, we find that the private sector has not lived up to the expectations that we had of them, and that is why probably we find that there is recession in our economy at a time when there has been no recession in the world outside, although it may be coming later, and when it comes, it

will certainly aggravate the situation in this country. Sir, these are some of the general propositions that I wanted to make.

Coming to the Bill itself, there are only just a few points that I want to make now, as unfortunately I shall not be present here when the discussion on the clauses takes place. Now, the most controversial issue has been with regard to the appointment of an Appellate Tribunal. I am sure I shall not be able to convince the Finance Minister, but there is no harm in trying, because if we fail, we should try again. I do not think he is hard-hearted but would be amenable to reason.

SHRI C. D. DESHMUKH: Not hard-headed.

SHRI B. C. GHOSE: He conducted himself with exemplary patience in the other House which drew encomiums from all sections of the other House and I am sure that the position will be the same in this House also.

PROF. G. RANGA: Your compliment has gone home.

SHRI B. C. GHOSE: Now, the importance of the Tribunal is in view of the very large powers given to the Controller. The Finance Minister had adduced various arguments in support of his proposition. I have gone through them. It appears that he is not convinced by the arguments of the Opposition, and I am not convinced by his arguments. He gave arguments not only in favour of his proposition but he also gave, if I remember correctly, the Opposition's point of view to his arguments. It might be argued, he said, that because there was an Appellate Tribunal, therefore the cases have gone down. It might be argued both ways. He said that in respect of the cases taken to the administrative authority for revision, the number of cases which have succeeded had been large, but the question is as to what extent they have succeeded. If only Rs. 2 or Rs. 10 remission has been given, that is also a successful appeal.

The total number really is not very significant in those cases. Under another section of this Bill very large powers have been given to the Controller. Gifts must be *bona fide* gifts. There is a lot of controversy over this word 'bona fide', and I do not myself understand the necessity for having that word in section 9 and also under section 10 "Gifts whenever made where donor not entirely excluded." The value of the property will be what in the Controller's view is the market value of the property. I understand expert legal opinion is that whatever the Controller considers to be the market value cannot be contested in a court of law. So, it would have been advisable if a provision were made for an Appellate Tribunal as was done in the original Bill of 1946 or 1948. One other reason for suggesting a Tribunal was that it would help the poorer sections of the people. That argument has also been advanced before. It is not a new argument, because everybody knows that it is easier for the rich to come to some sort of arrangement, unfortunately, with officers for a revision in their favour, but the means is not available to the common man. I am aware that the Finance Minister had referred to this question and had said that the problem of honesty in the cadre was also causing him considerable worry and that he hoped that there would not be any cases of that nature. But I feel that the position is not the same in this country as, for example, in the U.K. with which he always equates us. The experience of the two countries cannot be equated, because if you take the official cadres in the two countries, you will realise that they are not the same. So, considering the existing circumstances in the country, the provision of an Appellate Tribunal would have been more helpful so far as the common man is concerned. So far as the rich are concerned, even under the existing system, they fare well. So it is only on the ground of helping the middle class men that this Appellate Tribunal was asked for.

PROF G. RANGA: He has agreed, has not he?

SHRI B. C. GHOSE: That is only in respect of law but not in respect of facts.

SHRI V. K. DHAGE: Both law and fact.

SHRI B. C. GHOSE: I am sure the hon. Finance Minister will not accept any of the suggestions in this House. If he does, the other House will have to be kept in session. Since the other House will have been adjourned, there cannot be any changes introduced here, unless they are willing to have this Bill passed in the next session. But I am not suggesting that they must here and now accept our amendments, because I feel that that is not possible. But I would like the Finance Minister to consider the suggestions that we may put forward. If he is convinced of the soundness of our arguments or if he feels that the position he has taken up so far should be reversed, he might bring in amending measures in the next session and give relief to the common man. Sir, as I said, I do not want to go into details. We are wholeheartedly behind the Finance Minister in this Bill. Our only grievance is that he has not gone far enough.

KUMARI SHOILA BALA DAS (Orissa): Mr. Chairman, Sir, the unique character of the Bill inspires me to speak a few words. Before I begin, I wish to congratulate our Finance Minister on having piloted this Bill so ably in the House of the People and on having brought this Bill to this House. Though this Bill has taken a long time to travel to this House, still I feel that it is better late than never and the Finance Minister has earned our thanks. Those who know our Finance Minister, I am sure, will agree and will appreciate the truth of my saying that he is most zealous of his exchequer. He is never satisfied unless he is satisfied that his exchequer is full. Therefore his calculative brain always finds out new sources, if I may say so, a new avenue to collect revenue for his exchequer. Look at the taxes that we have to pay him—Income-tax, Super-tax, Sales Tax, Excise tax and

[Kumari Shoila Bala Das.]

various other taxes too numerous to enumerate. Not only that. We have to satisfy him by paying taxes on our daily food. But one thing is in his favour and that is that he is most generous in exempting the Members of Parliament from assessing any tax on the speeches which we make on the floor of this House and for this act of generosity we are very thankful and grateful to him. But, Sir, he is never satisfied. He wants his exchequer to be full. Therefore only the other day he has taken a loan of Rs. 75 crores but it has not satisfied him and now he wants an Estate Duty. During our life-time we try to satisfy him by paying all sorts of taxes and now when we die, he does not like that we should escape him.

AN HON. MEMBER: You must try not to die

KUMARI SHOILA BALA DAS: He does not wish that we should escape him and therefore out of the life's hard earnings that we accumulate, he wants a share from our successor after our death. This imposition I call as Death Duty. Whether living or dying we must satisfy our Finance Minister.

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): And get certificate for Heaven.

KUMARI SHOILA BALA DAS: But for this we should not grudge to pay him and for this reason, I whole-heartedly support this Bill

Now, Sir, he said that the principal object of the Bill is two-fold, one of which is to find funds for the development of the country. I don't know how far this objective will be reached. It will be seen by the progress made hereafter. The second objective is, as he said, that he wants to bring down the rich people to the level of the middle-classes. Here also I find perhaps he will be a little disappointed. But he has not mentioned the third objective which I find is—I may be

mistaken—to do away with the joint family system.

Now, Sir, though this Bill has taken a long time to come to this House, yet there were people such as landlords, ex-Rulers, business magnates, and rich people who knew that the Bill was coming and I presume, Sir, that they have taken good care to remove their valuable movable properties in the shape of hard cash, gold, jewellery and other valuables to foreign countries, and our Finance Minister will not be able to tax them because they are beyond his reach and other people possibly have taken their valuable properties underground, and even the expert of Government surveyor will not be able to lay his hands on such properties and our Finance Minister may be disappointed in not getting the maximum from the rich except on the immovable property. As regards the levelling of the various classes of people, you all know that the rich will never come down to the level of the middle class people. They know and they are quite expert at dodging and evading the law. Therefore our Finance Minister will not be able to do much with them but the real hardship will be felt by the middle class people and by the members of the joint families

10 A.M.

Sir, I have not gone through this Bill as I should have done because this Bill I got only yesterday and therefore I will not go into its intricate points. I will only make certain general observation. For the purpose of the administration of this Act we find there are authorities and the Finance Minister mentioned that they were the Controller of the Estate Duty and a Board. Now I would like to say a few words about this authority. You all know that when a person dies, if he leaves some valuable property and when the Estate Duty is imposed by the Controller of Estate Duty, there may be hardship felt by the successor. He may not be satisfied with the assessment made by the Controller. He would like to have a rebate. Therefore I find that in the Bill there is pro-

vision saying that appeals can be made to the Board. But, Sir, you all know that the Board and the Controller of Estate Duty form the two links of the same machinery and as such, the necessary relief may be found very difficult to obtain at the hands of the Board. Then there is another thing, that when a person is thus affected, he can move the High Court or the Supreme Court. But it is well known that such courts will not or may not entertain the questions involving only facts. They generally deal only with questions of law and therefore here also the necessary relief may not be found by the successor. So what is he to do? He must have confidence in the authority and at the same time he must have justice. Therefore may I suggest that the formation of an independent body like the Tribunal of the Income-tax Department which can really function without let or hindrance and they will not be influenced by any outside influence. Therefore if such a body is formed, I am sure people will think that they are going to have justice. It is not sufficient that justice has been done but, Sir, it is essential that the person who has to pay the taxes must be made to feel that justice has been done and this can only be provided by an independent body like the Tribunal.

Now, I wish to say a few words about the valuers. I find the valuer will be an independent person. So far so good. The valuers will be needed for the purpose of valuing the immovable property only. Without valuing the immovable property, the Estate duty cannot be levied. May I make a suggestion here that instead of a valuer, if you take the market value of such immovable property situated within a municipality or Corporation or Local Board and fix at 10 times, or 15 times or even 20 times the latest value of such property as fixed by the Municipality, Corporation or Local Board—if this method is adopted, there will be no necessity to have a valuer, and besides, if you have a valuer his opinions will always be subject to dispute in the law courts.

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Therefore, I submit that if this measure is adopted then much unnecessary litigation, waste of time and money on both sides, and nepotism, corruption and bribery could be eliminated.

It further strikes me that if a valuer values the property at a certain value and if the person who is responsible for paying the duty fails to pay it, when it becomes necessary that the property should be sold. But as you know, Sir, when a property is sold, you can never get the value put upon it by the valuer, by selling the property. Here, I may give you a concrete case in which I was personally interested. A property worth Rs. 5 to Rs. 6 lakhs had to be auctioned. It became necessary that that property should be sold in order to pay the dues. This property was valued at about Rs. 5 lakhs by the Government. But when it was auctioned, you would be surprised to hear that it fetched only Rs. 50,000. Why? Simply because there was no person to bid more, there was no money to buy this property. Therefore you must remember this common feature that the value of a property rises and falls according to the circumstances prevailing at the time and the circumstances of the seller and the buyer. And in this case, when the property has to be sold for realising the estate duty, naturally the value of the property will go down. The owner will never get the price fixed by the valuer. Therefore, it is better that when Government wants the estate duty to be realised on the property, the Government themselves should buy the property and pay the estate duty which they charge on it and pay the balance to the owner of the property.

Next I would like to say one or two words about gifts. Clauses 8, 9 and 10 of the Bill deal with gifts and there are two kinds of gifts for which time-limit has been prescribed. I would like to say that on gifts for charity, there should be no time limit.

[Shri M. C. Shah.]
and no estate duty should be levied on such gifts.

SHRI RAJAGOPAL NAIDU (Madras): Yes, if they are *bona-fide* gifts.

KUMARI SHOILA BALA DAS: We all know, Sir, in our country many people on their death-bed give away large sums of money as gifts, for the improvement of the village, for creating endowments, for the establishment of colleges and schools, hospitals, Dharmshalas and so on, and if an estate duty is extracted on the charity of his predecessor, it will create hardship for the successor. Government realises that it is its primary duty to establish colleges, schools, hospitals and other such institutions. So when a private individual makes a gift for the above-mentioned charitable purposes, the Government should welcome the move in that direction and should not levy any taxes on such a charity, simply because the man died before six months were over. Therefore, I again leave it for the consideration of the hon. Finance Minister whether it is desirable that he should levy any tax on a charity of this nature and I also suggest that there should be no time-limit for them.

In the case of relatives, I find that if any person dies before 2 years then he need not pay any estate duty. But as we all know, men are very fond of their money and, therefore, during their life time they do not wish to part with the money. They want to give a large share of it to their relatives and they do it in their will. But they do not know when they will die and so they do not do it early enough. Therefore I put it to the hon. Minister that the time-limit should be curtailed and instead of 2 years, the period should be fixed as one year. I do not know whether he is going to accept my proposal, but all the same, I would like to say what I feel about it.

Then I find that residential houses are included for the determination of

estate duty and this, I feel, is not fair. I feel that the residential houses should be absolutely excluded for the purpose of computation of the estate duty.

KHWAJA INAIT ULLAH: Up to Rs. 1 lakh it is excluded.

SHRI M. C. SHAH: The exemption limit is Rs. 1 lakh, including residential houses.

KUMARI SHOILA BALA DAS: You know many middle-class people build their house for the purpose of living and when they die—I refer to middle-class people—they hardly leave any cash or anything for the successors, and many people find it difficult to live in the big house and they generally let it out, certain rooms at least, to pay the municipal taxes and also in order to maintain the family. The hon. Finance Minister wants to extract the estate duty on residential houses above the valuation of Rs. 1 lakh, because he has given the exemption limit as Rs. 1 lakh, not for residential houses, but for all. Therefore, if the value of the house is above Rs. 1 lakh and the person has no money to pay the duty, then what will happen? The House must be sold or be mortgaged to pay the estate duty. But what will happen to the family? They will be rendered homeless and be stranded on the road. Is it the intention of the hon. Finance Minister that these middle-class families should thus be stranded on the road? I am sure that is not his intention. Therefore, I am putting it before him and I am suggesting that residential houses should be exempted from this tax. But at the same time, Sir, I feel it will not be fair for him and for me to ask him to exclude all residential houses, because residential houses are of different values. So I would like to propose that residential houses up to the value of Rs. 1 lakh should be exempted so that people who have got no money, but have their residential house can let out some of the rooms and also live in the house.

There are also, I find certain minor exemptions given. I was especially pleased to find that the Finance Minister has fixed an exemption limit of Rs 50 000 for joint Hindu families and for others he has raised it to Rs 1 lakh.

That is a great change that I see. Then, there are certain exemptions and I do not like to talk about all excepting about the burial. The Christians, as you know, bury their dead, and for that purpose, Sir, a plot of land is required where the body can be interred. In towns, the price of land has gone up very high and to get a plot of land you have to pay very high prices. The place where you bury your dead must be a pucca grave and that also costs money. After a year, you may want to have it properly made by putting marble slabs all round or putting mosaic work and a cupola or some small monument. All these cost much. Therefore I leave it for the consideration of the Finance Minister as to whether he could possibly increase the burial expenditure at least by a thousand rupees more.

Then, Sir, in clause 55, I find that all persons having property shall deliver an account to the Controller of all his movable and immovable property in respect of which Estate Duty is payable within six months. Sir, I think this requires a little change because many illiterate persons who are required to pay the duty will be unnecessarily harassed and penalised by the Controller and there will be no end of explanation in law courts simply because of the ignorance of the people about the rules of the estate duty. Therefore, Sir, instead of the people being asked to give an account let the duty be cast on the Controller to issue notices to such persons who have property and who are liable to pay estate duty the information about which, Sir, should be provided to the Controller by the Officers of the Thana or by the village officers. In these offices, there is a register and, not only that, Sir, these officers

in the villages know all about the people who are under their jurisdiction. Therefore, Sir, it is much better to cast the entire duty on the Controller.

I find that the time given for filing the return is six months. Sir, I would like that to be curtailed, let it be only sixty days. If you give a long period, Sir, then many of the movable property may go underground. Therefore it is better that the time is curtailed to sixty days.

I have only one or two words. I find that the penalty clause is very light. If the Finance Minister wishes to have the full revenue extracted from the rich people, then Sir, I would ask him to make the penalty clause heavy and more effective. What is a thousand rupees as double duty to the rich people? It is a mere drop in the ocean. If the penalty clause is such that if any person makes a false declaration or gives false accounts he would forfeit half of his property, you will find, Sir, that there would be no such false accounts. Here I would quote a case. Sir, in Orissa, there was a ruling chief. He was most conservative and orthodox, he would have nothing of British ways in his State but he was a hard taskmaster and it was a rule of his State that any person plucking a green mango or ripe mango from a tree would be jailed not only for that mango season but for another mango season and he must undergo rigorous imprisonment. You may say that it is very hard punishment but look at the effect it had. A friend of his asked him why was so hard on his tenants. The answer was, look here, I have got 10 to 15 thousand mango trees in my State. They do not bring any revenue to my State and if I have to keep watchers to watch these mango trees it would cost me much. You know the mango is the most delicious and nutritious fruit and helps the tenants to keep their bodies quite fit. But, if these are plucked when they are quite green, 'then my tenants,' he said are prevented from getting nourishing food. Therefore, I made this rule.

[Kumari Shoila Bala Das.]

