

Tuesday, August 27, 1957

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DEBATES

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LOK SABHA SECRETARIAT
NEW DELHI.

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10145

10146

LOK SABHA

Tuesday, 27th August, 1957.

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair.]

ORAL ANSWERS TO QUESTIONS

National Institute of Basic Education

***1208. Shri Shree Narayan Das:** Will the Minister of Education and Scientific Research be pleased to lay a statement on the Table showing:

(a) the important items of research work in Basic Education conducted so far by the National Institute of Basic Education; and

(b) the extent to which the results of research so conducted have been given practical shape?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) and (b). A statement is laid on the Table of Lok Sabha. [See Appendix III, annexure No. 107.]

Shri Shree Narayan Das: From the statement it appears that 5 research projects have been undertaken. I would like to know whether it is a fact that due to shortage of staff, no results have so far been achieved in this respect?

Dr. K. L. Shrimali: With regard to research, results cannot be obtained quickly. They take time. It is also true that full staff has not yet been recruited.

Shri Shree Narayan Das: May I know since when, how many months ago, these researches have been undertaken?

Dr. K. L. Shrimali: The institute has been in existence only for a year and a half.

Shri S. R. Arumugham: Is the policy of the Government to reorientate the whole elementary education system on basic lines and if so, what are the programmes with Government to man the institutions are other facilities provided to attract more students?

Dr. K. L. Shrimali: This is much wider question. But, I would like to inform the hon. Member that it is the policy of the Government of India to reorientate the elementary education on the lines of basic education.

Shri B. S. Murthy: May I know whether, along with the research institute, the montessori and project methods are also used to enrich the basic educational activities of this institute?

Dr. K. L. Shrimali: In our country we are trying a basic system of education.

Shri B. S. Murthy: The point is this. There are certain well-accepted educational systems like the montessori and project methods. May I know how far this basic educational institution is trying to get inspiration from them?

Dr. K. L. Shrimali: Basic education is an Indian system of education and it incorporates the best principles of education all over the world.

Dr. K. B. Menon: May I know whether the Government are aware that some of the States have gone back from the basic education to the traditional type? May I know the reasons for it?

Dr. K. L. Shrimali: I am not aware of that. In fact, my information is that all the State Governments are

gradually moving towards basic education.

Shri S. R. Arumugham: What is the machinery of the Government to mobilise the local communities in getting lands and other equipment for the basic schools?

Dr. K. L. Shrimati: It is the responsibility of the State Governments.

Shri Shree Narayan Das: May I know whether in Delhi there is any model basic school where, with regard to practical purposes, these scholars engage themselves in research?

Dr. K. L. Shrimati: No.

करकुण्ड के अवशेष

*१२०६. श्री भवत दश्मन : क्या शिक्षा और वैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि :

(क) पिछले वर्ष मानव-विज्ञान सम्बन्धी संबोधण करने वाले दल ने गढ़वाल जिले के हिमालय की ऊँचाई पर स्थित रूपकुण्ड झील में जिन मानवीय अवशेषों के नमूने प्राप्त किये थे, क्या उनके बारे में जांच-पड़ताल पूरी हो गई है ;

(ल) यदि हाँ, तो क्या उस जांच-पड़ताल के निष्कर्षों का एक विवरण सभा-पटल पर रखा जायेगा ;

(ग) यदि नहीं, तो देरी के क्या कारण हैं; और

(घ) निश्चित निष्कर्षों के कब तक निकलने की आशा की जाती है ?

शिक्षा और वैज्ञानिक गवेषणा मंत्रालय में राज्य-मंत्री (डा० का० ला० श्रीमान्) :

(क) जी, नहीं ।

(ल) प्रश्न नहीं उठता ।

(ग) जांच पड़ताल पूरी होने में देर होने के दो कारण हैं, एक तो यह कि इस

समस्या के स्पष्टीकरण के लिए भौके पर आकर जांच पड़ताल, करना आवश्यक है और दूसरा यह कि प्रयोगशाला की जांच में इस समस्या के अनुसार कुछ विशिष्ट तकनीकों का अंशतः विकास किया जाना है।

(घ) यह आशा की जाती है कि ये महीनों के अन्दर इसका अन्तिम निष्कर्ष निकाला जा सकेगा ।

श्री भवत दश्मन : क्या गवर्नरमेंट के व्यापार में यह बात आई है कि लखनऊ युनिवर्सिटी के एच्योपोलैजिकल विभाग के हेड प्रोफेसर मजुम्मदार साहब ने अमेरीका के किसी विशेषज्ञ की राय के अनुसार वहाँ के मानवीय अवशेषों की आयु ६५० वर्ष मानी है, जब कि उत्तर प्रदेश सरकार के एक उपमंत्री श्री जगमोहन, तिह ने भी जिन्होंने इस बारे में पता लगाया था, रूपकुण्ड में पाये गये अवशेषों को १०० वर्ष पुराना ही मानते हैं और क्या इस सम्बन्ध में भारत सरकार के एच्योपोलैजिकल डिपार्टमेंट ने अपनी कोई राय निश्चित की है ?

