

Shri Namblar: May I know whether there was not a demand or request from the employees that the arrears should be paid from the date of increase of the cost of living, or July 1950 when the general strike took place?

Shri Morarji Desai: It is the decision of the Government to pay it from the time it is declared.

Incidence of Tax Evasion

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*90. { **Shri Nath Pai:**
 Shri P. C. Borooah:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the incidence of tax evasion has been on increase since 1950;

(b) if so, how much is the increase during the past twelve years; and

(c) what steps Government propose to take to review the tax collecting machinery?

The Deputy Minister in the Ministry of Finance (Shrimati Tarkeshwari Sinha): (a) It is not possible to say.

(b) and (c). Do not arise.

Shri Nath Pai: When the Government had availed themselves of the services of Professor Kaldor, he had pointed out in his report to the Government of India that tax evasion in this country was of a very substantial order and he had put the sum between Rs. 150 crores to 300 crores. It is a long time since this report was made available to the Government wherein there was also a recommendation on the steps to be taken to check this. The Government of India should be in a position to say something more than "It is not possible to say". Has there been any increase in the evasion of tax and has the Government succeeded in plugging the loopholes, as he has suggested?

Shrimati Tarkeshwari Sinha: Professor Kaldor's report was not a

dictum. He made an assessment in his report. It does not necessarily follow that we accept every line of that report or every word of that report. Secondly, no correct assessment of this can be made because statistics and other particulars are not available. But I must assure the hon. Member that the collections have improved very greatly due to the checks exercised and the improved methods employed by the Income-Tax Department.

Shri Nath Pai: Could she be so pleased as to tell the House whether during these three years there has been an improvement in real terms and not in such vague terms and, if so, what is the order of the improvement?

The Minister of Finance (Shri Morarji Desai): The question of evasion is always a vague question. There cannot be a definite reply to a vague question. If evasion is found exactly it will not remain there.

Mr. Speaker: Now his question is whether there has been any improvement in the collection.

Shri Morarji Desai: That is what was said. That was replied to by my hon. colleague.

Mr. Speaker: That was only that there had been improvement. He wants to know to what extent.

Shri Morarji Desai: I will require separate notice for that.

Shri Hem Barua: In his speech on the interim budget the hon. Finance Minister said that the tax collection machinery had been considerably geared up—these were his words—to avoid tax evasion and that there had been better collection of revenue in the country. On what basis did the hon. Finance Minister come to that conclusion?

Shrimati Tarkeshwari Sinha: May I give the figures of increased collection that we have made during the last ten years. Income-tax collection in

1961-52 was of the order of Rs. 187 crores which has increased to Rs. 278 crores at present.

Shri Hari Vishnu Kamath: Have Government come to a final decision in the matter of notifying the names of tax evaders or have they decided not to do so for ulterior reasons?

Mr. Speaker: These adjectives are not necessary. Normally they should be avoided in the question.

Shri Hari Vishnu Kamath: For any reason?

Shrimati Tarkeshwari Sinha: All the actions and the features are presented in the new Income-Tax Act. It is for the hon. Member to go through that Act and find out for himself what has been done in regard to that.

Mr. Speaker: He only wanted to know if there was a proposal or a demand for notifying the names of certain persons who were found to evade taxes and whether the Government has taken any decision that it would not do that.

Shri Morarji Desai: I believe that the people who have been punished upto a certain level their names have been published, as far as I know.

Shri Hari Vishnu Kamath: Not all of them are caught or punished. Very few of them have been caught and punished. Many of them go scotfree. The small fry is caught and the big fish go scotfree.

Mr. Speaker: In the new Parliament I would request hon. Members not to continue asking questions even after they have got the answer. Sometimes when another hon. Member has been called an hon. Member continues to ask a question sitting in his seat. These practices would not be considered good.

Shri Hari Vishnu Kamath: I am sorry, Sir, but I do not think I have done that.

Shri H. N. Mukerjee: In view of the hon. Finance Minister last year or the

year before having given considerable relief to those who are liable to heavy tax payments by introducing the concept of effective arrears which has brought about the loss to the country of nearly Rs. 150 crores, may I know if that step has led to any increase in the discovery of evasion or anything in the nature of the voluntary disclosure scheme which Shri Tyagi once tried to introduce?

Shri Morarji Desai: The question is preceded by several inferences which are totally wrong. There have been no concessions given to anybody. If there are arrears which are not recoverable at all because people are not here or there are no properties, those arrears have got to be written off. There is no question of keeping them in. That is the meaning of effective arrears. Therefore, there is no question of obliging anybody.