I have told my tenants that they can take away all mangoes which are falling from the trees". You would be surprised that even a merchant from the town used to come, collect the mangoes falling and then sell them in the market and he was not charged any duty. But, the Ruling Chief was very strong on this point that if anyone plucks a green mango, he would be jailed. The Chief told his friend "Do you know how many I have jailed within the last ten years? Only two persons because the punishment is severe; it naturally prevents people from doing the same thing again". Therefore, Sir I say that if our Finance Minister wants to collect the revenue, he should be very strict; he should increase the punishment by putting it in the Bill that if any person makes a false declaration or false affidavit, he will forfeit half of his property; if he does that, he would find, Sir, that there would be a check. If you don't, and if you do as it is in the Bill, it may be just like black market and you will have another set of people enriching themselves.

There is one more thing, Sir, which strikes me. It strikes me, in the nature of things, that when a return is to be given, you will find that much valuable property will not be accounted for and, to that extent, therefore, the Government would lose its revenue. May I ask the Finance Minister whether he would not make a law that all persons having assets over a sum of Rs. 75,000 or one lakh of rupees should file a wealth statement during his life time and any appreciation or depreciation, addition or subtraction from this property should be made known to the Controller from year to year so that the Controller may find it easy to get the revenue collected?

I will not take much of your time. You have been very patient and you have given me a patient hearing. I leave all the intricate points for my colleagues who are, I am sure, very capable and they will be able to deal with them more ably than I could do.

SHRI C. G. K. REDDY (Mysore):
No, no.

KUMARI SHOILA BALA DAS:
But, Sir, before I sit down, I wish to say once again that I support this Bill wholeheartedly and I wish that our Finance Minister will be able to have a free passage for this Bill in this House.

With these words, Sir, I sit down and I thank you for the opportunity.

SHRI S. N. MAZUMDAR (West Bengal): Mr. Chairman, I agree with my hon. friend, Mr. Ghose, that the Bill is too late and too little.

[MR. DEPUTY CHAIRMAN in the Chair.]

This Bill is long overdue in our country and that is admitted by all sections, even by those who are going to be most affected by it. The hon. the Finance Minister, in his opening speech, has given the history of this measure in this country and those who are going to be most affected by it have also prepared themselves for it.

Sir, I shall mention before the House a comment that appeared in the 'Commerce' in April last which will show how they had prepared for it. The 'Commerce' is supposed to be the spokesman of British capital in India. On learning that the consideration of the Bill has been postponed the commentator wrote in the Commerce, "I do not know if the short respite offered to the moneyed classes and the business community is to be welcomed even by those who are most directly affected by it. Sometimes the prolonged suspense of a standing menace is more unnerving and more painful than the sharp edge of the guillotine descending in one clean, swift stroke and putting an end to the agony" That means that they were fully prepared for it. Sir, in this connection it will be interesting to mention if we take the reactions of the 'Commerce' in a chronological manner from April upto now how it

has reacted and how it has tried on occasions to coax and cajole the Finance Minister and how on another occasion it raised its voice against his proposed measure. When it learnt that the Bill was suddenly going to be introduced in the House of the People last session, then it poured heaps of praise on the hon. the Finance Minister that it was he who had stayed this Bill so long, who has exerted his influence on the side of moderation on all these things. But later on when in this session the debate started and when the hon. the Finance Minister countered the argument that this measure was going to obstruct capital formation, then the Commentator of the 'Commerce' was a bit angry with my hon. friend but then again when the rates of duty were published they were very satisfied. However, Sir, I do not like to dilate upon it.

Sir, the opponents of this Bill—though now there are no opponents who try to oppose it frontally—tried to depict this measure as a socialist measure and some enthusiastic supporters of this Bill in the other place also tried to depict this as a socialist measure. Also my hon. friend in his opening speech, though he did not characterise this as a socialist measure, said that it is a step in the direction of removing inequality in the distribution of wealth. Sir, I deny that because it is nothing of the sort. The countries where this estate duty has been in operation and particularly the country whose example has been largely drawn upon by the drafters of this Bill are capitalist and Imperialist countries, there extreme inequalities in the distribution of wealth continue even after nearly a century of the imposition of the estate duty. It is in fact a capitalist measure and so far as my understanding of the Estate Duty Bill in the United Kingdom is concerned, its sharp edge was directed mainly against the feudal form of property. Still I do not quarrel because it is a capitalist measure. In spite of its being too little, in spite of its being a hasty and halting measure, in spite

of its limitations, in our country I would say that it is a progressive measure. So from that point of view I offer my support to this Bill. Of course I am going to criticise my hon. friend for not going far. I shall explain this later on. In our country the economy is a semi-capitalist and semi-feudal economy with preponderance on the feudal side still continuing. It is necessary to put some curb on that property. It has been argued by the opponents of this Bill that this is going to affect capital formation but that has been answered by my hon. friend the Finance Minister and it is also a fact that in our country where even now wealth is being hoarded and made immobile, being hoarded in jewellery, precious stones, gold and other such things, the obstacle in the way of capital formation is the existence of this system which allows wealth to be hoarded in a manner which is not beneficial to the economy of the country. Secondly it is a fact and it has been admitted by all sections that capital in our country mostly comes from the savings of the middle-class people and it is a fact that this Bill is not going to hit the middle-class people severely. In that case we would have opposed it because we want that the middle class people should not be hit severely. Though we criticise this Bill as going too little still by that we do not mean that inequality in the distribution of wealth should be done away with overnight or that all property-holders should be wiped out. It is well-known that as for ourselves we stand for the confiscation of feudal property and the confiscation of foreign capital. Now I am not going to bring that controversy here and it is not necessary in this context. What we want is that this measure should be directed mainly against those two forms of property. They should be made to bear the burden of this duty and so that will not obstruct capital formation in any way but it will rather help the process of capital formation in this country by dragging out that hoarded wealth, by dragging out the wealth that is lying-immobile in the hands of the people.

[Shri S. N. Mazumdar.]

Most of the people made their property by exploiting and looting the poor people for generations. If my hon. friend the Finance Minister comes forward boldly and in a determined manner to seeing that the foreign concerns which are operating in India did not evade the payment of this estate duty, to a large extent then also it will help the formation of capital. It will help our national economy. It is well-known that these foreign concerns have exploited this country for so long that they should be subjected to confiscation of their capital but that is not within the scope of this Bill. The intention of this Bill should be to see that they are made to contribute towards the rehabilitation of the economy in the country which was ruined by them. They should be made to contribute towards the reconstruction of our national economy. Sir, my hon. friend in his opening speech said that he was not going to exempt the properties of feudal landlords, princes, ex-rulers, the Rajpramukhs or the foreign capitalists from the operation of this Bill. It does not provide for exemption. It is very true but still I have very great apprehensions that the brunt of this Bill will not be borne by them. They will find ways of evasion in many respects. Sir, apart from the question that the Government has consistently shown softness towards the vested interests there are other reasons for this apprehension. Firstly, Sir, in spite of our repeated demands we have not yet been able to secure any information as regards the details of the agreements which were entered into by the Government of India with the Rajpramukhs, the ex-Princes and ex-Rulers. So I do not know what are exactly the loopholes through which these people are going to evade the payment of this duty.

Then the foreign capitalists also have immense wealth. There is a provision to provide them relief from double taxation. This question has been discussed on the floor of this

House on a previous occasion also. Many foreign concerns which have most of their assets in India are incorporated in England. They may take advantage of this fact to evade payment of this duty fully or to a great extent. We have no full statistical information as regards the assets and the working of these companies. We have no complete statistical information as regards the managing agencies; their control over the concerns, their actual assets and so on. So, Sir, they may try to evade these things and this apprehension of mine has been strengthened by the statement made by my hon. friend the Finance Minister in the other place.

The language of this Bill is very difficult. It is for the lawyers to thrash out the language of this Bill. It has been admitted by my friend that this language has been made difficult because it is going to deal with lawyers. So it is very difficult for me to find out the loopholes and point them out to him. But I take my cue from the fact that my hon. friend in the other place has said that so far he also understands that the operation of this measure will be mainly on the small estates. If I am not correct I stand for correction. So far as I am informed my hon. friend has said that the big estates have many ways of evasion. So it will be the small estates mainly that will come under the operation of this Estate Duty Bill. That is what I apprehend and that is what I do not like and that is what I oppose. In the U.K., after a long history of this Estate Duty Bill still there are many ways of evasion and lawyers here also, I think, have already been consulted by people who want to evade to instruct them in the ways of evasion of this measure.

So, that apprehension of mine that these people will try to avoid the payment of the estate duty is very well-founded. I shall wait to hear what reply my hon. friend the Finance Minister offers.

Then, Sir, there are some other points which I would like to mention

now though, I think they will come later on when we discuss the Bill clause by clause. There are some clauses which, I think, leave loopholes for evasion. Next, the time limit provided for charitable gifts—it is six months and in the case of other gifts it is two years—I think Sir that instead of two years, that should be made five years. It has been argued in many quarters—it may be argued in this House also—that in our country charitable institutions have done a great deal towards the development of our public institutions. To some extent that is true. But the fact remains that the development made by charitable institutions is very insignificant compared to what should be done. Secondly, when we are going to have a planned economy and when it is recognised by the Congress Party and the Constitution that the poor people should be given some measure of social security and welfare then the development of public institutions to look after these measures should not be left to private individuals. If one is prepared to pay for charitable institutions what difference does it make regarding the period?

Then Sir, it is a fact that charity has been used as an excuse to avoid the provisions of the Estate Duty Bill in other countries. Here also charity has been utilised in many ways which actually defeated the purpose for which it is said to have been given. There are examples of income-tax dodgers in the country and the Government is very soft with them. So here also, the question of dodgers will come.

Another point I wish to make, for the time being is on the question of heirlooms, I have not yet been able to go through the clauses as minutely as I would like to do, as I have already stated, there is the difficulty of the legal language employed in the Bill, still I have some apprehension that the provision of exemption of heirlooms may give a handle to the rulers, ex-rulers, princes, the feudal lords and other big people to evade the operation of this Act.

Then, Sir, before I conclude I shall say that as regards the principle I do not want the operation of this measure to hit the middle-classes severely, and I think the middle-classes are not going to be hit severely. Lastly, in the United Kingdom, when this measure was introduced the proceeds of estate duty were ear-marked for a particular purpose. So far as my information goes it was ear-marked for the purpose of old-age pensions. My hon. friend Mr Ghose has, offered a suggestion as regards the purpose for which it should be earmarked. I do not agree with him there with regard to the purpose but I agree that the proceeds should be earmarked for some purpose as unemployment insurance or old-age pensions. The manner in which we would like the Bill to be modified so that its operation can be effective on big feudal property and large vested interests we shall try to suggest in the course of further discussion and I conclude by saying that if my hon. friend should go forward completely and see that this principle which is enunciated by me is put into practice, then, I wholeheartedly support this Bill.

DR RADHA KUMUD MOOKERJI (Nominated) Sir, I feel as if we are called upon to take part in a funeral function, and the sense of death overwhelms the zest for life. At the outset, I must however, offer my congratulations to the hon. Finance Minister on the very able manner in which he has been able to pilot a most difficult and complex piece of legislation. He is also to be congratulated on the degree of fair-mindedness and the sense of sweet reasonableness which has prompted him to accept so many amendments—as many as fifty in number in the other House—by way of liberalising this measure of great public importance. I will only hope that this Council will have some share of his generosity and that he may be able to accept some of our suggestions in addition to the number of amendments he has accepted in another place. Of course, I do not know how he can constitutionally give effect to or accept any of our suggestions, if

[Dr. Dadha Kumud Mookerji.]
the constitutional practice of the day is to assume that one House has all the monopoly of political wisdom and the other House here is only to advise, I do not feel called upon to comment on the many provisions of the Bill because on the whole it has come to us in a very very satisfactory form from the public point of view. I have only, therefore, a few points, which I should like the Finance Minister to consider.

My first point is that as regards the exemption limit, I feel that instead of allowing full scope to guess-work or speculation about this from time to time, there is already in the hands of Government some kind of principle which has been adopted in the case of ordinary income-tax. There, the existing law is to exempt a net annual income of Rs. 4,200 from income-tax. So, I think—although I am not holding any brief for the propertied classes—that there is a sort of principle, a mathematical formula which does not lend itself to any kind of personal, subjective speculation. I wish to point-out that if you are allowing the limit of Rs 4,200 in the case of income-tax in one sphere, why not capitalise the value of that income and calculate what should be the exemption limit in the sphere of estate duty? I have made my calculation that supposing that capitalised value is not gilt-edged security, we provisionally fix a figure of Rs. 1,50,000, which will yield a net annual income-tax of Rs. 4,200.

So I say that if we go on the basis of this kind of a calculus, we shall be free from the operation of the subjective factor which has enabled Members to make wide suggestions ranging from Rs. 25,000 to a lakh. There is no principle involved in the determination of that figure. This is a very important point on which the whole legislation hinges. So I say there won't be any complaint if for the sake of consistency the same principle by which the exemption limit has been fixed in one sphere can be extended to the other sphere also.

As regards some other details of the Bill, I feel that there are certain minor points which may be considered in this connection. My first point is that there is provision for the marriage expenses of dependent unmarried daughters. I should like to add to this exemption the provision of educational expenses of minor children also, so that education may be considered as important as marriage in the case of a minor.

My second point is this. Perhaps it may be better from the public point of view and it would relieve the distress of many poor people if their ancestral residential buildings are not counted for purposes of this duty. I am simply offering these suggestions as they occur to me.

The next point is about valuation. It is a very vexed problem on which opinions run high. I do not know whether we can take up the position that Government may be taking the right decision in regard to valuation. If any valuation is arbitrarily fixed, then perhaps the assessee may be given the option to surrender that property thus valued to Government as under-valued. I understand payment in kind is allowed in U.K. I am not sure of that; I am speaking subject to correction. But I think in all fairness and justice, the question of valuation is a very important point from the point of view of the assessee and so on this point the Government should act in a manner that is absolutely above board. As one of the preceding speakers has stated, no fresh valuation of immovable property need be made where there is already a system of municipal valuation.

My next point will be about the tribunal on which so many other speakers have made their own remarks. I think the tribunal should be an independent body as under the Income Tax Administration. Similarly there may be an independent board of Valuers also, to be presided over by a Chairman who may be appointed by the Government. I find that most of the other points have already been provided for by suitable amendments.

and so I have hardly anything more to suggest except that I have to say something about the objective which the Finance Minister had in view, he said, in bringing forward this measure

The objective is equality of wealth. I should like on this point to say to my Communist friends with all respect that already India has become a classless society of have-nots and all of us are reduced to equality in poverty. India is notorious for its colossal poverty—a land where out of a population of about 36 crores only about 7 lakhs are taxable and as regards the super-tax people against whom my friends have always a special grudge, I think they may take pity on them because they number only about 14,000 in a country of 36 crores of people so that we are already reduced to equality. I think a more patriotic duty at the present time will be for a man to get as rich as possible if he can instead of limiting the formation of capital or wealth.

With these few remarks I hope that the Finance Minister will be able to show some indulgence in respect of the suggestions which are made by the Members of this House.

SHRI T R DEOGIRIKAR (Bombay).
Mr. Deputy Chairman, Sir, the Estate Duty Bill, as it has emerged from the House of the People, is free from many of the objectionable features that were attributed to it. I welcome the Bill and congratulate the Finance Minister for his ability and his reasonableness.

I am however sorry that there are limited number of estates that will be subjected to this duty. The Finance Minister will therefore not reap a big harvest from this duty. Our country, as we know, is very poor. We have neither the accumulated wealth, nor are we industrially progressive. The conception of Western capitalism was never in our blood. It was imported into this country along with their rule. If, however, the Government wants to levy estate duty or impose other taxes for the purpose of speeding up pro-

duction or for the purpose of removing inequalities or for the purpose of opening up new avenues for employment I think people will not seriously object to it. Their only concern is that whatever revenue is realised should be properly utilised. I am, however, afraid that this assessment of duty will give ample scope for corruption to authorities and for concealment of movable properties to those who are likely to be subjected to it. The more complex our legislations are, the more loopholes there will be for dodging them. It is after all the man and his morals and not sections, articles, clauses and sub-clauses that will bring about our emancipation, be it political, social or economic. Sir, I do not think that this estate duty will bring about economic equality or will remove to a degree our economic inequality. Hyperboles enrich rhetoric or literature; but they are dangerous in matters of fact. They should therefore be avoided. I was really glad to hear the Finance Minister who has spoken with moderation on this point. If we go on speaking in exaggerated terms, people lose faith in the Government and the Government is brought into troubles. Let us therefore avoid it.