डा० का० ला० श्रीमान्, जी नहीं, कोई राय निश्चित नहीं की है । जब तक कि इस मामले में पूरी जांच नहीं हो जाती तब तक कोई राय कायम नहीं की जा सकती ।

श्री भवत दश्मन भभी मंत्री जी ने अपने उत्तर में जो यह कहा कि जब तक दुबारा फिर भौके पर न जाया जाय तब तक इस सम्बन्ध में कोई राय निश्चित नहीं की जा सकती है, मैं जानना चाहता हूँ कि क्या वहाँ कोई इस तरह का दूसरा दल भेजने का विचार है और क्या वहाँ पूरी खुदाई कराने का विचार किया जा रहा है ?

डा० का० ला० श्रीमान् : जो हा, जांच के लिए यदि जरूरत महसूस हुई तो भेजा जायेगा ।

Shri Thimmaiah: Answering a question before in this House, the Deputy

Minister said that the material found at Rupkund might be that of pilgrims who went there to worship the Spear God and died. Again, Dr. Majumdar of the Lucknow University has said that these materials might be those of some army people who were sent there by some king and who had died there. Between these two opinions, may I know which is to be believed?

Dr. K. L. Shrimall: Before expressing their opinion, Government must await the results of the investigation.

Bye-Elections

*1210. **Shri Bibhuti Mishra:** Will the Minister of Law be pleased to lay a statement on the Table showing:

(a) the number of seats in State Legislative Assemblies and House of the People which have been declared vacant after the General Elections of 1957 either on account of deaths or resignations;

(b) how many of them have been filled by bye-elections; and

(c) the principles on which bye-elections are given priority?

The Minister of Law (Shri A. K. Sen): (a) 11 Assembly seats have become vacant on account of deaths, and 6 on account of resignations, since the general elections. The corresponding figures for the Lok Sabha seats are 2 and 1 respectively.

(b) Eight Assembly seats have been filled by bye-elections, while none of the Parliamentary seats have been filled so far.

(c) The Election Commission does not give priority for holding any particular bye-election. Every effort is made to fill a vacancy as early as practicable.

श्री विभूति मिश्र : मेरे जानना चाहता हूँ कि इसका क्या कारण है कि - प्रसेम्बली सीट्स तो बाई एलेक्शन से भर सी गई लेकिन लोक सभा को सीनों की तीन सीटें अभी तक भरो नहीं जा सकी हैं।

Shri A. K. Sen: As the hon. Member will appreciate, the deaths and resignations occur during rains and it is difficult to hold the bye-elections during the rains. Most of the bye-elections have been fixed to take place sometime in September, 1957.

श्री विभूति मिश्र : मेरे जानना चाहता हूँ कि जब जनरल एलेक्शन्स तीन सप्ताह में पूरे हो जाते हैं तो अप्रैल, मई और जून यह तीन महीने ऐसे ही निकल गये और मुजफ्फरपुर में कोई चुनाव नहीं हो पाया, इसका क्या कारण है?

Shri A. K. Sen: The hon. Member is very much interested about Muzaffarpur. He ought to know that it is now experiencing heavy floods. He does not certainly expect any elections to be held when the floods have overtaken the entire population.

श्री विभूति मिश्र : अध्यक्ष महोदय, मेरा एक प्लाइट आँहर है। मंत्री महोदय ने अभी मेरे प्रश्न का उत्तर देते हुए कहा कि वहां बारिश हो गई तो मेरा कहना है कि मार्च में चुनाव खत्म हो गये थे, अप्रैल, मई, जून इन तीन महीनों में तो बारिश नहीं हुई और इन तीन महीनों के भीतर चुनाव क्यों नहीं हुआ, इसका जवाब दिया जाय।

Shri A. K. Sen: If there is a point of order, it should have been emphasised properly.

Mr. Speaker: There is no point of order.

Shri A. K. Sen: There is no point of order at all and that was why the alleged point of order was not answered. I thought the hon. Member was seeking an answer on the merits. The bye-elections are to be held after the general elections and after vacancies occur. If there are insuperable difficulties in holding a fair election for the seat which has fallen vacant, it is left to the discretion of the Election

Commission to fix such dates as would make a fair election practicable.

Shri R. Ramanathan Chettiar: May I know whether the Election Commission has fixed any time limit by which the bye-elections have to be held?

Shri A. K. Sen: There is no time limit fixed either under the Act or by any direction of the Election Commission. The only guiding factor is that they have to fill up the vacant seats as soon as practicable.

Shri Prabhat Kar: May I know whether in these bye-elections the new method will be adopted as has been suggested by the Election Commissioner or it will be the same as it was done in the general elections?

Shri A. K. Sen: As the hon. Member is aware, the Election Commission proposes to try this new system in such specified election areas as will be notified in that behalf. In which area the new system will be tried out will appear from the appropriate notification.

दिल्ली के गैर सरकारी स्कूल

+

1212. { श्री राम कृष्ण :
श्री नवल प्रभाकर :
श्री शो. चं. शामी :

क्या शिक्षा और वैज्ञानिक गবेक्षणा मंत्री यह बताने की कृपा करेंगे कि :

(क) दिल्ली के गैर-सरकारी स्कूलों के वार्ष की जांच करने के लिये जो समिति नियुक्त की गई थी, क्या उसने अपना प्रतिवेदन प्रस्तुत कर दिया है;

(ख) यदि हां, तो उसकी मुख्य सिफारिशें क्या हैं; और

(ग) सरकार ने इस विषय में क्या कार्यवाही की है?