Shri Tyagi: Have Government in their mind any effective scheme to check evasion in export and import where under-invoicing and over-invoicing is going on? May I know whether there is any plan to obtain intelligence.....

Mr. Speaker: That would be another evasion and not income-tax evasion.

Shri Tyagi: Evasion of income-tax goes on on account of under-invoicing and over-invoicing in foreign trade. Tax is evaded because money gets deposited under foreign deposits without the information.

Mr. Speaker: Of course, that could be brought in but that would be a distant related thing.

Shri Tyagi: My question is specific.

Mr. Speaker: If the hon. Minister can answer it, he or she might do so.

Shri Morarji Desai: This engages the attention of Government, but it is a difficult question to solve.

जी न० ना० द्विवेदी : जिस प्रकार से प्रयत्न के बकाया को वसूल करने के लिये

एक त्यागी समिति बनाई गई थी और उस से काफी फल निकला था तो मैं जानना चाहता हूँ कि अब जो टैक्सों के बसूल करने में टाल-मटोल हो रही है क्या उस के लिये कोई उपाय सोचा जा रहा है ?

Mr. Speaker: Next Question.

Shri M. L. Dwivedi: What happened to my question?

Mr. Speaker: It does not call for any answer.

Shri Hem Barua: Though so many supplementaries are put, somehow we are still left in the dark.

Mr. Speaker: Hon. Members can find out other avenues of having them discussed in more detail.

Shri Hari Vishnu Kamath: On a point of order, there has not been merely evasion of tax, but evasion of answers also.

Shri Tyagi: It is avoidance but evasion: avoidance is legal.

श्री बड़े : मान ए. ट्वायंट आर्डर, मर ।
मानरेबल मेम्बर ने प्रश्न पूछा और मिनिस्टर साहब चुप बैठे रहे । इस के बाद माननीय अध्यक्ष ने अगला प्रश्न पूछने के लिये कहा । माननीय अध्यक्ष या तो इनसिस्ट करते कि मिनिस्टर साहब को क्या कहना है, या वह हाउस को बताते कि इस प्रश्न का जवाब देने की जरूरत नहीं है । चूँकि ऐसा नहीं किया गया, इस लिये हम सब चुप चाप बैठे रहे कि शायद माननीय सदस्य प्रश्न पूछेंगे ।

अध्यक्ष महोदय : मेरी बद-किस्मती यह है कि मैं ने जो वह कहा कि इस के आन्स्वर की जरूरत नहीं है, उस को माननीय सदस्य ने सुना नहीं और अब वह मुझ को सलाह दे रहे हैं ।

I have already said that, but the hon. Member did not listen to my observation.

श्री बड़े : मैं ने वह सुना, लेकिन जब मंत्री महोदय बैठे रहे, तो माननीय अध्यक्ष ने अगला

क्वेश्चन काल किया । उस के बाद जब माननीय सदस्य उठे, तो आप ने कहा कि इस का जवाब देने की जरूरत नहीं है ।

अध्यक्ष महोदय : अगर मैं चाहता, तो मैं उस वक्त जरूर जोर देता कि इस का जवाब दिया जाये, लेकिन मैं ने कहा कि इस की जरूरत नहीं है । इसी लिये मैं अगले क्वेश्चन पर चला गया ।

Mining Leases in Orissa

*91. **Shri Surendranath Dwivedy:** Will the Minister of Mines and Fuel be pleased to state:

(a) whether any request was made by the Government of Orissa for enhancement of royalties of mining leases in the State; and

(b) what has been the reaction of the Government of India to such a request and whether the desirability of revising the old rates specially in regard to iron ore mines has been considered for the country as a whole?

The Minister of Mines and Fuel (Shri K. D. Malaviya): (a) and (b). The examination of the question of revising the existing rates of royalty, not only with regard to iron-ore but all major minerals as a whole, has already been initiated by the Central Government. Suggestions of all the State Governments have been obtained. In respect of iron-ore, the Government of Orissa originally had not recommended any increase but, subsequently, made such a recommendation. Their suggestions, along with the suggestions received from other quarters concerned, are under final examination; the decisions to be taken will be applicable to the country as a whole.

Shri Surendranath Dwivedy: Is it a fact—as the hon. Minister says—that the Government of Orissa demanded an increase of royalties, or a reduction in the rate of royalties was suggested?