I am going to ask one or two questions to the Finance Minister for my clarification. May I ask whether he can give us some idea as regards the total property that will be subjected to duty? I know it is very difficult to work out the figure. Then there is another question. Apart from the information given to us on page 56 of the Planning Commission's Report, we have no idea as to what actual revenue or income will be collected by the Government from this item. And thirdly, can we get an idea as to the average span of life of those that will be subjected to this duty? I do not know whether these details were necessary for bringing in such a measure. It is just possible that the States which are heirs to this duty will work them out at a later stage. But I must admit that we are passing this Bill without getting a complete picture of the whole thing. As I said,

[Shri T. R. Deogirikar.]

on page 56 of the Planning Commission's Report it has been stated that the revenue available to States from this source will be Rs. 21·3 crores. Presumably these Rs. 21·3 crores were expected to be realised during the last three years of the Plan. That means the annual income from this estate duty will be about Rs. 7 crores. Since the estimate was made in consultation with the States, Government must have taken all relevant factors into consideration. The only factor that was not taken into consideration at the time of making these estimates was clause 70 (2). That clause was added to the Bill by the Select Committee. It proposes to recover the duty on immovable property in eight equal yearly instalments or sixteen equal half-yearly instalments with interest at the rate of four per cent. This amendment will reduce the estimated revenue to Rs. 1 crore for the first year and Rs. 2 crores for the second year. That means, instead of the States getting Rs. 21·3 crores during the Plan period, they will get only Rs. 3 crores. At the end of the seventh year, the Government will be getting Rs. 8 crores, but for the first seven years they will get Rs. 1 crore, Rs. 2 crores, Rs. 3 crores and so on. This estimated annual income will still be reduced as the exemption limit is raised from Rs. 75,000 to Rs. 1 lakh. It will not be possible to get correct estimates. Our estimates for State planning are already short by Rs. 48 crores and if we add Rs. 18 crores to that figure, the total shortage will be Rs. 66 crores. I do not know how the Government is going to meet that deficit, and if they cannot, then their planning programme will suffer, with the result that our production and our employment will be reduced.

11 A.M.

Sir, I want the Government to take into consideration another difficulty, with a view to give justice to the persons concerned. I will, illustrate my difficulty. Supposing, a certain person built his house immediately before the Second World War, it cost

him Rs. 1 lakh. Let us suppose that that person dies after 1953 or after 1954. The valuation of his property, according to this Bill, is to be made for recovering the estate duty at the market price. The market price has gone to Rs. 2 lakhs. His heir, a non-Mitakshara, will have to pay a duty of Rs. 8,750. Now, look at the rental. A person who has invested Rs. 1 lakh gets 6 per cent. on the value of his property. That means, his annual rental is Rs. 6,000. Then came the war, and the Rent Control Act came into operation. His income remained the same. The cost of living went on increasing. It rose to 300 or 400 per cent. That means about Rs. 60,000 were lost during the last ten years. He has paid that much amount indirectly to the occupant of his house. I am not at all sorry for whatever has happened. But I cannot understand why the value of his property should be worth Rs. 1 lakh according to the Rent Control Act, and Rs. 2 lakhs according to the Estate Duty Act. My suggestion, therefore, is that so long as the Rent Control Act is there in force, the value of the household property should be calculated on the basis of rental. It should be sixteen times that of the rental. I do not suggest that the Rent Control Act should go, but so long as it continues, the valuation of the estate duty should be on the basis of rental. The same rule should apply with regard to the valuation of the agricultural property. I know this cannot be inserted in the Act. But if the Government is convinced, they can give these directions or directives to the valuers concerned. But I personally think that there is a conflict between the Rent Control Act and the Estate Duty Bill, and that conflict should be avoided. I do not hold any brief for the householders, yet I feel that some injustice is likely to be done to them and that injustice should be removed. Sir, this new item of legislation is going to affect—I do not know to what extent—the theory of trusteeship as propounded by Mahatma Gandhi.

We are seeing that people are donating lakhs and lakhs of acres of

land for the Bhoodan Yagna. Let us not think that human feelings or psychological changes will not come about and the Estate Duty Bill will have no effect on them and that this duty will curtail the source of charity. Thirdly, this measure will also affect the joint Hindu family. But I am not sorry at all for this, because we have all become impatient for removing the distress of the people, and if Government adopts more radical measures, we will not oppose them. Unfortunately, as I said, the estate duty is not going to give us very large sums. India has become just like an old cow, which can neither give birth to a calf nor give any milk. Let us extract milk with great caution and care. We are not industrially advanced, nor, as I have said, have we any accumulated wealth. On the other hand, there is an insistent demand from the people for employment. People want work and bread, or bread. It is their right to demand work and it is the duty of the Government to provide them with work. Since Government is tightening up all sources of income, they must not forget that their responsibility for giving work to the people rests upon them. After passing the Estate Duty Bill, the Government will really be on their trial. People have accepted whatever legislation they have put forward, and it is now for them to rise to the occasion and fulfil the wishes of the people. It is a great problem and should be boldly faced. Sir, I support the Bill.

SHRI KISHEN CHAND (Hyderabad): Mr Deputy Chairman, I have carefully listened to the speech of hon. Finance Minister in introducing the Estate Duty Bill. At the outset I might say that I welcome the Estate Duty Bill in its idea and in its conception, but, as has been pointed out by other speakers also, it is a halting measure. The hon. Finance Minister has traced the history of this Bill as far back as 1925 and said that it could not be brought in, on account of certain inheritance laws of our society. He also said that this Bill follows

mostly a similar enactment in the U K but our economic conditions and our economic problems at the present moment are quite different from those of the U. K. Our economic structure and our economic strength is much below that of the U K and on this ground alone, if on no other, I would submit to the hon. Minister to reconsider this Bill and to revise it, to bring it into greater conformity with the conditions in our country, instead of blindly following the precedent of the U. K.

SHRI RAJAGOPAL NAIDU. It is a happy mixture.

SHRI KISHEN CHAND. I will come to that point immediately. The Finance Minister has ended his speech by giving the objects and reasons of this Bill. He has given two main objects. The first object is to make this a tax-collecting source to be utilised as current revenue. I submit that as a source of revenue, the amounts stated by the Finance Minister are too small. It is not going to bring in large enough revenue in order to help our industrialisation or expansion schemes. The other object is to bring about greater equality. I would submit that this object also is not going to be gained by this measure. This measure will not bring in any sort of equality in the country.

Let me examine the first point, about the tax-collecting idea behind this Bill. In imposing any tax, we have to keep in mind two or three points. The first point is that the tax does not vary very considerably, so that from year to year there is a progressive increase in the realised amounts, and that the expenses of tax collection are very small. It will be interesting to consider here our income-tax collection. It will be seen that there has been some increase in income-tax collections during the past few years but they have now reached nearly the peak point, and there is a great danger that in the coming years our income-tax collections will go down. Even if we assume that the

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income-tax collections will remain at the present level, we have got to correlate them with our price structure. The present price level of even ordinary articles, as compared with the post war prices,—even with prices as late as 1948—is nearly double. With double the price level, our income-tax collections are about the same which means that in their actual purchasing power they have gone down by 50 per cent. I will again make clear my contention that, since 1948 to the present time, the price of all manufactured articles has nearly doubled, while the income-tax collections are about the same. This means that, though the amount in figures is the same, its purchasing power is only 50 per cent, and this is due to the fact that the wealth of the country is going down, that our economy is not expanding at the same rate as the prices are increasing, and this is the greatest cause of our unemployment.

The other object of the Bill is greater equalisation of wealth. The hon. Finance Minister said at the time of the Budget that there were six to seven lakhs assesseees in our country, and if we further analyse these six or seven lakhs assesseees, we will find that there are five lakhs salaried persons. This leaves only one lakh. In a country of 36 crores of people, if laws are made on the basis of votes only, then naturally these 36 crores can impose their will on that one lakh. They can pass legislation and confiscate everything, confiscate all wealth, but it will not be in the interests of the country. The Finance Minister will have to carefully examine what is going to be the effect of the Estate Duty Bill on capital formation, and on the economic life of the country.

We are not going to get complete equality of wealth, which, by the way, does not exist anywhere in the world. Even in Russia, with respect to current incomes the ratio between the lowest and the highest is one to fifty and this type of inequality will

continue. We have to find a way as how to bring about equality without drying up the sources of capital formation. The poorer classes, with all our efforts, will not be able to contribute towards national savings. The condition of the middle-class is well known. The present unemployment is mostly rampant in the middle classes. There is hardly any possibility of any capital formation from the middle classes. We compare our country with foreign countries. The hon. Minister has taken this Bill from the U. K. and another hon. Member says it is a happy mixture of the two. I would like to ask the hon. Finance Minister whether in U. K. it is the middle classes who contribute chiefly to the structure of capital formation. The entire capital formation of U. K. comes from the middle class. In our country we have hardly any middle class, or any middle class which has got a saving to invest and therefore we are left with that small minority, the much maligned capitalist class. I don't hold any brief for them. I will suggest to the hon. Finance Minister that he has got to make up his mind that if we bring about that equality, the moneyed class has to be replaced by some other agency. The Socialist Party has suggested complete capital levy, and nationalisation of all industries. That is a practical plan by which the Government replaces the capitalists and everything is nationalised. By capital levy, take everybody's money and utilize that money for running the industry. That is one complete practical plan. The other plan will be to keep up the capitalist class but create in them a feeling of trusteeship. As has been pointed out by another hon. Member, Mahatma Gandhi.

SHRI S. MAHANTY (Orissa): Will it be feasible?

SHRI KISHEN CHAND: I am mentioning the two kinds and then I will say which is more feasible; please hear me for a few minutes more. He was explaining to us that Mahatma Gandhi placed the ideal of

trusteeship before the moneyed classes, the zamindars and the capitalists. A great leader of the Socialist Party Mr. Jai Prakash Narain is just now carrying that message in the shape of Bhoodan. Is it possible to apply a similar method to other activities of the capitalist class? Can they be made into trustees of public funds? Is it possible that after giving them a fair amount for their current expenditure, the rest of the accumulated wealth is utilized for the service of the Nation? So, I would request the hon. Minister to carefully weigh between these two possibilities and make up his mind to follow one of them. This type of just wishful thinking, this type of legislation which imposes a certain duty, is not going to alter our economy one way or the other. Are we going to have a complete nationalisation, no private ownership of the means of production except in the hands of Government or are we going to leave the means of production in the hands of private individuals? If we want to leave them in the hands of private individuals, we should not impose any type of duty or taxes which are going to dry up the sources of capital formation. I am afraid this duty will be mostly used as a revenue duty. The entire proceeds from year to year will be used for current expenditure of Government, mostly spent in civil services and in the Military Department and if due to the imposition of the estate duty the capital formation in the private sector dries up in the years to come, avenues of employment will be smaller and therefore unemployment will increase and there will be greater economic distress in our country.

Now, I come to some of the provisions of this Bill. Joint family in the Hindu society has been the main stay of its economic stability. By pooling the resources of a family the capital was sufficiently large for running various enterprises. A few poor members of the family were also supported. But by our policy of taxation we have been trying to disrupt that joint family. I would submit that this is not in the

interests of our country nor in the interests of our society. In the Income-tax law, you will find that a joint family having even 6 or 7 co-parceners is counted as two persons. It is encouraging them to separate and the net result is that in a large number of joint families on paper there is a division of assets. When it is a fact that joint families with 6 persons in them carrying on as a joint family will only be counted as two individuals for the sake of income-tax, they naturally separate out, so that they become six different persons and get the benefit of lower rates on account of the slab system. Similarly here we find that in a joint family the lowest limit is Rs. 50,000 while for an individual it is Rs. 1 lakh. I would like to know why this distinction has been made. After all when there is a joint family the opportunity for earning wealth is greater and therefore it produces greater divisible wealth and if you divide up with the number of co-parceners, you will get greater share of each member. In this case also the minimum limit should be the same Rs. 1 lakh and not Rs. 50,000 as stated in this Bill.

I would also suggest to the hon. Finance Minister that there is some sort of sanctity about a residential house. Many families would like to keep at least one small house as a family residence. I would request the hon. Finance Minister to give further consideration that in computing this Rs. 1 lakh the residential house of the family be not taken into account provided it is used for the personal residence of the family and not rented out. This limit of Rs. 1 lakh is, I think, reasonable and is all right. But it is not right to have two slabs of Rs. 50,000. The next slab also should be Rs. 1 lakh and on that the rate of duty should be $7\frac{1}{2}$ per cent. In the case of individuals you give exemption up to Rs. 1 lakh. The next slab is Rs. 50,000, the third slab is Rs. 50,000 and the fourth slab Rs. 1 lakh and so on. I would suggest to the hon. Finance Minister that the first slab also should be Rs. 1 lakh, instead of two slabs of Rs. 50,000, the

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first slab having a rate of 7½ per cent. then the next slab for 2 lakhs with 10 per cent. rate and so on. And on estates in excess of Rs. 50 lakhs, there should be a still higher rate of duty. If you want real equality and if you want to collect large resources for capital formation, you should tax the people at the top at a higher rate so that you could get big sums. Up to Rs. 5 lakhs, let us consider the people to be of the middle-class. Therefore there should be some concession for people up to Rs. 5 lakhs and higher rates should be charged from people having above Rs. 5 lakhs progressively so that people coming over Rs. 50 lakhs will have to pay a much higher rate of duty. In this way, we will be encouraging the middle-classes to take the place of the richer classes and slowly and gradually will be transforming the economy of the country so that the percentage of middle-class people as compared to the total population may become appreciable.

Lastly, I refer to charities. Here also, I think the hon. Finance Minister has been a little parsimonious. Our country is well known for charity. Of course, we cannot compare with charities that are being given by many American individuals and by American concerns. But from time immemorial, we have prided ourselves on our charity, and I am afraid that the provision that any charity given within six months of the death of the person will have to bear the full levy of the estate duty is not fair. I think, even if charity is given only a few days before death, it should be exempt from this duty. I would like to go a step further and suggest to the hon. Finance Minister that any gift given even on the death bed, or coming into force on the death of the person should pay 50 per cent. duty.

An hon. Member has pointed out that in the case of house property, we are going to have two methods of calculation. When there is the question of rent, there is one method. There is the Rent Control Act. When the question of municipal tax comes

in, the municipalities have their own laws of assessing the rent; and when the Estate Duty Bill comes in, the hon. Finance Minister has third method of assessing the value of the property. There is no coordination between the three. The Rent Controller puts the rent as low as possible. The municipal authorities want the rent to be high so that they could charge at a higher rate. The hon. Finance Minister wants to increase the value of the property so that greater estate duty could be realised. I suggest that in all these cases, there should be a sort of rigid formula connecting up the rent actually realised and the value of the property. I suggest that the value of the property should be fixed at 15 times the annual rent or with some similar relation. If there is such coordination, it will give some sort of relief to the assessee. Otherwise, if the market value is taken, it is quite possible that though the house had a very low rent, the market value may be assessed very high and the man who has been suffering for years will have to pay a high duty.

It has been pointed out by an hon. Member that due time should be allowed for payment of these duties. If due time is allowed for their payment, then the annual recoveries will become very small. The hon. Finance Minister estimated the annual recovery to be about Rs. 8 crores. The total income from this duty, he assessed to be nearly Rs. 8 to 10 crores per year.

SHRI C. D. DESHMUKH : I have given no estimate.

KHWAJA INAIT ULLAH: It is expected.