शिक्षा और वैज्ञानिक गवेक्षणा मंत्रालय में राज्य-मंत्री (डा० का० ला० श्रीमानी) :
(क) जी, नहीं।

(ख) और (ग) प्रश्न उत्पन्न नहीं होता।

श्री राम कृष्ण : क्या मे जान सकता हूं कि यह रिपोर्ट कब तक आ जाएगी ?

डा० का० ला० श्रीमानी : निश्चित तारीख तो नहीं बतलाई जा सकती है, लेकिन शीघ्र ही रिपोर्ट के आने की आशा है।

श्री भवन दर्शन : क्या यह बताया जा सकता है कि इसमें देरी होने का कारण क्या है?

डा० का० ला० श्रीमानी : उदादा देरी तो नहीं हुई है। पालियामेट के मेम्बरों को दूसरे काम भी रहते हैं, और इस समिति के चेम्बरमें एक पालियामेट के मेम्बर ही है। मैं आशा करता हूं कि जल्दी ही यह रिपोर्ट आ जाएगी।

Income-Tax

*1215. **Shrimati Tarkeshwari Sinha:** Will the Minister of Finance be pleased to state:

(a) whether any special measures have been taken by the Central Board of Revenue to clear the arrears of work in connection with the disposal of assessment and appeal of income-tax cases;

(b) whether it is a fact that those who have regularly filed returns of income-tax have not been assessed for a period of two to three years and more; and

(c) how many such cases of salaried persons have not so far been assessed?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) Yes. The strength of Income-tax Officers and Appellate Assistant Commissioners has been increased in recent years.

(b) No. In most of the charges, arrears have been considerably reduc-

ed. Some assessments are pending for two or three years mostly in cases which require careful investigation.

(c) The cases in arrears are not classified according to the sources of income and it is, therefore, not possible to give this information. However, in the case of salaries, the tax is deducted at source by the employer. If the tax deducted is found inadequate, the Income-tax Officer after scrutiny asks for the payment of the amount short deducted.

Shrimati Tarkeshwari Sinha: May I know what is the value of the present arrears that stand without being collected?

Shri B. R. Bhagat: It may be difficult to evaluate.

Shrimati Tarkeshwari Sinha: I want to know the amount of the total outstanding arrears

Shri B. R. Bhagat: I do not have the figure. I want notice.

Shrimati Tarkeshwari Sinha: What are the administrative charges on account of the appointment of the additional staff? By the appointment of the additional staff, how much of income-tax has been collected so far?

Shri B. R. Bhagat: We have appointed 179 Class II Income-tax officers more and the strength of the Appellate Assistant Commissioners has been increased from 68 to 90. About additional expenses by way of salary and other things, it will be difficult to give without calculation. As regards the other question, how much of additional revenue has been collected, the amount of revenue I cannot give. The number of assessments that have been increased as a result of this, I will be able to give. As regards the current cases, the number of cases is 7,96,137 of which assessment has been completed in about 5,27,108 cases.

Shrimati Tarkeshwari Sinha: In view of the statement made by the Finance Minister that income-tax collection has improved very much, if the

Government is not in a position to give the actual amount so collected, after the improvement in the machinery of income-tax collection, how does the Government arrive at the conclusion that income-tax collection has improved?

Mr. Speaker: The hon. Minister has said already that he does not know the total amount, but he can only give the additional number of cases disposed of.

Shrimati Tarkeshwari Sinha: That is why I ask this. The Finance Minister said some time ago that income-tax collection has improved very much and that we are having increased revenue from income-tax. If the Government has no information—the Deputy Finance Minister says so and he represents the Government—about the collected revenue, how does the Government think that income-tax collection has improved?

Mr. Speaker: He has given the answer.

Shri B. R. Bhagat: The hon. Member wants evaluation in the shape of an answer. The increase in revenue is there and the Budget Estimates show that. How far these increases are related to the increase in staff, that can't be given unless an evaluation is done. For that, separate notice is required.

Shrimati Tarkeshwari Sinha: I do not want an evaluation. I want an answer to this question, how much income-tax collection has improved in the last two years.

Mr. Speaker: There is no doubt about the question, nor about the answer. The hon. Minister is not able to give the total amount nor the excess in terms of money. He only gives the number of cases disposed of. If you further ask as to how he arrives at the conclusion that these are old cases and these are new cases, that leads to another question. Next question.

The hon. Minister must have the figures, at any rate, till the end of the Budget discussions. There are the

Administration reports. What exactly was the arrear on the last day of March, that at least he must have.

Shri B. R. Bhagat: Arrears in value?

Mr. Speaker: Total arrears in terms of money till the end of 31st March, 1957.

Shri B. B. Bhagat: I do not have the information now. I can give it.

Mr. Speaker: Hon. Ministers could have all the information ready not only for the questions put down on paper, but for incidental questions also.

Shri Sinhasan Singh: May I point out, Sir, the hon. Finance Minister will be replying to the Finance Bill. He may kindly give the figure when he replies. There is enough time.

Mr. Speaker: The hon. Member wants me to ask him to give now?

Shri Sinhasan Singh: When he replies.

Mr. Speaker: If the hon. Member raises the question, he will answer. Next question.

Ex-Rulers of Indian States

*1216. { **Shri V. P. Nayar:**,
Shri Wodeyar:

Will the Minister of Home Affairs be pleased to state whether all the ex-Rulers of India have revealed to the Government of India the exact position of their wealth as required by the Covenants and Agreements of accession of States to the Union?

The Minister of State in the Ministry of Home Affairs (Shri Datar): "According to the covenants and agreements of merger the Rulers were required to file with the Government inventories of immovable property, securities and cash balances claimed by them as private property and they have done so."

Shri V. P. Nayar: May I know the total value of the cash securities and cash balances held by them as on date?

Shri Datar: I have not got that information here.

Shri V. P. Nayar: Could we know the amount which has been transferred from such amount held in their private capacity after furnishing the inventory with the Government till this year?

Shri Datar: We are not concerned with this aspect of the question at all. Why in 1950 we wanted to know the private properties of the Rulers was to ascertain whether the private properties were acquired with State funds. Only for that purpose the enquiry was made and the information has been supplied by them.

Shri V. P. Nayar: I find from the White Paper that in terms of various covenants, last date has been fixed in 1949 for the submission of such inventory. Could I know why it is not possible for the Government to give us a total idea of the wealth in cash securities and cash balances held by the Princes, when Government have all the information?

Shri Datar: That would not be necessary at all in the public interest.

Some hon. Members: Why?

Shri Nagi Reddi: May I know whether it is the Government that has to decide whether a question is in the public interest or not?

Shri Datar: It is for the Government to decide it.

Some Hon. Members: Why?

Mr. Speaker: Hon. Members are aware, as regards the decision as to whether in a matter he is not willing to give information to the House, we normally allow it to them to decide and we expect that, except in exceptional cases, where the public interests would not be served, they will give the answer.

Shri V. P. Nayar: I do not ask for specific figures in respect of any particular Ruler which may be claimed to be a matter of public interest. Having furnished all the details in 1949, why is it that the Government claims not to give it in the public interest? We want only the total.

Mr. Speaker: The hon. Minister evidently has not got it.

Shri Datar: I have not got the figures. I may point out to the hon. Member that these details to the extent that they were necessary were given in Part VII of the White Paper on Indian States which was placed before Parliament in 1950.

Egyptian Air Force Personnel

*1219. **Shri Shivananjappa:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that Egypt has sought India's help in training her Air Force personnel;

(b) if so, what facilities are given to the Egyptian Air Force Personnel by the Indian Air Force; and

(c) whether Indian Air Force instructors have been assigned to Egypt to train Egyptian Air Force personnel?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes.

(b) and (c). Some Egyptian Air Force personnel have been given training in I.A.F. Training Establishments. A few I.A.F. Instructors have been lent to the Egyptian Government.

Shri Shivananjappa: May I know how many persons of the Egyptian Air Force are undergoing training in Indian Air Force centres?

Sardar Majithia: Four people are to be trained in the Staff College in the next term beginning in October. Apart from that, they have asked for six pilots to be trained in the Air Force Centre at Tambaram, which is also being considered.

Shri Shivananjappa: What is the cost involved to the Government of India on account of this?

Sardar Majithia: I am sorry, I have not got the figures.

ओ भक्त दर्शन : क्या मे जान सकता हूँ कितने वर्षों के लिए यह व्यवस्था की जा रही है, अर्थात् कितने वर्षों तक उन्हें ट्रेनिंग दी जाती रहेगी ?

Mr. Speaker: Does the hon. Member want the period for which this understanding is arrived at or the period of training for each batch?

ओ भक्त दर्शन : कब तक यह व्यवस्था चलेगी ?

Mr. Speaker: Is there any agreement as to how long this will continue?

Sardar Majithia: As and when we can give them facilities for training, we will give them as it is certainly a very friendly country. There is no agreement about the duration.

Southern Zonal Council

*1220. **Shri B. S. Murthy:** Will the Minister of Home Affairs be pleased to state:

(a) whether it has been agreed in the last Southern Zonal Conference to invite the Chief Minister of Mysore to attend meetings of the Southern Zonal Council;

(b) if so, the status he will enjoy at such meetings; and

(c) whether the same concession is to be extended by the Western Zonal Council to any of the Southern States?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) It was decided at the inaugural meeting of the Southern Zonal Council that the Chief Minister and any other representative whom the Mysore Gov-

ernment may like to send, may be invited to all the meetings of the council.

(b) Provision has been made in rule 11 of the Southern Zonal Council Rules of Procedure for inviting a Minister or a Deputy Minister of a State Government to meetings of the Zonal Council, and the representatives of the Mysore Government will attend the meetings under that rule.

(c) The Western Zonal Council has not yet formulated its rules of procedure.

Shri B. S. Murthy: I think the answer to part (b) is not to the point. I had asked for information about the status that is being given to the representative of the Mysore State.