SHRI KISHEN CHAND: I am sorry. If this estate duty brings in a revenue of Rs. 10 crores per year and if it is spread out into six or seven years by instalments, the income will be only about Rs. 1 to 1½ crores in the first year. This is such a small amount that it is hardly worth all this Estate Duty Bill being brought in and all these agencies being set up for collecting the tax. Therefore, I

would suggest in conclusion, that in considering this estate duty, the hon Finance Minister should give up the idea that it is a revenue duty. He should consider it entirely as a duty for the collection of capital. If he takes up that viewpoint he will have to see that all income from this duty comes in for replacing the capital formation that is likely to be destroyed by the levy of this duty, and the estate duty slowly and gradually leads to the transfer of share capital from individuals to the Government's hands and eventually to the nationalisation of the key industries.

With these words I conclude my remarks on the Bill.

SHRI L. H. DOSHI (Bombay) Sir, to be frank and honest I do not like this Bill and therefore I do not welcome it though ultimately I may vote in favour of it on party considerations.

Sir, I do not like the Bill because I consider it not useful and not in the economic interests of the people. In his statement of the objects of the Bill, the hon Finance Minister has stated that he expects to obtain more revenue for the Government by means of this estate duty. We heard some other speakers who doubted about the increase in revenue and I feel the same way. Sir, there is a certain amount which the Government can collect in the form of taxes and revenue.

When they try to collect more than that it becomes difficult and in fact they do not get more. The effect of this duty will no doubt be that the estate duty will collect certain amount as the Finance Minister indicated, though he was not sure about it may be about Rs 14 or 15 crores annually, but when he collects this amount in the form of estate duty it will have its repercussions on other taxes. The capacity of the people to pay tax is limited which the Finance Minister has admitted by appointing a Taxation Enquiry Committee which will consider the real capacity of the people to pay taxes. So when he is collect-

ing the estate duty, he is collecting a tax in one form and, therefore the people's capacity to pay taxes in other forms will certainly go down and the ultimate result on the collection of taxes will be no improvement in the aggregate. That is my contention about his object in introducing this Estate Duty Bill. Sir, the other object as he mentioned in introducing this Bill is to remove the inequalities. There also, I feel that that object will not be achieved because this object has not been achieved in most of the countries where estate duty is levied. Take, for example, the case of America. Even there, this duty has been in existence for sometime but if anybody argues that inequalities have been removed in that country I am sure that that is far from the truth. The slogan in America is "Sky is the limit" whether it is aviation or whether it is amassing of wealth. As long as the producer does his job in a straightforward manner the American public do not feel anything wrong in acquiring wealth and therefore, the Estate Duty there is taken to be a form of taxation and not with the so-called object of removing the inequalities. The same applies to other countries too. If you study the Marxist philosophy and the trend of the taxation policies in the countries where the Marxian philosophy predominates you will be surprised to find that the estate duty does not exist in the dominant countries following the Marxian philosophy.

SHRI C. G. K. REDDY But there are other things which exist.

SHRI L. H. DOSHI I know that I would be disturbing the beehive. There are other duties I know, or, there are other circumstances that exist in those countries, I know, but

SHRI C. G. K. REDDY which make it unnecessary to have this estate duty.

SHRI L. H. DOSHI But why should not this exist in a country which does not want inequalities? It may be argued Sir that in those countries

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inequalities do not exist. If anybody argues that way, I say he is not telling the truth because we were told that some of the incomes of some people in those countries are far more than the incomes that are prevailing in countries which believe in democracy and private enterprise and, in spite of that, death duties are not introduced in those countries. If removal of inequality is not the primary object, then what is the use of this? Therefore, Sir, the object which the hon. Finance Minister has in view in having this Bill passed will not be achieved as it has not been achieved in other countries where this duty is in existence and is not expected to be achieved in countries which do not wish to introduce this measure.

Sir, what will be the effect of this Bill? We have heavy income-tax in this country, almost ranging upto thirteen annas in a rupee in the higher categories. If we have such heavy income-tax, including super tax and what not, why do we want to add another tax and create complications, heart burning and cause something which is not desired by the Government? Sir, it is feared that the result of this duty may be to arrest the formation of capital in this country where it is almost at the lowest level. The hon. the Finance Minister feels that it will not be so but he is not sure about that—he wants to watch—but, Sir, I feel that it will have bad effects on the formation of capital. If anybody, after paying the heavy taxes, tries to save money, he does that with the object that that money may be useful to him in his old age firstly, and, secondly, that that money may be useful for his heirs or his children that survive him, after his death. That incentive for saving for the good of his children is now being taxed so that the survivors do not get the advantage of his saving or, at least the advantage is to be substantially reduced. Sir, if you don't want that advantage to go to the children, then why encourage him to save at all? He has saved; you have no objection to his saving. You

have no objection to his earning large incomes and, after earning large incomes which are subjected to heavy taxation, if he saves, you have no objection to his giving away the savings in gifts to his children or to any party that he likes before he dies, but, you want to tax him simply because he has not made those gifts two years before he died. I do not understand the logic of this. If you don't like that he should amass wealth, you have already introduced measures whereby you are taking away a substantial portion of what you consider to be too heavy an income. Another bad result of the measure would be, as some of the Members mentioned, the joint Hindu family will be broken, at least on paper, so that the big wealth which is shown in the name of one person will be shown in the names of half a dozen heirs and the ultimate tax payable will be reduced as much as possible. I think that the joint family has done considerable good to the society and anything encouraging breaking of the joint family would be undesirable in the long run.

Sir, we find that the collection of income-tax itself is lagging behind considerably—not collection as such because by a certain Act we have made provision that the income-tax should be paid in advance but the assessment of this tax has been lagging behind considerably—because we have not got enough staff to complete the assessments. Here now we are introducing another measure which is equally complicated if not more, to collect the same tax in a different form. Sir, where are we going to find more people when we are unable to find a sufficient number of people to complete our work of the other tax in time. I know it for a fact because some of my companies have not yet been assessed for the last three or four years and therefore I know it for a fact that these things are in arrears and we are told that these are in arrears because there is insufficient staff in the income-tax department to complete the work. Sir, if that is the case why add a new class of people whom you find it difficult

to get and add to the expenses of the treasury and also make the life of the people more difficult.

Sir, I do not wish to go into the various details of this Bill but it is a terribly complicated Bill and it is going to cause considerable heart-burning to the people. In fact the clauses relating to valuation of property will cause considerable hardship to the public. We have heard some of the Members saying that the middle-class will be harassed. Well, this class-wise thinking is undesirable. People do not mind if some other class suffers but insist that their own class must be protected. This kind of thinking has been the root cause of all our troubles. This measure is going to cause trouble not to this class or that class but to all classes who will be subjected to the duty and, therefore, Sir, whether it is the middle class or whether it is the rich class which has become rich with the willing connivance of the State, every class is going to be harassed. Therefore from that point of view I do not like this Bill.

Sir, there are other points which I would like to mention and which will cause a lot of hardship and that is the low limit that is put for exemption. In the income-tax the Finance Minister himself found that the limit which he had laid down two years ago, namely, Rs. 3,600 was too low and was costing much more expense to make the assessment and therefore he himself raised it to Rs. 4,200 and perhaps he may raise it again in a short time when he finds that the expenses are still going up. In the same way in the collection of the estate duty he will find that the expense for collecting the duty on a limit of Rs. 50,000 is very much plus the heart-burning that is caused in the country, and he will himself admit that this low level is a mistake and will raise it subsequently.

Sir, I would therefore submit that if the duty has got to be levied the limit should be raised substantially so that a considerable number of people

who are on the boundary line of tax-paying capacity would be eliminated.

There are certain clauses particularly those concerning the transfer of shares, etc. to which I would have liked to refer here but I think it would be desirable to reserve my remarks to a later stage when the Bill will be considered clause by clause. Before I resume my seat, let me say, Sir, that in the long run this measure, instead of doing good to the society, as is expected, will result in heart-burning and confusion and the object will not be achieved. No doubt it will help some party propaganda for some people during elections but ultimately as an economic measure I doubt very much its usefulness in the long run.

SHRI KANHAIYALAL D. VAIDYA
(Madhya Bharat):

श्री कन्हैयालाल डी० वैद्य (मध्य भारत) : उपाध्यक्ष महोदय, मैं इस बिल का समर्थन करता हूँ। समर्थन इसलिये करता हूँ कि माननीय अर्थ मंत्री जी ने इस बिल के द्वारा जो हमारे देश में असमानता है उसको दूर करने का एक साधन प्रस्तुत किया है। यह ठीक है कि आज हमारा देश स्वाधीन है और जिन आदर्शों पर चलकर हमने इस देश की व्यवस्था करने के लिये जो एक संविधान बनाया, उसके अन्तर्गत इस देश की जनता व करोड़ों लोग जो वर्षों से, सदियों से गुलाम थे, जिन्हें अन्न-वस्त्र नहीं प्राप्त था, वे हमारी सरकार से आशा करते हैं कि समाज में जो असमानता है उसको दूर किया जाय और उनकी स्थिति को सुधारा जाय।

जहाँ तक सरकार का उद्देश्य इस प्रस्ताव द्वारा असमानता को दूर करने का है, वह स्वागत करने की चीज है। यह उद्देश्य एक विशाल परम्परा को लेकर, जो हमारी स्वतंत्रता का प्रारम्भ करने वाली है, हाँ, उस आदर्श को लेकर चलने वाला यह

[Shri Kanhaiyalal D. Vaidya.]

उद्देश्य है। जहाँ अशोक और कौटिल्य की राजनीति रही, जहाँ राणा प्रताप का युग हुआ, जहाँ इस देश में ऐसे महापुरुष हुये कि उन्होंने इस देश की रक्षा के लिये जब प्रश्न आया, जब गरीबों के लिये कोई सहायता का प्रश्न आया, तब अपना धन, सम्पत्ति इस देश को, इस देश के शासकों को सौंप दिया। यह बात इतिहास में अमर है कि इस देश के हित के लिये भामाशाह ने अपनी सारी सम्पत्ति राणा प्रताप को देश-हित कार्य के लिये अर्पण कर दी थी। किन्तु आज का युग एक बदला हुआ युग है, चूँकि पिछले युग में अंग्रेजी शासन के कारण, हमारी निरन्तर गुलामी के कारण एक ऐसी विषमता, एक ऐसी सामाजिक अव्यवस्था का इस देश में जन्म हो गया है, जहाँ भ्रष्टाचार, बेईमानी और चोर बाजारी का चारों ओर साम्राज्य देश में चल रहा है। पिछले शासन के कारण अब भी देश के अन्दर भ्रष्टाचार और गरीबी फैली हुई है। मैं माननीय अर्थ मंत्री जी के सामने एक प्रश्न रखना चाहूँगा कि प्लानिंग कमीशन ने इस देश की व्यवस्था के सुधार के लिये इस सिद्धांत को स्वीकार किया है कि कोई भी सरकार, जब वह सामाजिक सुधार का काम करती है, कोई सामाजिक सुधार की व्यवस्था लाती है, तो यह आवश्यक है कि उसके अन्दर जो भ्रष्टाचार और खराबियाँ हैं, वह दूर हों। मैं माननीय मंत्री जी का ध्यान उन तमाम बातों की ओर आकर्षित करना चाहता हूँ जो प्लानिंग कमीशन ने इन खराबियों को दूर करने के लिये बताई है। मैं यह जानना चाहूँगा कि हमारी सरकार प्लानिंग कमीशन द्वारा बतलाई गई बातों के अन्तर्गत कौन सी व्यवस्था करने जा रही है जिससे कि इस देश के अन्दर फैले भ्रष्टाचार का अन्त हो और जो

खराबियाँ शासन में आ गई हैं उनका अन्त हो।

मैं इस सदन का ध्यान स दिल्ली में जिस प्रकार की असामनता चल रही है, जिस प्रकार का शोषण चल रहा है, उसकी ओर दिलाना चाहता हूँ और एक उदाहरण आप लोगों के सम्मुख रखना चाहता हूँ। दिल्ली हमारे देश की राजधानी है और इस नगरी में गरीब रिक्शा वाले रिक्शा चला कर अपनी आजीविका कमाते हैं। आप लोगो को यह जानकर हैरानी होगी कि जो व्यवस्थाएँ इस समाज में, इस शासन के अन्दर चल रही हैं, वह हमारी जनता का स्तर ऊँचा नहीं करेंगी बल्कि अगर इनको नहीं रोका गया तो और नीचे गिरा देंगी। आज हमारे देश की राजधानी की म्यूनिसिपैलिटी में भी इसी तरह की अव्यवस्था फैली हुई है। वहाँ पर एक एक आदमी को २० रिक्शाओं का लाइसेंस दिया जाता है और इस तरह से एक ही आदमी धन-संग्रह कर लेता है, चाहे इस स्टेट ड्यूटी बिल का उस पर असर पड़े या न पड़े। जो मनुष्य रिक्शा को खींचता है वह धन कमा करके सारा धन उस आदमी को भेंट कर देता है। इस तरह की आपके शासन की व्यवस्था है और इस तरह से सारे समाज में भ्रष्टाचार चारों ओर, हर एक विभाग में, फैला हुआ है। इस सदन के अन्दर हमने पिछले दिनों इस सम्बन्ध में कई घटनाओं पर प्रकाश डाला और हमने इस बीमारी को दूर करने के लिये कानून भी पास किये थे, मगर अभी तक सतोषजनक परिणाम सामने नहीं आये हैं। मैं यह जानना चाहूँगा कि इस कानून के अन्तर्गत इस तरह की कौन सी व्यवस्था की गई है जिससे कि भ्रष्टाचार और अधिक न बढ़ने पावे।

में अर्थ मंत्री जी का ध्यान मध्य भारत की ओर आकर्षित कराना चाहता हूँ जहाँ कि करोड़ों रुपया वहाँ के पूँजीपतियों ने सेल्स-टैक्स और इन्कमटैक्स न देकर धन-संग्रह किया है। वहाँ के मिल-मालिकों और कारखाने वालों ने १०० प्रतिशत और २०० प्रतिशत मुनाफा कमाया है, सामान हिन्दुस्तान के अन्दर ही नहीं बल्कि पाकिस्तान भेज कर भी कमाया है। जब हमने माननीय प्रधान मंत्री जी का ध्यान मध्य भारत की इस स्थिति की ओर आकर्षित करवाया तो इस विषय में कुछ कार्यवाही की गई। हमारे देश के अन्दर भ्रष्टाचार और बेईमानी की जो बीमारी बहुत जड़ कर चुकी है, क्या वह इस नये बिल द्वारा और नहीं बढ़ेगी? इस बिल के अन्तर्गत जिन लोगों को टैक्स देना पड़ेगा, क्या वह ईमानदारी के साथ अदा कर देंगे?

अभी मुझ से पूर्व वक्ता ने अपने भाषण में यह बताया था कि हमारे देश में कई लोग सरकार की सहायता से पूँजीपति बन गये हैं। सरकार की इस तरह की नीति और व्यवस्था के कारण पिछले कुछ समय से लोगों ने भ्रष्टाचार और बेईमानी करके देश की गरीब जनता को लूटा है। तो मैं माननीय अर्थ मंत्री जी से पूछना चाहता हूँ कि इस नये बिल में भ्रष्टाचार और बेईमानी की कुप्रथा को दूर करने के लिये कोई व्यवस्था की गई है या नहीं।

आज इस देश की जनता के सामने स्वदेशी का सवाल उठाया जाता है। स्वदेशी की भावना को जाग्रत करने के लिये फिर हमारे देश के सामने हल रखा जाता है। जिस बुनियाद पर इस देश का स्वधीनता आन्दोलन चलाया, जिस आन्दोलन ने लंकाशायर और मनचेस्टर के कपड़े के कारखानों को और उद्योग को खत्म कर दिया और जब इस देश के अन्दर जनता को कपड़े की आवश्यकता

पड़ी, तो उस जनता को कपड़ा न मिल सका। जब हमारा देश आजाद हो गया, जब हमारा देश स्वतंत्र हो गया, उसके बाद भी जिस जनता ने विदेशी कपड़े के उद्योग को खत्म करके अपने देश के उद्योग को बढ़ाया, उसको ही हमारे देश के मिल-मालिकों और धनी व्यापारियों ने ब्लैक मार्केट और दूसरे तरह के भ्रष्टाचार करके तंगा और भूखा मारा। इतना ही नहीं हमारी देश की जनता को इन पूँजीपतियों ने मरने के वक्त कफन तक के लिये कपड़ा नहीं दिया। इस तरह से इन धनी लोगों ने हमारी गरीब जनता के साथ व्यवहार किया और कन्ट्रोल के जरिये और दूसरे जरिये से अनुचित लाभ उठाकर मालामाल हुये।

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क्या सरकारी विभागों के अधिकारी और कर्मचारी इन सब बुराइयों से मुक्त हैं? क्या इनकम-टैक्स तथा अन्यान्य टैक्स जो देश की जनता पर लगे हुये हैं उनकी वसूली के जो तरीके होते हैं, उनके अन्दर सराबियाँ पैदा करने में सरकारी मशीनरी दोषी नहीं है? मैं तो यह समझता हूँ कि शासन के अन्दर आज जैसा भ्रष्टाचार का व्यवसाय चल रहा है उसको देखते हुये आप इस्टेट ड्यूटी बिल के द्वारा उनके हाथों एक और अधिक हथियार देते हैं जिससे वह इस देश की जनता से अधिक पैसा खींच सकते हैं। इसलिये मैं माननीय अर्थ मंत्री का और सरकार का ध्यान इस ओर दिलाना चाहता हूँ कि आप जब कानूनों का निर्माण करते हैं तो उसमें लोगों की भावनाओं का ध्यान रखें। हमारे माननीय प्रधान मंत्री ने इस देश की स्वतंत्रता प्राप्ति के बाद कई बार संकेत रूप में कहा था कि भ्रष्टाचार और बेईमानी को समूल नष्ट करने की आवश्यकता है और जरूरत पड़ने पर फांसी का दंड दिये जाने का विचार

[Shri Kanhaiyalal D. Vaidya.]

व्यक्त किया था। मुझे तो उस दिन खुशी हुई थी कि जब भारत के एकमात्र नेता ने ऐसे वचन बड़े, और इस देश के करोड़ों लोगों के दिलों में यह आशा हुई थी कि किस प्रकार हमारे यहां उन अच्छे दिनों का समावेश होगा जब इस देश को बर्बाद करने वाले समाज विरोधी तत्व फांसी पर लटका दिये जायेंगे? परन्तु वह शब्द शब्दमात्र रहे और कई गरीबों को फांसी लगानी पड़ी, कई गरीब लोग अनाचार और अनीति के शिकार हो रहे हैं। तो मैं इन तमाम बातों की तरफ ध्यान खींचते हुये मूल चीज यह कहना चाहूंगा कि आज इस देश के अन्दर नैतिकता का अभाव हो गया है, लोगों में, समाज में, एक भौतिक प्रवृत्ति, मैटीरियलिज्म (materialism) की ओर बढ़ने की प्रवृत्ति पैदा हो गई है, और वह अधिक से अधिक धन, उचित अनुचित तरीकों से, कमाना चाहते हैं। कानून की आड़ में मैकडों अपराध करने वालों का बचाव होता है और दकील लोग पैसा पैदा करते हैं। मैं भी अपने जीवन में दकालत कर चुका हूं, लेकिन मुझे दुःख होता है यह देख कर कि दकीली पेशे का भी इस देश में अत्यंत डिप्रेडेशन हो चुका है। यह ठीक है कि दकील के पेशे के कुछ लोगों ने देश की बहुत अच्छी सेवा की, परन्तु इस पेशे का अधिवांश में बहुत दुरुपयोग हो रहा है। नैतिकता का स्तर इतना गिर गया है कि मनुष्यों की प्रवृत्ति यह हो गई है कि जिस प्रकार से भी हो, वह धन इकट्ठा करें और सरकार के कानून से, टैक्सों से बचें और अपनी पूंजी को चोर बाजारी से और अन्य तरीकों से बढ़ावें। जब तक आप शासन की प्रणाली को सुधारने के लिये ऐसी व्यवस्था न करे कि जो लोग कानून से बचकर और तमाम टैक्सों से बचकर इस देश को डबाने में लगे हुये हैं, उन्हें कठोर दण्ड न

मिले, तब तक इससे कोई लाभ नहीं होगा। हमारे राष्ट्रपिता महात्मा गांधी ने जो आदर्श देश के पूंजीपतियों के सामने रखा, देश के राजा-महाराजाओं, जमींदारों और जागीरदारों के सामने रखा, वह एक ट्रस्टीशिप का सिद्धांत था। ट्रस्टी के नाते उनका यह कर्तव्य होता था कि वे इस देश की जनता को ट्रस्टी बना करके उनके धन-सम्पत्ति द्वारा निर्मित कल-कारखानों और उद्योग के द्वारा अर्जित कमाई को देश की भलाई के लिये खर्च करें। मैं समझता हूं, इस कानून से इस दिशा में थोड़ी बहुत प्रगति होगी, किन्तु जैसा कि मैंने दर्शन किया, वर्तमान परिस्थिति में उनके दिलों पर कोई असर पड़ने वाला नहीं है।

दूसरी बात हमारे माननीय अर्थ मंत्री जी ने कही थी कि जो आय इस बिल के द्वारा होगी वह केवल उन राज्यों को दी जायेगी जहां इसको खर्च करने की आवश्यकता होगी। इस समय पाठ "बी" और "सी" स्टेट्स बहुत पिछड़ी हुई हालत में हैं और उनके उत्थान के लिये धन की आवश्यकता है। इसलिये उन्हें इस आय में से धन दिया जाना चाहिये। सरकार को चाहिये कि स्वार्थ-सिद्धि की जो भावनाएं पैदा हो रही हैं, उस पर गम्भीरतापूर्वक ध्यान दे करके ऐसी स्थिति का निर्माण करे कि शासन की मशीनरी में जो खराबियां हैं, जिसके अन्दर ऐसी अव्यवस्था है कि लोगों को अनुचित रूप में कानून का लाभ उठाने का मौका मिलता है, उन्हें दूर करे। इसके लिये आप बहुत से कानून, बिल लावें, यह ठीक है परन्तु इन कानूनों के कारण देश का कोई उत्थान हो जाने वाला है या कोई क्रांतिकारी परिवर्तन हो जाने वाले हैं, यह बात नहीं है। इस देश की जनता हमसे अपेक्षा करती है कि यहां की गरीबी दूर की जाय, वरना आर्थिक असमानता और सामाजिक

असमानता का यदि हमारी सरकार ने निराकरण नहीं किया और उसका उपाय काम में न लाई, तो उसका जनकल्याणकारी राज्य की स्थापना का उद्देश्य व्यर्थ सिद्ध होगा। आपने पिछले दिनों देखा है कि लोगों ने गलत तरीके से पैसा जमा किया, उन्होंने उस पैसे का दुरुपयोग करके भ्रष्टाचार की स्थिति बिगाड़ी है। सरकार ने हाल ही में नाज पर से कुछ कंट्रोल हटा दिया है। जैसा कि विरोधी दल के एक सदस्य ने कहा है, हमें बैंकिंग और इंश्योरेंस के सिस्टम को नेशनलाइज करना चाहिये, इसकी आवश्यकता भी है क्योंकि जब तक आप इस देश की आर्थिक व्यवस्था को चलाने वाली इन मशीनरियों को नेशनलाइज नहीं करेंगे तो समाजद्रोही लोग उससे अनुचित लाभ उठावेंगे। मैं आपको बैंकिंग का ही उदाहरण देता हूँ। जब गवर्नमेंट की डिकंट्रोल की पालिसी हुई, तो ऐसे लोगों ने जिनके पास ब्लैकमार्केटिंग का पैसा था या दूसरे तरीके से पैदा किया पैसा था, मन्ने दामों में नाज खरीद लिया और उस खरीदे हुये नाज को बैंकों में गिरवी रख दिया और वहाँ से ६०-७० प्रतिशत तक के हिसाब से कर्ज लिया और उस पैसे से और नाज खरीद कर उसे स्टॉक कर लिया। बाद को उमी नाज को उन्होंने दूने दाम पर बेचा। इस तरह से बैंकिंग की सुविधाओं का अनुचित लाभ उठाया जाता है। मुनाफाखोर लोग अपनी आमदनी को बिलकुल छिपाने हैं, मुनाफों को छिपाते हैं और अगर आप उनके हिसाब की जाँच करेंगे, तो आपको पता नहीं लगेगा कि उन्होंने १० लाख का माल २० लाख में कैसे बेचा। इस प्रकार सरकार को न तो पूरा इनकमटैक्स मिलता है, न दूसरे टैक्स मिलते हैं। इस्टेट ड्यूटी बिल में भी सरकार के सामने यही दिक्कत आयगी।

मैं इस बिल का समर्थन पहले कर चुका हूँ, और मेरा यह निवेदन है कि सरकार को ऐसी मशीनरी की व्यवस्था करनी चाहिये, जिससे सरकार के बनाये हुये कानून, सरकार के उन शुभ उद्देश्यों की पूर्ति कर सकें और इस देश में विषमता और असमानता का अन्त करके ऐसे जनकल्याणकारी राज्य का निर्माण कर सके जिसमें न कोई अमीर हो, न कोई गरीब हो, न कोई भूखा हो और न कोई नंगा हो।

[For English translation see Appendix V, Annexure No. 102.]

SHRI D. D. ITALIA (Hyderabad): Mr. Deputy Chairman, Sir, in all advanced and progressive countries the death duty, or the estate duty as it is now known, has been in existence for a long time. India wants to go forward with the other democratic nations and so I welcome this measure, the Estate Duty Bill which has been passed by the House of the People.

No doubt this kind of tax is new to India and there will be a certain amount of hardship. People do not know how to face this hardship. After all one has to be prepared and set apart a margin of his earnings for the payment of this estate duty during the life-time of a man. So I request the hon. Finance Minister to go slowly and cautiously so that there will not be undue hardship for the tax-payers. The estate duty, as we know, has to be paid on our accumulated wealth. The more wealth we accumulate, the more duty we will have to pay.

Our Finance Minister said that the object of the Bill was two-fold, but to my mind it is not two-fold but three-fold—firstly to prevent further concentration of wealth in the hands of those who are already wealthy, secondly to reduce the existing inequalities in the distribution of wealth in the country and thirdly to find money to assist the States to finance their development schemes. I personally think that in order to create a Wel-

[Shri D. D. Italia.]

fare State to look after us and our children, such a measure is really necessary. Sir, I congratulate the hon. Finance Minister for so ably piloting the Bill in the House of the People and I also thank him for modifying and improving many of the clauses as was suggested by many of the Members of the House of the People.

But there are many more difficulties to which I would like to draw the attention of the hon. Finance Minister and I hope he will consider them very favourably. First and foremost is about the duty to be paid. My suggestion is that it should be collected in kind and not in cash because many people, wisely or foolishly, like myself, who have invested all their money in properties, business and industry, have nothing in liquid or hard cash and so it will be very difficult for people to pay the tax when it is demanded and more so when it is a big amount. We are no doubt thankful to the hon. Finance Minister that there is provision to collect this duty by eight instalments of six months each. I would, however, request the Finance Ministry to consider this suggestion of mine.

Then about the exemption limit. To my mind the present exemption limit of one lakh is, looking to the present value of the rupee, too low. I think it should have been a lakh and fifty thousand at least, because after all the value of the rupee is only four annas compared to its pre-war value. As for the maximum rate of duty which is fixed at 40 per cent. at present, it would have been much better if it had been fixed at 25 per cent. so that the people may gradually get accustomed to this duty and know what to pay and how to pay.

One more important suggestion which I would like to make is this. Whatever rate is fixed, it should continue for at least ten years in the first instance. It should not at all be altered during the first ten years. Then there is one thing about gifts

or deeds of settlement. The period fixed is two years; I think it must be reduced to one year, because in many countries the period is only one year. If the gift or deed of settlement is made one year before the person dies no duty should be levied on that.

The more important thing is about the appointment of an independent tribunal. It is most necessary, because after all the tax-payer must know that he will be fairly treated. If more power is given to the Executive, it is really a hardship on the tax-payers. So my humble request is that speedy steps should be taken for the appointment of an independent tribunal on the lines of the Appellate Tribunal under the Income-Tax Act. Also I request that there should be a provision for the appointment of a Board of Valuers. After all that is a more important thing, because everything depends upon how the valuation of a property is done. As was suggested by some of the speakers who preceded me, valuation should be done on the basis of municipal taxes which we are paying. If the price of the property is to be fixed at the market rate, I think that would be a great hardship, because after all, more than 80 per cent. of the tax-payers have to dispose of their properties, to pay the estate duty. Therefore, all these things should be taken into consideration before the estate duty is imposed. With these few words, Sir, I wholeheartedly support the Bill

SHRI M. P. N. SINHA (Bihar): Mr. Deputy Chairman, at the outset I say that I welcome this measure because it is at least one step forward towards the removal of artificial positions of certain people in society. We all want, Sir, a casteless and classless society. So far as that is concerned, I think we have made this one step forward. We made one step forward for a casteless society yesterday by referring the Special Marriage Bill to a Select Committee. So far as the classless society is concerned, Sir, this Bill will take us one step further. And I, therefore, welcome it, Government and leaders.

of society have got to do something to efface this invidious distinction that exists between man and man. People become rich by accident. And it is here, Sir, that we want that the law makers and the leaders should come in to see that nobody should be rich by accident. Then, Sir, if at all, one becomes rich by reason of his labours and endeavours, I think society has a claim to take a good share of his income. And this is a step, Sir, I think towards that. Sir, we, the Socialists have been pressing for a classless society and we therefore welcome this kind of measure that is brought before the House. I have some misapprehensions also. Sir, we have also seen that there have been so many cases of evasion of payment of income-tax; so many cases have been started. I read in a paper a few days ago that a case had been started against a very big man—one of the five or six big industrialists of this country in Calcutta for evading income-tax and for fabrication of accounts. Sir, we also know that by efforts of the department, crores and crores of rupees have come to the public coffers. That means, Sir, that such big amount had remained hidden so far. I would therefore warn the Government, and I would ask them to be careful and so make rules as to leave no scope for these expert manipulators to escape payment of the tax due to the Government. But, Sir, in spite of that, I am sure these underhand dealings will be there, and that is why I believe that to avoid all complications and to ensure income to the Government for the benefit of the people, for the benefit of the commonman, it would have been better to control all the sources that bring in money, i.e., to say, to nationalise all big industries. Well, Sir, whenever that has been pressed by us the reply has been that we are wedded to a particular kind of Constitution according to which we cannot take away anybody's property without payment. And then, we haven't got money to make all these payments. Industry must be carried on and it must be a going concern. Sir, I do not know if Government has ever con-

sidered the proposition from a practical point of view. They have themselves set an example in Bihar and in certain other States by abolishing zamindari and by paying the zamindars in non-negotiable bonds. I submit, Sir, that it will probably be wise to start with one State—if you cannot take a big jump, you start with one State—and nationalise all big industries, all services in that State and pay them in bonds. Of course, some interest will have to be paid, as is done in banks and post offices—we get two per cent. or two and a half per cent. So at that rate they may be given a sum which will be equivalent to that interest in bonds. And then, Sir, the slab system, the system which you introduced in the abolition of zamindari, should be introduced here also. That is to say, the larger the value, the smaller the percentage of price.

Then, Sir, coming to the Bill itself, I have to make a few observations. In the matter of exemption, Sir, I have found that proper attention has not been paid to the requirements of the people. For example, Sir, for the marriage of a dependant girl, a maximum of Rs. 5,000 is given. Mind you, it is not the minimum; it is the maximum. If some people can pay more than Rs. 5,000 in connection with their daughter's marriage, I think they should not be prohibited from doing so. I would tell you, Sir, that in my part of the country, it is very difficult to get a good bridegroom for a good girl within this sum of Rs. 5,000. And I think, Sir, that is the case in Bengal, in some portion of Uttar Pradesh and in Orissa also. So, to restrict it to Rs. 5,000 will not be conducive to good results, inasmuch as there will always be difficulties about the marriages of educated girls and girls of good families.

SHRI M. S. RANAWAT: Stop the dowry system.

SHRI M. P. N. SINHA: You cannot stop it. It cannot be stopped until educated girls refuse to marry any boy who or whose parents ask for money, but it will take time.