Shri Datar: All that I can do is to read rule 11 of the Southern Zonal Council rules. It reads:

"The Chairman may advise a Minister or a Deputy Minister of the Union or of a State or a member of the Planning Commission to attend any meeting and to take part in the discussions."

Shri B. S. Murthy: Does the invitee enjoy full rights like the other members of the Southern Zone?

Shri Datar: They have full right for taking part in the discussions.

Shri B. S. Murthy: Is the hon. Minister aware that Mysore, otherwise known as Karnataka, traditionally belongs to the Southern Zone? Such being the case, what was the reason for it being tagged on to the Western Zone?

Shri Datar: That was done by the hon. Parliament.

Shri Basappa: May I know whether the border questions of Hossur, Madalasira, Talawadi and Kasargode and food problems which are common to these States are the reasons which have necessitated the invitation of the Mysore Chief Minister to this meeting?

Shri Datar: Under the provisions of the States Reorganisation Act, it is possible for the members of the Zonal Council, including the invitees to raise such questions.

Shri S. V. Ramaswami: May I know what form the decisions of this Council will take? Are they by way of resolutions? Are they binding on the respective States and, if so, will it be binding on the invitees from other States?

Shri Datar: Let the hon. Member wait for some time. Only inaugural meetings have been held in the case of some. They are yet to be held in the case of others.

Shri Punnoose: May I know the reason why an invitation has been sent to Mysore to attend the meeting of the Southern Zone?

Shri Datar: It was considered that there were a number of common problems in which, in addition to the members of the Zonal Council, Mysore was also interested.

Shri B. S. Murthy: Inasmuch as Andhra State and Mysore State are border States to the present Bombay State, may I know whether the Chief Minister of Andhra will be invited to the meeting of the Western Zone?

Shri Datar: The Western Zone meeting has not yet been held.

Shri Punnoose: It has been stated that Mysore has been invited to attend all the meetings of the Southern Zone. In that case, may I know whether Mysore will be represented in two Zones for all time to come?

Shri Datar: Obviously, Sir.

Caltex Oil Refinery

*1221. **Shri Vishwanatha Reddy:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the Caltex Oil Refinery has started production;

(b) if so, from which date; and

(c) whether subsidiary industries to utilise the waste gases and products are also being planned?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) Yes, Sir.

(b) From 15th April, 1957.

(c) No, Sir.

Shri Viswanatha Reddy: May I know whether it is a fact that one of the provisions of the agreement with the oil companies before setting up the refinery was that all the waste products should be utilized in the industries locally so that the petroleum refineries may reduce the cost of petroleum?

Shri K. D. Malaviya: According to the agreement with the refinery, Caltex have agreed to make available at reasonable price the bi-products of the refinery to those engaged in the manufacture of chemicals. Now, so far as our information goes, no subsidiary industry has come forward to purchase the waste products from Caltex.

Shri Viswanatha Reddy: May I know what exactly is the reason for not setting up these subsidiary industries? Is it the reluctance of the private entrepreneur or it is due to lack of encouragement either by the State Government or by the Central Government?

Shri K. D. Malaviya: I will explain. The most important bi-product of the refineries will be gases. Now, for some time the refineries must experiment in order to find out as to the amount of gases that will be available to anyone, whether it is in the public sector or the private sector, for use in the various types of chemical industries. So, Caltex will have to wait at least six months, if not more, to find out what will be the constant availability of gases.

Shrimati Tarkeshwari Sinha: In view of the fact that Government is negotiating with the refinery management for supply of gases, may I know

what purpose the Government has in view? How are the Government going to utilize the bi-products of the refineries in Trombay and Visakhapatnam?

Shri K. D. Malaviya: So far as Caltex is concerned, we do not ourselves know how the bi-products can be utilised. As I said just now, we have to wait for some time to find out what are those bi-products, what will be the quantity available to us for all time; then, and then alone, can a project be planned for the utilisation of them.

Shri C. D. Pande: Has Government any information about the bi-products of similar concerns in other parts of the world, like the petroleum refineries in Saudi Arabia or Singapore?

Shri K. D. Malaviya: We know about it. But it is purely a question of economics. And economics are always linked up with the amount of bi-products. Therefore, we have got to wait.

Shri S. V. Ramaswami: The refinery at Trombay is also producing gas. From the capacity of this refinery we know much gas is available. From that, is it not possible to calculate how much the Caltex Oil Refinery can produce?

Shri K. D. Malaviya: It will not be possible. The technical information is that we must wait for some time to find out exactly how much it will be.

Shri R. Ramanathan Chettiar: May I know whether any guarantee has been given to the Caltex refinery against nationalisation?

Mr. Speaker: How does it arise? Next question.

Jerricans

*1222. **Shri S. M. Banerjee:** Will the Minister of Defence be pleased to state:

(a) whether there is a proposal to restart manufacture of jerricans in Ordnance Factories; and

(b) if so, when the Ordnance Factory at Wadala is going to be re-opened?

The Parliamentary Secretary to the Minister of Defence (Shri Fate-singhrao Gaekwad): (a) Yes, Sir.

(b) The question of resuming manufacture of jerricans at Ordnance Factory, Wadala or any other Ordnance factory is under consideration.