[Shri M. P. N. Sinha.]

Another thing to which I would like to invite the attention of the House is this: You must exempt at least one residential house. I know that people may have houses at many places. All those houses, I agree, should be taxed but at least one residential house should be exempted. There are many middle-class gentlemen who have just one house in a village or a town. That should have been included in the list of exemptions. In the other House the hon. the Finance Minister said that he would not like to encourage people to spend too much on houses. But where is the harm? I do not think our Finance Minister has lost his æsthetic sense or taste for art. If people have money and they want to beautify their houses, I think that should not be discouraged. I do not say that all houses should be exempted. At least one residential house should be exempted

KHWAJA INAIT ULLAH: Though they may be Lal Qilas.

SHRI M. P. N. SINHA: Yes. Most of the families having these Lal Qilas and big houses will be ruined. I do not know what is going to happen to these Princes. You have taken away everything from them. You have taken away their kingdoms. Unfortunately for them, they have still got their palaces left. What will happen to these gentlemen I do not know.

KHWAJA INAIT ULLAH: It is very strange that a Socialist should be bringing in their case.

SHRI M. P. N. SINHA: We must not forget that we are legislators first and everything else afterwards. I want to be honest to this House and to myself.

Sir, regarding the mode of realisation of the tax, I have to say a few words. It is stated that the tax could be realised in six-monthly instalments in two years, or in six instalments. So far as the instalment system is concerned, I think it is quite good, but the Board should have the power to extend this period of instalments. There may

be some cases where you have assessed a man for a very big amount on his immovable property and the man may not be able to pay in spite of his best efforts and, maybe, some other big man wants to grab his house for a small sum. My submission is that you must give sufficient time in such hard cases, where you are convinced that the man concerned has made honest attempts to make the payment but could not succeed in raising the amount. In such cases, the Board should have the power to extend the period up to four years or even five years. After all, you do not lose any money by doing that, because there is a provision that, the man concerned will have to pay interest at the rate of 4 per cent. You get your interest and you do not lose. It will be a sort of investment for you and it will also help the man concerned in the payment of the tax. I think this is very fair and should be considered by the Government.

Coming to the rate of interest itself, I think four per cent. is rather high. Take the first class banks. They do not pay interest at that rate. Their rate is very much less, and I think that the rate of interest chargeable on instalments which have fallen due should be equivalent to the rate of interest of a first class bank.

As regards appeal, reference could be made to the High Court or the Supreme Court against an assessment by the Board but the man against whom the assessment is made will have to pay the amount of the assessment at once notwithstanding his appeal to the High Court or the Supreme Court. I know that in the matter of income-tax there have been real cases of hardship when a person has been assessed for very much higher sums and then to file an appeal, he has to deposit 12½ per cent. in advance and then only an appeal can lie. Some people feel difficulty in paying that money in advance. But here the provision actually is that, when an assessment is made whether it is good, bad or indifferent, you will have to pay it then and then only

you can make a reference or the Board makes a reference to the High Court or Supreme Court. I think that this will work hardship. Here again the High Court and the Supreme Court should be given authority to go into a case and if they are satisfied that there is a case where the payment should be deferred or should be stayed until the disposal of the case, then they should have the power to do so.

Sir, I have given notice of certain amendments and I do not want to speak on those amendments now, because I will have an opportunity to speak on them later on. In the end, Sir, I assure you that I like this step of the Government. We do not always oppose them for the mere sake of opposition. We support them if their measures are for the good of the people and oppose them only when their measures are bad.

[THE VICE-CHAIRMAN (SHRI B. C. GHOSE) in the Chair.]

SHRI B. M. GUPTE (Bombay): Sir, I congratulate the Finance Minister on having accomplished a task which has been hanging fire for so many years and which defied the attempts of two of his predecessors. The Bill is welcome no doubt, though it is not revolutionary. That Ceylon and Pakistan should have preceded us in this matter clearly shows that the Bill has come none too early. It is in line with the policy adopted all over the progressive world; the policy of taking from the haves and spending for the have-nots. Even the Conservative Government in England, a government which represents vested interests and the privileged classes, even that Government has been compelled to adopt this policy, and therefore this Bill is in no sense revolutionary. Though, it is not revolutionary it cannot be denied that it gave rise to feelings of widespread apprehensions in the minds of those who were likely to be affected by it. I think this was due to the exaggerated claims that were made on behalf of this measure. It was claimed that like death, the death duty will be a great leveller. Of course, it is not

likely to do this, and I am glad that the Finance Minister himself is very modest in his claims. He says that it is only a step in the direction of reducing inequalities, and that is a correct estimate.

I cannot say what will be the impact of this Bill on the middle classes, it is too early to judge it today. I am prepared to admit like the Finance Minister that one must have some experience at the working of the measure, but I am afraid perhaps it may have some effect on the middle-classes which are already in very sad plight. The duty may accelerate the process of disintegration but it cannot be helped. Estate Duty or no estate duty I don't think they can be saved. They are gradually being carried to their inexorable doom of forming a new class, the new poor. So it is no use wasting our tears over what is inevitable and moreover I am not quite sure today whether that effect will be there.

With regard to the Bill itself, of course, it has been discussed threadbare in the other House and I don't propose to raise all those points here again. Even if new points are raised I don't think any useful purpose will be served because as has been already pointed out, the other House is to be adjourned and there is no chance of any point being accepted here. Therefore, I would consider it more worth while to speak more about the administration than about the Bill itself. But even then, in spite of all this discouraging atmosphere, I am tempted to make one suggestion or repeat the suggestion as amendments may have been moved in the other House—that is about raising the exemption level of insurance from Rs. 5,000 to Rs. 10,000. In our country insurance has still to make much headway. Even on that ground this raising of the limit is urged to be correct. But I shall support it on another ground. Most of the old sources which financed the public debt, public loans—the merchants, merchant princes and so on—all those sources have dried up. One need not enter into their reasons but the fact must

¶ [Shri B. M. Gupta.]

be faced that those sources have dried up and we have to rely more and more upon institutional savings. And therefore I submit that from that point of view, insurance should be encouraged and raising of that limit would be helpful in that direction.

Even before turning to the point about administration, I would like to refer to one suggestion made by my friend, Shri Ghose. He said that this fund should be utilized for the amortisation of the debts of The States, debts which they owe to the Centre. This policy would be like the attitude of the old *Sowkars* of this country, who even at the time of advancing the loan, deduct the interest for one year and the first instalment and so on. I think at this time the policy of the Centre and the States should be concentrated upon spending. The question of repayment should not be raised now. Let us go on spending and fulfil the plan. If any State defaults later on, the Centre will have ample opportunities and ample powers to recover those loans. That question should not be raised now and the money that is due to the States should be given to them and the development plans should be accelerated.

I shall now turn to the administration of the Act itself because even harsh measures can be softened by proper administration and I am glad the hon. Finance Minister has promised in the other House that he will issue some pamphlets about this Bill in very simple language. The language of the Bill is too complex and complicated even for lawyers to understand and it would be much more difficult for an ordinary common man to understand. Therefore that step is in the right direction. But I would go further and suggest to the hon. Finance Minister that Public Relations Officers should be appointed and they should be there to advise and help all the assesseees. Mere issuing of pamphlets will not be of much use. I don't know whether they have appointed these Public Relations Officers in the Income-tax Department but

if they are appointed, then similar Public Relations Officers with regards to the estate duty should also be appointed to help the assesseees. Even more important than that is the attitude of the staff, the Controller and the subordinate staff. I would very earnestly impress upon the Finance Minister that we should profit by the experience of the working of the Income-tax Act. That experience has not been very happy. No doubts things have changed and are changing but we should not start the old process again and go through the experience again. We know the experience of discourtesy and harassment. We should start with greater sympathy in this matter because the class of assesseees that would come to the office of the Controller would be in a different mood. It must be remembered that they would come in a sorrowful mind with the grief of bereavement fresh in their hearts and therefore they have to be treated more sympathetically and with greater tact. I would therefore urge on the hon. Finance Minister that he should make every attempt to infuse the right spirit in the hearts of his staff and if he attains success in this, I am sure, he will have done a great service to those assesseees and also to the country. As I said before even a harsh Act may be softened by sympathetic administration—and therefore I would earnestly request the hon. Finance Minister to impress upon the staff that this Act should be administered in the proper spirit.

With these words, I support the Bill.

KHAWAJA INAIT ULLAH:

خواجہ عذایت اللہ (بہار) : جناب صدر صاحب! میں اس بل کے متعلق ایسی گورنمنٹ کو مبارکباد دینا چاہتا ہوں اور جناب فائلمنس ملسٹر صاحب کی محنتوں کا شکریہ ادا کرنا چاہتا ہوں۔ میں دل سے اس قانون کی اور ایسے سب قوانین کی حمایت کرتا ہوں اور میں اس کو سپورٹ کرنے کو کہتا ہوں۔ مگر سپورٹ کرتے وقت مجھے

جناب فائننس منسٹر صاحب سے اور اپنی حکومت سے کچھ کہنا ہے۔ برسوں سے ہندوستان کی غریب جلتا ایسے قانون کا انتظار کر رہی تھی کیونکہ ہم یہ سمجھ رہے تھے کہ نیتک آزادی حاصل کرنے کے بعد ہندوستان کو ابھی تک آرتھک آزادی یعنی معاشی نہیں ملی ہے اور نہ ہی سماجک آزادی صحیح طور سے ہم پاس کیے ہیں۔ ہندوستان کی غریب جلتا آرتھک آزادی اور سماجی آزادی پانے کے لئے توپ رہی ہے اور ہم لوگ ہمیشہ ان کو یہ یقین دلاتے آ رہے ہیں کہ ہم ہندوستان میں مساوات قائم کرنے کی یعنی (inequality) کو دور کرنے کی کوشش کر رہے ہیں اور بہت جلد ہندوستان کی حکومت ہندوستان میں مساوات قائم کر دیگی۔ مساوات کے مطلب یہ ہیں کہ سب لوگ برابر برابر سوشل طریقے سے دولت میں عزت میں اور وقار میں رہیں گے۔ اتنے برسوں انتظار کرنے کے بعد مجھے یہ کہنا پڑتا ہے کہ -

دہبہت شور سنتے تھے پہلو میں دل کا
جو چہرہ تو ایک قطرہ خون نکلا

آج جب ہمارے سامنے اسٹیٹ ڈیوٹی بل آتا ہے تو ہماری ماری امیدیں ختم ہو جاتی ہیں۔ ہم سمجھے ہوئے تھے کہ اسٹیٹ ڈیوٹی بل سے ہندوستان میں جو ان ایکویلیٹی (inequality) ہے جو لوگوں میں دولت کی وجہ سے

پیدا ہو رہی ہے وہ بہت کچھ دور ہو جائیگی۔ مگر اس بل کے دیکھنے کے بعد مجھے افسوس ہے۔ کچھ اس پہلے قدم پر میں حکومت کو مبارکباد بھی دے چکا ہوں پھر بھی مجھے اس بات کا افسوس ہے کہ حکومت کو جو کرنا چاہئے تھا وہ اس نے نہیں کیا اور ہندوستان کے عوام کی جو امیدیں اس قانون سے وابستہ تھیں پوری نہیں ہوئیں۔ آپ کہیں گے کہ کس طرح پوری نہیں ہوئیں۔ میں عرض کروں گا کہ اس بل کے بناتے وقت حکومت نے ایک لاکھ روپیہ کی جائداد کو اسٹیٹ ڈیوٹی سے ایکزیمپٹ (exempt) خارج کر دیا۔ شاید ہمارے فائننس منسٹر صاحب کو مجھ سے زیادہ معلوم ہے کہ ہندوستان کی جلتا کی اوسط آمدنی قریب قریب دو سو پچاس روپیہ سالانہ ہے اور اوسط آمدنی نکالتے وقت نظام حیدرآباد، مہاراجہ بھکنا، ڈالیمیا وغیرہ کو بھی شامل کر لیا جاتا ہے۔

SHRI C. G. K. REDDY:

श्री सी० जे० के० रेड्डी : बिड़ला को छोड़ दिया ।

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ : ہاں ہاں - برلا وغیرہ سب آ جاتے ہیں۔ میرے کہنے کا مطلب یہ ہے کہ ۳۶ کروڑ کی آبادی میں سے اگر آٹھ لاکھ لوگوں کو جو کہ انکم ٹیکس دیتے ہیں الگ کر دیا

[Khawaja Inait Ullah.]

جائے تو بقی آبادی جو ہندوستان کی
بچتی ہے اسکی اگڑا اوسط آمدنی نکالی
جائے تو میں سمجھتا ہوں کہ شاید سو
روپیہ سال سے زیادہ اوسط آمدنی نہیں
ہوگی۔

SHRI B. K. P. SINHA (Bihar):

श्री बी० के० पी० सिंहा : जनাব सदर,
तो क्या आनरबिल मॅम्बर यह कहना चाहते
हैं कि यह स्टेट ड्यूटी बिल न हो कर स्टेट
कॉन्सिडरेशन बिल होता तो अच्छा होता।

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ : مجھے کہئے
دیجئے جو کہ میں کہنا چاہتا ہوں
اور میرے کہئے کے بعد آپ کو کہئے کا
موقع ملے گا۔ ہاں اس قانون سے ایک
لاکھ روپیہ کی جائداد کو ایکڑمپٹ کیا
جاتا ہے۔ میرے خیال میں اگر
حساب لگائیں تو آپ دیکھیں گے کہ اگر
کسی آدمی کے پاس ایک لاکھ روپیہ کی
جائداد ہو یا ایک لاکھ روپیہ ہو اور وہ
اس ایک لاکھ روپیہ سے کوئی کاروبار بھی
نہ کرے اور بیکار بیٹھا رہے اور کسی
اچھے بیلک میں اس روپیہ کو جمع
کر دے یا گورنمنٹ کو لون (loan) دیدے
تو سارے چار پرسیڈنٹ سود کے حساب سے
اسکی سالانہ انکم ۲۵۰۰ روپیہ ہو
جائیگی یعنی ۳۷۵ روپیہ ماہوار کی انکم
اسکی ہوگی۔ اس بل کا مقصد یہ ہے
کہ ہم ہندوستان سے ان ایکویلیٹی
(inequality) دور کر دے ہیں۔

ہندوستان کے غریبوں کو اونچا کرنے جا
رہے ہیں اور امیروں کو نیچا کرنے جا
رہے ہیں۔ اگر ہمارے فائنل مس منسٹر
صاحب نے کوئی اور مقصد بیان کیا
ہوتا تو مجھے اعتراض نہ ہوتا لیکن
اس بل کا مقصد یہی بیان کیا گیا ہے
کہ ہندوستان سے ان ایکویلیٹی
(inequality) کو دور کرنا ہے اور بڑے
لوگوں کو امیروں کو کچھ نیچے لانا ہے
اور غریبوں کو اوپر کر کے سب کو برابر
کرنا ہے۔ تو میں کہہ رہا تھا کہ ۳۷۵
روپیہ ماہوار کی جو آمدنی اس طرح
پا رہے ہیں ان کو آپ نے ایکڑمپٹ کر
دیا تو پھر ہندوستان میں کتنے لوگ
بچیں گے جن سے آپ اسٹیٹ ڈیوٹی
وصول کرنے جا رہے ہیں۔ اگرچہ انہوں
نے کہا نہیں ہے لیکن میرا ایسا خیال
ہے اور شاید ان کا بھی یہی اندازہ
تقریباً ہوگا کہ سب خرچے کو نکالنے کے
بعد اسٹیٹ ڈیوٹی (estate duty)
سے جو آمدنی ہوگی وہ دس یا پندرہ
کروڑ روپیہ کی ہوگی۔ تو اس دس یا
پندرہ کروڑ روپیہ سے ہندوستان کی ۳۶
کروڑ آبادی کی ان ایکویلیٹی
(inequality) کیسے دور کی جا
سکیگی اور ہندوستان کو کیسے ڈیولپ
(develop) کیا جائیگا۔ اور ہندوستان
کو جسٹر ڈیولپ (develop) کرنے کے لئے
پنج سالہ پروگرام میں ہم ۲۰۶۹ کروڑ
روپیہ خرچ کر رہے ہیں۔ میری سمجھ
میں نہیں آتا کہ اس اندر میں اس
قطار سے کیا ڈیولپ (develop) ہوگا

اور کیا ان ایکویلیٹی (inequality) دور ہوگی۔ اسی طرح سے ایک لاکھ کی بات چھوڑتے تو تیرہ لاکھ کی جائداد والے کو تین ہزار روپیہ اسٹیٹ دیوٹی (estate duty) دینی پڑے گی جبکہ اسکی آمدنی ۶۷۵۰ روپیہ سالانہ ہوگی اور جسکی تین لاکھ کی جائداد ہے اس کو ساڑھے بارہ ہزار روپیہ اسٹیٹ دیوٹی دینی پڑے گی۔ اس لئے میں سمجھتا ہوں کہ یہ قدم کچھ بالکل صحیح ہے لیکن بہت نرم ہے۔ اتنا نرم ہے کہ ایسا معلوم پڑتا ہے کہ جو لوگ سرمایہ دار ہیں ان کو ہم زیادہ خوش رکھنا چاہتے ہیں بہ نسبت غریبوں کے۔ ہاں اس سے کچھ امید پیدا ہو گئی ہے کیونکہ جذبات فائلنس منسٹر صاحب نے فرما ہے کہ اسٹیٹ دیوٹی بل کو پاس کرنے کے بعد پھر ہم کچھ ریٹس (rates) بھی بڑھائیں گے اور ایکزمپشن (exemption) بھی کچھ کم کریں گے۔ تو میں سمجھتا ہوں کہ شاید اس خیال سے کہ یہ پہلا قدم ہے اسلئے اسکو آہستہ آہستہ اور احتیاط سے اٹھانا چاہتے ہیں۔ میں سمجھتا ہوں کہ اسٹیٹ دیوٹی ہندوستان کے ہر آدمی پر لگنا چاہئے۔ یہ کیا وجہ ہے کہ اسکو ایک پرنس کے اوپر لگایا جائے لاکھوں کی جائداد والوں کے اوپر لگایا جائے لیکن کس غریب آدمی پر نہ لگایا جائے۔ کیونکہ جو غریب آدمی ہے اور جسکی صرف دس روپیہ کی

جائداد ہے اسکو اسٹیٹ دیوٹی دیتے وقت کوئی تکلیف نہیں ہوگی۔ جبکہ وہ جانے گا کہ جو ہمارے لکھ پنی ہیں اسکی جائداد میں سے پچاس ہزار روپیہ گورنمنٹ کو چلا جائیگا تو اسکو کیا پرواہ ہو سکتی ہے اگر اسکی دس روپیہ کی جائداد میں سے بھی دو تین آنے گورنمنٹ کے پاس چلا جائے۔ اس کا نتیجہ یہ ہوگا کہ بہت عرصے سے ہم جو مساوات قائم کرنے کی کوشش کر رہے ہیں اور جسے کچھ لوگ امیروں کو قذل کر کے امیروں کی جائداد کو لوٹ کر کے قائم کرنا چاہتے ہیں وہ اس قانون سے کر لیں گے۔ (ایکزمپشن - exemp-tion) کرتے وقت جو ایک لاکھ روپیہ کی جائداد چھوڑ دی گئی ہے ایکزمپشن (exemption) یہاں تک ہی بس نہیں ہے۔ بلکہ سرسری طور پر بل کو پڑھنے کے بعد مجھے معلوم ہوا کہ اور بھی بہت ساری رعایتیں کی گئی ہیں۔ مثلاً فارن پراپرٹی (foreign property) کو اس میں نہیں لیا گیا ہے۔ جتنے بڑے بڑے امیر لوگ ہیں انہوں نے اپنی جائدادیں فارن کنٹریز میں بنا رکھی ہیں۔ ان کا بہت سا روپیہ فارن کنٹری میں ہے۔ ابھی کل ہی ہمارے ایک دوست نے پوچھا تھا کہ راجے مہاراجے اور بڑے بڑے جاگیر داران جب یورپ جاتے ہیں تو اتنا روپیہ کہاں سے خرچ کرتے ہیں اور آپ انکیوں اتنا روپیہ ان کو خرچ کیلئے دیتے ہیں تو جواب دو کہ ان کا تو بہت سا

[Khawaja Inait Ullah.]

روپیہ فارن کلمنٹریز میں موجود ہے۔ امریکہ اور انگلینڈ کے بینکوں میں روپیہ موجود ہے۔ جب ہم جانتے ہیں کہ یہ راجہ مہاراجے جو کہ انڈین کہلاتے ہیں اور بڑے بڑے امیر آدمی وہاں روپیہ رکھنے ہیں تو پھر انکو کیوں ایکزمپٹ کیا جاتا ہے۔

SHRI M. C. SHAH: They will not be exempted.

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ : بہر حال غیر منقولہ (immovable property) بھی کیوں ایکزمپٹ کی جائے۔ میں تو چاہتا ہوں کہ انکے جو ہیرے جواہرات ہیں وہ بھی ایکزمپٹ نہ کئے جائیں مجھے اس کی کوئی پروا نہیں ہے کہ آپ ہم سے بھی اسٹیٹ تیوتی لے لیجئے کیونکہ ہمارے پاس ہے ہی کیا جو آپ لیجئے گا۔ مگر ہم یہ چاہتے ہیں کہ ان سے ضرور لیا جائے۔ اگر ہم تھوڑے سے لے لینگے اور باقی سے نہیں لینگے تو پھر حکومت اس لائق نہیں رہے گی کہ دیہ میں مساوات کو لا سکے۔

ایکزمپشن میں گفٹس (gifts) بھی رکھ دی گئی ہیں۔ ہم سمجھتے ہیں کہ چیریٹی گفٹس (charity gifts) وہ ہیں کہ جو کام حکومت کرنا چاہتی ہے وہی کام اس چیریٹی گفٹس سے ہونا ہے جیسے غریبوں کی پرورش، لوگوں کی پہنائی اور کچھ اسپتالوں کا کام یہ سب چیریٹی گفٹس ہیں۔ مگر ہم اس بل میں پاتے ہیں کہ دو برس سے پہلے اگر کوئی

کسی کے نام اپنی جائداد کا کچھ حصہ لکھ دے تو وہ بھی چیریٹی سمجھی جائیگی۔ امیروں نے اس بل کے بلنے سے بہت پہلے ہی اپنی جائدادوں کو اپنی بیوی بچوں کے نام لکھنا شروع کر دیا ہے اور اس قانون کے پاس ہونے کے بعد وہ اور بھی اپنے بیوی اور بچوں کے نام لکھینگے۔ کوئی بھتیجے کے نام لکھے گا کوئی بیوی کے نام لکھیگا اور کوئی بیٹے کے نام لکھیگا۔ اس طرح سے وہ اپنا توکل بنا لینگے حساب تیار کر لینگے کہ ایک لاکھ روپیہ تک اپنے پاس رکھیں اور باقی جائداد نومینل (nominal) فرضی طریقے سے فلاں فلاں کے نام لکھ دینگے۔ یہ کہا جاتا ہے کہ اگر اسکو قبضہ نہیں ملےگا تو ہم نہیں مانینگے مگر قبضہ ثابت کرنے کے لئے کون دیکھنے جائیگا۔ ان بڑے آدمیوں کے پاس بہت سے طریقے ہیں کہ ہزار دو ہزار روپیہ دیکر کسی معمولی آدمی کا منہ بند کر دیں۔ ہزار دو ہزار روپیہ اسکی لئے کافی ہیں اور وہ لکھ دیکر کہ مرنے سے دو ڈھائی سال پہلے ہی قبضہ دیا جا چکا تھا۔ تو یہ ایسی بات ہے کہ جو کاغذوں میں صحیح معلوم ہوئی ہے لیکن اگر دیکھتے ہوئے (practical way) عمل میں آپ دیکھینگے کہ جتنی بھی بڑی جائدادیں ہیں جنکے متعلق آپکا خیال ہے کہ ہم اسٹیٹ تیوتی لکھینگے وہ سب کسی نہ کسی طرح سے کوئی نہ کوئی ذریعہ نکال کر ایکزمپشن کے حدود کے اندر

اندر آجائینگے۔ تو نتیجہ یہ ہوگا کہ ہم جو ۱۰ یا ۱۵ کروڑ روپیے کی آمدنی کا انتظار کر رہے ہیں وہ شاید خواب ہی رہ جائے گا اور آپ تھوڑے ہی دنوں کے اندر دیکھینگے کہ رجسٹریشن آفس میں اس طرح کے کئی رجسٹریاں ہونگی جن کے ذریعہ دیوتی کے ماتحت آنے والی جائدادیں بیوی - بیٹی اور بیٹوں کو لکھ دی جائیں گی۔

DR. SHRIMATI SEETA PARMANAND (Madhya Pradesh):

डा० श्रीमती सीता परमानन्दा (मध्य प्रदेश) : कम से कम इस वजह से तो बीवी को मिल जायेगा :

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ : اس چھڑ کے لئے تو آپ لوگ قانون لا ہی رہے ہیں۔ ابھی مہوے ایک آنریبل ممبر نے یہاں پر یہ کہا کہ دفن کرنے کے لئے عیسائیوں کا بہت روپیہ لگتا ہے۔ میں تو کہتا ہوں کہ عیسائیوں کا ہی کیوں لگتا ہے مسلمانوں کا بھی لگتا ہے۔ آپ آگرے میں چلے جائیے تو آپ کو ثبوت مل جائے گا کہ مسلمانوں کو دفنانے میں کتنا روپیہ لگتا ہے۔ تاج محل مسلمانوں کو دفنانے کے لئے ہی تو بنایا گیا تھا۔ ابھی جو ہمارے بھائی یہ کہتے ہیں کہ ۵ ہزار روپیہ بہت تھوڑا ہے اس کو بڑھا دیا جائے تو یہ بات میری سمجھ میں نہیں آتی ہے۔ ہندوستان کی ۹۰ فیصدی جلتا کو رہنے کیلئے جھونپڑی نہیں ہے اور کچھ لوگ مرنے کے بعد قبر کو

سنگ مرمر سے بنانا چاہتے ہیں تو اس لئے یہ لوگ کہتے ہیں کہ اس رقم کو بڑھا دیا جائے۔ شادی کے لئے جو پانچ ہزار کی رقم رکھی گئی ہے وہ ہمارے ایک سوشلسٹ بھائی کہتے ہیں کہ بہت کم ہے۔

SHRI C. G. K. REDDY: Sir, I should like to correct him. I do not understand how he calls the hon. Member a Socialist.

KHWAJA INAIT ULLAH: In the beginning he said that "being a Socialist, I support his ..."

SHRI C. G. K. REDDY: He has been expelled from the Party.

KHWAJA INAIT ULLAH: In the beginning he said "being a Socialist"; I do not know whether he belongs to your Party or not. His views are socialist.

SHRI M. S. RANAWAT (Rajasthan): Not a Praja-Socialist.

KHWAJA INAIT ULLAH: There are so many kinds of Socialists, I cannot understand.

بہرحال یہ خیال ان کا تھا۔ مجھے تعجب ہوتا ہے کہ ہندوستان کے اندر لاکھوں اور کروڑوں لوگوں کے پاس رہنے کے لئے مٹی کے جھونپڑے تک نہیں ہیں۔ وہ لوگ سڑکوں پر پڑے رہتے ہیں۔ بدن پر پہننے کے لئے کپڑے بھی نہیں ہوتے ہیں۔ پانی میں بھیگتے رہتے ہیں سردیوں سے کپکپاتے رہتے ہیں اور اسی طرح سے مر جاتے ہیں۔ ہمارے یہاں پر بھائی کہتے ہیں کہ قبر میں سنگ مرمر لگائے کے لئے اس کی رقم کو بڑھا دیا جائے۔ شادی

[Khawaja Inait Ullah.]

کیلئے رقم لہا دیجئے کیونکہ لوگا خریدنا پوتا ہے - مگر میں کہتا ہوں کہ کون کہتا ہے کہ شادی کیلئے لوگا خریدنا پوتا ہے - جو لوگ اسطرح کی بات کرتے ہیں وہ اس دیش کے اندر کتنے ہیں - وہ تو انگلیوں پر گنے جا سکتے ہیں - ہم کچھ گنتی کے لوگوں کے لئے اور عام کسانوں کے لئے دوسرا قانون نہیں بنا سکتے ہیں - غریب کے پاس پانچ ہزار روپیہ جائیں تو اس کے لئے ایک بہت بڑی بات ہو جائے گی - اس کے لئے تو ۵۰۰ روپیہ ہونا بھی مشکل بات ہوتی ہے - اس دیش میں ایسے لوگوں کی ہی زیادہ میجارتی ہے کہ اگر ان کو شادی کے وقت ۵۰۰ روپیہ مل جائے تو وہ بہت خوش ہو جائیں گے - ہم راجہ مہاراجہ اور پرنسز کی خواہشوں کو پور کرنے کے لئے کوئی خاص قانون نہیں بنا سکتے - اس لئے ۵ ہزار روپیہ جو رکھا گیا ہے میں اس کو بہت زیادہ سمجھتا ہوں - اگر کوئی شادی میں زیادہ خرچ کرنا چاہتا ہے تو وہ اپنے داماد کو شادی کے پہلے یا بعد جتنا چاہتا ہو اس کے نام لکھ سکتا ہے - جسکی اس قانون میں اجازت موجود ہے -

اس بل میں جو ایکزمیشن دئے گئے ہیں وہ بات میری سمجھ میں نہیں آئی ہے اور میں اس کے خلاف ہوں - میں تو اس خیال کا ہوں کہ مرنے کے بعد سیلٹ پرسنٹ یعنی ہر

ایک آدمی کو دیوتی دیلی چاہیئے ایک مزدور کو بھی دینا چاہیئے اور ایک دھلی آدمی کو بھی دینا چاہیئے۔ ورنہ برابر ان ایکولیٹی (inequality) بنی رہے گی اگر امید پر ٹیکس لگتا ہے تو اسکو یہ کہنے کا موقع نہ دینا چاہیئے کہ وہ یہ کہے کہ میرے ہی اوپر ٹیکس لگایا جاتا ہے - اگر غریب کے اوپر ٹیکس لگایا جاتا ہے تو اسکو کہنے کا موقع نہ ملے کہ میرے اوپر ٹیکس لگایا جاتا ہے - اسطرح سے ان ایکولیٹی کہیں بھی نہیں آئے گی - ریٹ کے بارے میں کہیں پر (پرسنٹ) غی سیکڑہ ہو اور کہیں پر ۴۰ (پرسنٹ) فی سیکڑہ ہو اور کہیں پر ۹۰ (پرسنٹ) فی سیکڑہ ہو - ہمیں اس میں کوئی عذر نہیں ہے - جو ایک فی صدی دیلے لائق ہے اور جو ۹۰ پرسنٹ دیلے لائق ہے وہ دینا - اس قانون کا مقصد یہ ہے کہ ان ایکولیٹی یعنی تفریق کو دور کر کے ایکولیٹی یعنی مساوات پیدا کی جائے - ہمارے سانہ بڑے بڑے لوگ بھی ہیں اور وہ یہ کہہ سکتے ہیں کہ ہم نے کانگریس کا سانہ دیا ہے تو ہم سے اسٹیٹ دیوتی بل کے ذریعہ دھن دولت روپیہ کیوں لیا جا رہا ہے - اگر انہوں نے اپنا فالتو روپیہ جڈنا کی بھلائی کے لئے نہیں دیا تو یہ کمیونسٹ بھائی آپ کا گلا کاٹنے کے لئے تیار بیٹھے ہیں اور ساری جائیداد چھین لیں گے - تو میں یہ عرض

کر رہا تھا کہ اس طرح اس قانون کے ذریعے بڑی بڑی جائیدادیں عوام میں تقسیم نہیں ہو سکتیں - اگر آپ جلدی ان ایکویلیٹی (inequality) کو دور کرنا چاہتے ہیں تو اس طرح کے ریٹس (rates) لگا کر اور اتنی رعائتیں دیکر نہیں دور کر سکتے بہرحال سرکار کا یہ پہلا قدم ہے اور مجھے یقین ہے کہ جوں جوں اسکو اس بارے میں تجربہ ہوتا جائے گا وہ اسی طرح سے ریٹس (rates) بڑھاتی چلی جائے گی اور رعائتیں کم کرتی جائیگی تاکہ بہت جلد ان ایکویلیٹی نہ رہے اور سارے ہندوستان میں آپ اسٹیٹ دیوٹی بل لاگو کر سکیں -

SHRI B. RATH (Orissa): What is your method?