Shri S. M. Banerjee: May I know whether the retrenched workers at Wadala are likely to be re-employed?

The Deputy Minister of Defence (Shri Raghuramaiah): The question does not arise until it is decided as to whether the factory will be started there or somewhere else. Then it will arise; not just now.

Coal Production in Singareni Collieries

*1223. **Shri Nagi Reddy:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the proposed expansion programme to increase the production of coal in the Singareni Collieries under the Second Five Year Plan; and

(b) the steps taken in this regard?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) The Andhra Pradesh Government have prepared an expansion programme to increase the production of coal in the Singareni Collieries under the Second Five Year Plan to achieve the following target of production under two phases:—

(i) 2 million tons per annum by 1957-58; and

(ii) 3 million tons per annum by 1961-62.

(b) the Andhra Pradesh Government have taken all steps to achieve the target of 2 million tons by 1957-58. The steps to be taken to reach the target of 3 million tons by 1961-62 will be finalised after the mode of the Central Government's participation in the finances and management of the

Singareni Coal Company has been settled. The Government of India are in touch with the Andhra Pradesh Government on the subject. Pending finalisation of this matter a loan of Rs. 10 lakhs to the Singareni Collieries has been sanctioned.

Shri Nagi Reddy: May I know the total amount that is expected to be spent in the Second Plan and the amount that is expected to be spent in 1957-58?

Sardar Swaran Singh: The total cost of the expansion scheme for these collieries is estimated at Rs. 6 crores by 1961-62 out of which Rs. 4 crores would be required during the current plan period.

Shri Nagi Reddy: My second question is how much has been spent in 1956-57 and how much is proposed to be spent in 1957-58.

Sardar Swaran Singh: The collieries desired payment during the year 1956-57 of the order of Rs. 30 lakhs. During 1957-58 they were planning to spend Rs. 85 lakhs.

Shri Nagi Reddy: May I know why the Government of India allotted only Rs. 10 lakhs when they had asked for Rs. 85 lakhs?

Sardar Swaran Singh: There is no question of allotment. Pending finalisation of the Government's participation in the capital and the formulation of the new company agreement, a loan of Rs. 10 lakhs has been given. That is not the final amount.

Shri B. S. Murthy: What is the amount to be borne by the Centre out of the Rs. 6 crores?

Sardar Swaran Singh: The Andhra Pradesh Government will probably not be able to find any money, and the entire money will probably have to be found by the Centre.

Shri P. C. Bose: May I know whether the proposed additional production will be had from the existing collieries or from adjoining areas?

Sardar Swaran Singh: In the expansion programme the entire additional production will not be available from these mines. Some adjoining areas will also have to be exploited.

Shri B. S. Murthy: May I know whether the amount is given as loan or subsidy?

Sardar Swaran Singh: The Government of India have the intention of taking equity capital, and the proposal that has been made to the Andhra Pradesh Government is that the Government of India should have two-thirds share in the equity capital.

Shri B. S. Murthy: A lion's share, is it?

Sardar Swaran Singh: It is not a lion's share, it is just two-thirds.

Mr. Speaker: A lion's share or tiger's share.

Engineering College at Durgapur

*1224. **Shri S. C. Samanta:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether it is a fact that 200 acres of land have been allotted to the Ministry at the site of the Durgapur Steel Plant for the establishment of an Engineering College there; and

(b) if so, whether any steps have been taken for the establishment of the college?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) and (b). The Ministry of Steel, Mines and Fuel have agreed to the proposal of the Government of West Bengal to locate an engineering college in a part of the land acquired for the Durgapur Steel Project. The establishment of the college has, however, not been finalised.

Shri S. C. Samanta: May I know whether the West Bengal Government has submitted a detailed scheme for

the college, and if so, may I know what it is?

Shri M. M. Das: The college is proposed to be fully residential, both for the staff and the students. It will offer undergraduate courses in civil engineering, electrical engineering, mechanical engineering and metallurgical engineering, for which the annual admissions will be 210 students. The total cost will be: building and equipment Rs. 57.56 lakhs; recurring cost Rs. 9.8 lakhs, building of hostel and staff quarters, about Rs. 45 lakhs.

Shri S. C. Samanta: May I know the percentage of expenditure that will be borne by the Central Government?

Shri M. M. Das: The proposal for the establishment of this college arises out of the Ghosh-Chandrakant report. The whole expenditure has to be borne by the Centre because there is no provision in the Second Plan of the West Bengal Government for the establishment of this college. The Government has not yet approved this scheme.

Shri T. B. Vittal Rao: May I know if the number of engineering colleges in the eastern region is far less than in other regions, and hence do Government propose to take any steps to accelerate the process of establishing this college?

Shri M. M. Das: There was a proposal in the Ghosh-Chandrakant report that three new engineering colleges have to be established along with other recommendations, but that particular recommendation for the establishment of three new engineering colleges and 23 new polytechnics has not yet been accepted by the Government because the Government thinks that the establishment of new polytechnics and engineering colleges should be considered on the basis of two factors. One is the balance of providing equal instructional facilities in technical education to the different zones of India, and secondly the engineering personnel that will be required in the Third and subsequent Plan periods should also be taken into consideration.