KHWAJA INAIT ULLAH: My method is cent. per cent. estate duty, for *har* *eak* *admi*, for every man, cent. per cent. for every man, cent. per cent. *daulat nahin*.

1 P.M.

میں سمجھتا ہوں کہ اس ہاؤس میں کچھ بڑے لوگوں کے کئی ریپریزنٹتیو (representative) نمائندے موجود ہیں - اس لئے انکو اس طرح کی باتیں اچھی نہیں لگ رہی ہیں - بہرحال یہ صرف میرا اپنا خیال ہی نہیں بلکہ میرا فرض ہے کہ تمام لوگوں کے جذبات کو آپ کے سامنے رکھوں - آپ اگر اس بارے میں ہندوستان میں ریفرنڈم لیں تو میں آپ کو یقین دلانا ہوں کہ 9۰ پوسینٹ ووٹ اس حق میں ملیں گے کہ سب پر اسٹیٹ

دیوٹی لگنی چاہئے - لوگ کہتے ہیں کہ مکانوں کو ایکزمپٹ کر دیا جائے لیکن میرے خیال میں اس میں اتنے ایکزمپٹنس رکھے گئے ہیں کہ وہی بہت کافی ہیں - یہ بھی کہا گیا ہے کہ ایک لاکھ روپیہ تک کے مکانات پر ایکزمپشن کیا جانا چاہئے - تو اگر اس طرح سے کسی آدمی کے ۵ لاکھ اور چھ سات پوتے ہو گئے اور وہ انکو ۵۰ ہزار روپیہ دیتا ہے تو اس طرح سے ان کی آمدنی ۷ اور ۸ لاکھ تک ایکزمپٹ ہو جاتی ہے - تو یہ تو بہت ہی زیادہ رعایت ہو جائیگی - اگر کسی کے ۷ یا ۸ بیٹے ہو جاتے ہیں تو اس کو ۴ لاکھ کی

AN HON. MEMBER:

ایک آئریبل ممبر : جوائنٹ

فیملی کا کیا ہوگا -

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ - سارے

ہندوستان کو آپ جوائنٹ فیملی کہیں نہیں بنا لیتے کہ ان ایکویلیٹی کا سوال ہی نہ رہے -

ہندو وڈوز (بیوہ) کی ایکزمپشنس کی بات بھی یہاں پر کہی گئی ہے کہ ان کو جائیداد میں وراثت نہیں ملتی ہے - لیکن جلد ہی ہماری بہنیں وہ قانون لانے والی ہیں اور ہم لوگوں سے مار مار کر پاس کرانے والی ہیں جسکی ذریعے سے وڈوز (widows) بیوہ کو جائیداد میں وراثت مل جائے - بیوہ بھی کسی کی بیوی اور کسی کی بیٹی ہوگی - ہندو عورتوں کو پوسنٹ

[Khwaja Inait Ullah.]

جائداد ملنے والی ہے - بہر حال جب کرنا ہے تو وہ وٹوز ۲۲ کو ایک کر دیجئے۔ کرشچھن وٹوز، مسلم وٹوز اور ہندو وٹوز ایک کر دینا چاہیئے - مسلم وٹوز کو اس کے خاوند کی جائداد سے دو آنہ حصہ ملتا ہے یہ اس کی پوسل پر اپرٹی ہو جاتی ہے مگر اسکے مرنے کے فوراً بعد وہ پراپرٹی جو اسے اپنے خاوند سے ملی تھی اس کے بیٹوں اور دوسرے وارثوں کو مل جاتی ہے - جب ایک مسلمان مرتا ہے تو اُسکی جائداد کا دو آنہ حصہ اسکی بیوی کو اور بقیہ دوسرے وارثوں کو مل جاتا ہے - دو یا پانچ سال بعد یا کبھی بھی بیوی کے مرنے پر وہ جائداد پھر اُسی عورت کے وارثوں کو چلی جاتی ہے - اس لئے اگر آپ ایکزمیشن دینا چاہتے ہیں تو جنرل ایکزمیشن رکھئے۔ حالانکہ میں ایکزمیشن کے رکھنے کا قائل نہیں ہوں - یہ سب میرے اعتراضات نہیں ہیں بلکہ سجھاؤ ہیں - میں اس بل کا بہت دنوں سے انتظار کر رہا تھا اور اس لئے میں اس بل کو اپنی پوری قوت کے ساتھ سپورٹ کرنا چاہتا ہوں - مگر اسکے ساتھ ہی ساتھ یہ بھی بتا دوں کہ یہ بل اتنا کافی نہیں ہے جتنا کہ ہونا چاہیئے کیونکہ یہ موجودہ حالات میں آپ کے ایم ایلڈ آبجیکٹس (aim and objects) کو پورا نہ کرے گا اور ۱۰-۱۵ کروڑ کی انکم سے آپ دیس کی ان ایکویلیٹی کو دور نہیں کر سکتے -

AN HON. MEMBER:

ایک آنریبل ممبر : بگننگ (beginning) شروع ہے یہ تو -

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ : بگننگ (beginning) تو ہے ہی - مثل ہے کہ شروع کا قدم اگر غلط ہو : دد خشت اول چوں نہد معمار کج - تا تریا سے رود دیوار کج ۲۲ یعنی مطلب یہ ہے کہ ہر کام میں جب پہلا قدم ہی غلط اُٹھایا جائے تو قدر معلوم ہوتا ہے کہ کہیں اگلے قدم بھی غلط نہ اُٹھتے جائیں۔ بعض لوگوں نے کہا ہے کہ ہندوستان میں اگر اسٹیٹ دیوٹی لگ جائیگی تو لوگ اپنا روپیہ چھپا لیں گے صرف نہ کریں گے - جائدادیں نہیں خریدیں گے - اس لئے اسے نہیں لگانا چاہیئے - میں کہتا ہوں کہ اس سے جو روپیہ لوگ بینکوں میں رکھنا چاہتے ہیں وہ بڑی بڑی اسٹیٹ انڈسٹریز میں لگائیں گے -

DR. P. C. MITRA (Bihar):

डा० पी० सी० मित्रा: (बिहार) रुपया लोग जमीन में गाड़ देंगे।

KHWAJA INAIT ULLAH:

خواجہ عنایت اللہ : دس بیس روپیہ گاڑا جاتا ہے لاکھ دو لاکھ نہیں گاڑا جاتا ہے - اگر لاکھ دو لاکھ گاڑ کر رکھ دیں گے تو ان کی انکم ہی ختم ہو جاتی ہے - صرف وہی گاڑ سکتے ہیں جو اسٹیٹ دیوٹی میں ایکزمیشن

ہو -

یہ خیال کرنا کہ امیر آدمی اپنے روپیوں کو بانٹنا شروع کر دینا یعنی کچھ بہتیجے کو دیدینا کچھ چچا کو دیدینا - تو اسکا نتیجہ کم از کم تو یہ ہوگا کہ جو دولت ہمارے ملک میں کنسٹریٹ (concentrate) جمع ہے وہ (ڈیوانڈ) تقسیم ہو کر اور زیادہ ملک کے کارآمد ہو جائے گا - اس طرح روپیہ کام میں تو لگ جائے گا مگر ایکویٹی (مساوات) نہیں ہو سکتی ہے - اس کے لئے کچھ اور ہی کام کرنے ہوں گے - جیسے ہر آدمی سے اسٹوٹ قیوتی لی جائے جو بھی مرے اسکی جائداد کا ایک پرسیڈنٹ - روپیہ میں ایک پیسہ قیوتی کی طرح نہیں بلکہ as a demand وہ سرکار کو چھوڑ دے پھر اسکے بعد آپ دیکھیں گے کہ اتنا روپیہ ہمارے پاس ہو جائے گا کہ دیہوں میں کوئی بھوکا نہ رہے گا - ہندوستان میں کہیں بھی کوئی کمیونسٹ کسی کو یہ کہہ کر نہ بھکا سکے گا کہ فلاں آدمی کو کھانے کو نہیں ملتا ہے -

میں یہ امید کرتا ہوں کہ ہمارے فائنڈس منسٹر صاحب ان سب باتوں کو مدنظر رکھیں گے اور اس بات کا وعدہ کریں گے کہ ابھی تو یہ بل پہلا قدم ہے اور اسکے بعد اسی طرح سے آگے دوسرے اور تیسرے قدم بھی اُٹھائے جائیں گے -

آخر میں میں اپنے ان چند الفاظوں کے ساتھ اس بل کو موجودہ حالت

میں "some thing is better than nothing" کہتے ہوئے اس کو سپورٹ کرتا ہوں -

[For English translation, see Appendix V, Annexure No. 103.]

SHRI M. S. RANAWAT: Mr. Vice-Chairman, Sir, as a matter of fact I only want to bring one thing which probably would have been better if it were brought in the form of an amendment to the particular clause of the Bill later. I bring it to the notice of the hon. Finance Minister now because he may have time to think over what I say and accept my amendment when the time for it comes.

In clause 64, in sub-clause (10) they have made a provision like this, "Provided that in the case of Part C States 'High Court' means in relation to Ajmer and Vindhya Pradesh, the High Court at Allahabad. Probably in the Finance Department or in the Legal Department they have no geographical idea of the situation of Ajmer and they must have thought that Ajmer must be somewhat near about Vindhya Pradesh. The other day some 10 lawyers from Ajmer met me and told me that they found it very annoying that the people of Ajmer should have to go to Allahabad which even with the best of their efforts will take them at least two days' journey, and it will be a difficult place. It is all right for Vindhya Pradesh which is near Allahabad but Ajmer is far away from Allahabad. They could have easily put the Rajasthan High Court in place of Allahabad High Court. I do not know if any Government department thinks that the Rajasthan High Court is not good enough. If this be the feeling, well, I have nothing to say about it. All High Court Judges are appointed by the President under the Constitution and I take it that they are all on the same level. It will create a great difficulty for the Ajmer people including the Vakils and the bar as a whole if they are connected with the Allahabad

[Shri M. S. Ranawat.]

High Court. Why Allahabad? It amounts to the same thing if for Allahabad you put Bombay or Calcutta or even Madras. I cannot understand any logic in putting Allahabad High Court for Ajmer. I shall later on be bringing in an amendment to clause 64 in this respect. Allahabad will not be convenient to the five lakh people of Ajmer.

Having said that much, Sir, I do not propose to speak on the merits of this Bill because the Bill has probably the support of almost every patriotic man who wants to tax the wealthy wherever possible. Fundamentally there cannot be much objection to it but my apprehension is how the Finance Department or the Finance Minister or for the matter of that this Government will be able to translate these desires into action. At the present moment our experience of the Government is very sad and when the present machinery is corrupt and there is so much nepotism I think this might make another trouble. People have said a lot of things against Government. But for my part I know that things have definitely changed after the present Finance Minister took charge. He has been able to inspire the confidence of the people. Before that in the preceding five years people had reasons to suspect the activities of even the officers at the highest level not to speak of the officers at the bottom. It will be the officers at the lowest level that the people will have to face and I am very very doubtful, with the present machinery, whether this Government will be able to do anything really up to the mark. I have my experience in respect of the collection of the excise duty on tobacco and I know that it is being collected only from the poorest people and they are the sufferers. In this Bill probably the rich people alone will be squeezed. Let us wait and see.

My feeling is that the present Party in power is bringing in a lot of things just to say "that we are bringing into force all laws which are considered in

the modern world as upto-date." We are modernising definitely on paper but every day we are going farther and farther away from the realities of life and every day the machinery is becoming cumbrous. That perhaps is the feeling of almost every man and even my best friends on the Government Benches in their daily life feel that it is true and unless you are able to make a strong and efficient administrative machinery and a reliable service machinery from the lowest to the highest, the problem will go on multiplying and you will give way to those whom you want to avoid. What our fiscal policy is and what our taxation policy is, one does not know. Is it on a capitalist pattern or a socialist pattern or a communist pattern? Nobody clearly knows what it is. There are examples where the capitalists at certain times influenced the affairs of the State in their favour. If we did things in a haphazard manner it will not bring us the desired results.

I may tell my friend who was very anxious to know why the first Rs. 50,000 was exempted. My feeling is that there was a desire at a certain level among the parties in power and they perhaps pressed for the exemption of the first 50,000. Perhaps they have some grouse against the people who are having more to eat, like the *Zamindars* or the *Soukars* and the other moneyed people. But they forget that my friends who are now holding offices are trying to get property through all kinds of influences and probably they think that they will not be able to earn more than a lakh of rupees in their office tenure out of which the first 50,000 will be exempted and the next 50,000 will be subject to a duty of only 5 per cent. Is that the reason that they want not to tax people with Rs. 50,000? Don't forget that they would also have to come to the same level and I believe that it would have been certainly better if you had not kept such an exemption because it would then not only rope in the people who are considered rich by their past earnings but those who have become rich after 1947. But it has given them a very good chance.....

THE VICE-CHAIRMAN (SHRI B. C. GHOSE): Mr. Ranawat, will you take more time?

SHRI M. S. RANAWAT: I do not think I have got much to say.

THE VICE-CHAIRMAN (SHRI B. C. GHOSE): Any way, you continue in the afternoon.

MESSAGE FROM THE HOUSE OF THE PEOPLE

THE APPROPRIATION (No. 4) BILL, 1953

THE SECRETARY: I have to report to the Council the following message received from the House of the People signed by the Secretary to the House:—

"In accordance with the provisions of Rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the Appropriation (No. 4) Bill, 1953, which has been passed by the House at its sitting held on the 15th September 1953.

The Speaker has certified that the Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

Sir, I lay the Bill on the Table.

The Council then adjourned till four of the clock.

The Council reassembled at four of the clock. MR. DEPUTY CHAIRMAN in the Chair.

SHRI M. S. RANAWAT: Mr. Deputy Chairman, Sir, I was dealing, when the House rose this morning, with clause 64 under which 'High Court' in relation to Part C Ajmer State meant the High Court at Allahabad.

Another thing about which I am rather apprehensive—which is not an objection in the law but my experience in the past few years of the administration of the country makes

me feel—is this, and I feel I am justified in being a little bit nervous about the valuation officer who is going to be the Controller. It is this man on whose efficiency, on whose honesty and on whose working will depend the success or I should say, the reputation of the whole of this measure. It is some relief that this is being taken up by the Central Government. Therefore, there may be a chance of the officers taking a little bit dispassionate view; but so far as I know of my State of Rajasthan and for that matter all Part B States, I am doubtful whether he will actually be able to come to such a level of efficiency. These States have been coming out of their medieval past; for the past five hundred years there have been constant fights amongst them, they have been encountering various raids on their territories, and they have, therefore, developed their places as self-protection centres. People have built forts and fortresses costing lakhs and lakhs of rupees. Now if you take stock of this wealth, this is worth nothing. A man who is in possession of a fort, costing probably ten lakhs of rupees, is not worth anything now, the fort has no sale value at all. Nobody will take it even for a rent of Rs. 5 a month. A man keeping it does not propose to have a new building because it will cost him fresh investments. A property worth Rs. 10 lakhs, is now reduced to Rs. 5 to Rs. 500 in the open market. The market value of house property has been reduced so much. We will have a whole team of 'karyakartas', who will like to blackmail these people. They will say: How do you say this fort which is worth Rs. 5 to 10 lakhs, is now not even worth Rs. 5,000. So strong nerves will be required for an officer to get out of such insinuations. With this background, we are so near the change that there is bound to be lot of local jealousy; the jealousy of the political parties is too strong, personal jealousies are still persisting. So, I request the Finance Minister to see that he should use his very best judgment or power of selection to find out a large number of officers who will be above board and whose