Shri Dasappa rose—

Mr. Speaker: This is at Durgapur. I can only allow Members who are near Bengal.

Shri Dasappa: The question is whether it is a national institution. It is going to be a Central institution, and I want the hon. Minister to tell me whether admissions to it will be open to students from all the States, and whether all the States would be represented there.

Shri M. M. Das: I have already stated that this proposal of the West Bengal Government arising out of the Ghosh-Chandrakant report has not yet been accepted by the Government and no engineering college as recommended is going to be established just now. So, when the proposal is accepted by the Central Government, then that question will be decided.

प्रतिरक्षा सेवाओं में भारतीय संगीत

*१२२६. श्री रघुनाथ सिंह: क्या प्रतिरक्षा मंत्री यह बताने की कृपा करें कि प्रतिरक्षा सेवाओं में भारतीय संगीत पद्धति अपनाने की दिशा में अब तक क्या प्रगति हुई है?

प्रतिरक्षा उपमंत्री (सरदार मंडोठिया): मार्चिंग और कार्यक्रम संगीत के लिये नई भारतीय धुनें बनाने और मिलाने के लिये एक विशेष आकिसर नियुक्त किया गया है। अब तक कई भारतीय धुनें प्रचलित की जा चुकी हैं और इस समय परेडों और दूसरे अवसरों पर संनिक बैण्ड नियम से भारतीय धुनें ही बजाते हैं।

श्री रघुनाथ सिंह: जो भारतीय आकिसर नियुक्त किया गया है, क्या उसको भारतीय संगीत का जान है?

सरदार मंडोठिया: जी हां।

श्री रघुनाथ सिंह: उनका नाम क्या है?

सरदार मंडोठिया : श्री सोबो।

श्री भक्त दर्शन : भारतीय धुनें सिखाने का कार्य पंचमदी के विद्यालय में किया जाता है और उनके द्वारा निकाली गई धुनें बहुत लोकप्रिय हो रही हैं। तो क्या उस विद्यालय को बढ़ाने के बारे में कोई कदम उठाए जा रहे हैं?

सरदार मंडोठिया : अभी तक ऐसा कोई विचार नहीं है।

Shri S. M. Banerjee: May I know whether it is a fact that the marching song of I.N.A. कदम कदम बड़ाए जा is going to be the marching song of our Army?

Sardar Majlithia: There is one marching tune to that effect. It is one of them.

Grants to Rural Colleges in West Bengal

*1227. Shri Ghosal: Will the Minister of Education and Scientific Research be pleased to state:

(a) whether any grant has been allotted to the Rural College of West Bengal for their development under Second Five Year Plan; and

(b) if so, the amount granted and to how many colleges?

The Minister of State in the Ministry of Education and Scientific Research. (Dr. K. L. Shrimali): (a) No, Sir.

(b) Does not arise.

I would, however, like to inform the hon. Member that the rural institute has been set up at Shriniketan.

Shri Ghosal: May I know whether the Government of India have got any scheme to grant any money to the rural colleges that were established under the dispersal scheme of the Government of India, under which

some loans were granted to these rural colleges for their initial expenditure?

Dr. K. L. Shrimali: To the best of my knowledge, the Government of India have not set up any rural colleges as such. I have already said that the Government of India under one of their schemes had set up the rural institute in West Bengal, that is at Shriniketan.

बी नवल प्रभाकर : ये जो ग्राम्य महाविद्यालय हैं इनकी कुल नादाद कितनी है और ये कहां हैं, क्या मैं जान सकता हूँ।

डॉ का० ला० श्रीमती : दस संस्थायें इस वक्त रूरल इंस्टीट्यूट्स के रूप में काम कर रही हैं और वे अलग-अलग स्टेट्स में हैं। मद्रास में है, बंगाल में है, राजस्थान में है। सबके नाम तो इस वक्त मेरे पास नहीं हैं।

Shri Dasappa: May I know why Government do not choose to start more of these rural colleges and are only confining themselves to the rural institutes?

Dr. K. L. Shrimali: I would like to inform the hon. Member that the rural institute is a special institution, and a special kind of experiment in the form of a pilot project which is being assisted by the Central Government. The hon. Member would remember that the University Education Commission had recommended the setting up of the rural university. Later on, it was felt that instead of setting up rural universities, we should only develop rural institutes. It is from that point of view that such institutions are being developed. As far as the question of rural colleges is concerned, that is, colleges situated in rural areas, that is primarily the responsibility of the State Governments.

Shri S. C. Samanta: May I know whether in addition to the college at

Shriniketan, any other rural colleges have applied to Government for grants and help?

Dr. K. L. Shrimali: I do not know about West Bengal, but several other States have approached us for starting individual rural institutes. The funds at our disposal are limited, and we do not propose to expand the scope of this scheme.

Shri S. R. Arumugham: May I know whether the rural college at Coimbatore is affiliated to the Madras University?

Dr. K. L. Shrimali: The hon. Member is referring again to rural institute. It is not affiliated to any university so far.....

Shri S. R. Arumugham: It is not an institute; it is a college.

Dr. K. L. Shrimali: It works under the National Council of Rural Education.

Mr. Speaker: Next question

Shri D. C. Sharma: May I know, if these.....

Mr. Speaker: I have called the next question. The hon Member is a professor in a college. He must have stood up earlier.

Shri D. C. Sharma: I rose twice or thrice, but I could not catch your eye.

Mr. Speaker: All right. What is the hon. Member's question?

Shri D. C. Sharma: The Minister has stated that rural institutes are not colleges. He has also said that we are not going to have rural universities. If these rural institutes are neither colleges nor universities, then what are they.

Dr. K. L. Shrimali: I would refer to the hon. Member to the report on higher education in rural areas, a copy of which will be available in the Library.

Institutions for the Handicapped

*1228. **Shri Naldurgkar:** Will the Minister of Education and Scientific Research be pleased to state:

(a) how many institutions and organisations have been set up so far in accordance with the advice of the National Advisory Council for the education of the handicapped; and

(b) how much financial assistance is given annually to these institutions by Government?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) None.

(b) Does not arise.

National Savings Advisory Committee

*1229. **Shri N. R. Munisamy:** Will the Minister of Finance be pleased to state:

(a) what are the achievements of the National Savings Advisory Committee since its formation;

(b) whether the scheme envisaged similar committees at State level; and

(c) if so, the names of the States which have constituted such committees?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The National Savings Advisory Committee is only an advisory body, and as such its achievements cannot be measured in specific terms. Some of the recommendations of the Committee regarding publicity and other matters have been accepted and implemented, and the rest are under consideration.

(b) and (c). The following States/Union Territories have constituted State Savings Advisory Committees:

1. Andhra Pradesh.
2. Assam.
3. Bihar.
4. Delhi.
5. Kerala.
6. Madras.

Madhya Pradesh.

8. Orissa.

9. Punjab.

10. Rajasthan.

11. Uttar Pradesh.

Shri N. R. Munisamy: May I know the main difficulties that have stood in the way of the simultaneous formation of such committees in the other States, and whether those difficulties are likely to be overcome?

Shri B. R. Bhagat: There are only a few States that are left over. Bombay is the most important of them. We are pursuing the matter with them, and the committee will be formed there too.

Shri N. R. Munisamy: May I know whether these committees tender any advice in regard to the women's small savings campaign, and whether any achievements have so far been co-ordinated as per the advice given by these committees?

Shri B. R. Bhagat: Does the hon. Member refer to the committees in the States or at the Centre?

Shri N. R. Munisamy: At both the levels.

Shri B. R. Bhagat: It is difficult to give the details about the various committees that have tendered advice. But generally, they advise about the general progress of the work of the National Savings Campaign, the publicity, the co-operation that can be enlisted from the people, and other matters, and their advice is generally accepted, and given very weighty consideration.

Shri B. Ramanathan Chettiar: May I know how the National Savings Advisory Committees are constituted at the different centres?

Shri B. R. Bhagat: They are constituted in consultation with the State Governments.

सेठ अचल तिहः : मैं जानना चाहता हूं कि स्टेट्स के खरल तथा अरबन एरियास में किस किस्म का प्रचार हो रहा है ?

श्री ब० रा० भगतः देहातों में भी प्रचार कार्य हो रहा है और शहरों में भी हो रहा है, दोनों जगहों पर हो रहा है ।

सेठ अचल तिहः किस प्रकार का प्रचार हो रहा है, यह मैं जानना चाहता हूं।

श्री ब० रा० भगतः हर तरह से प्रचार किया जाता है । ऐसे लोग होते हैं जो गांव गाद जाते हैं और प्रचार कार्य रते हैं । किर जो हमारे यूनियन के लोग हैं वे कल कारखानों में जाते हैं और वहा पर उनके सामने सेविस्स युप बनाकर उन तक पहुंचा जाता है और हर तरह से प्रचार का काम किया जाता है ।

छावनियों में प्राथमिक शिक्षा

*१२३१. { श्री भवत दर्शनः
{ श्री ब० भगत तिहः :

क्या प्रतिरक्षा मंत्री २६ मई, १९५७ के नारायण प्रश्न मन्त्र्या ५५४ के भाग (ख) के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि छावनियों में अनिवार्य प्राथमिक शिक्षा चालू करने के जिस प्रश्न पर विचार किया जा रहा था, उसके सलसिले ? इस बीच क्या प्रगति हुई है ?

प्रतिरक्षा उपर्युक्ती (सरदार भजीया) : विधि मन्त्रालय ने बताया है कि छावनी भेंत्रों में लाजमी प्राइमरी शिक्षा जारी रखने के लिए नियम बनाने का सबसे मुनासिब ढंग यह होगा कि कोण्टोनमेण्ट एक्ट १९२४ की धारा ११६ (एन) दा संशोधन किया जाये । इस बारे में पालियामेण्ट में एक संशोधन विल पेश करने के लिये उसकी तैयारी की आवश्यक कार्रवाईयां की जा रही हैं ।

Shri Ranga: May we have the answer in English also?

Sardar Majithia: Ministry of Law have since advised that the most suitable form of legislating for introducing compulsory primary education in cantonment areas is to amend Section 116(n) of the Cantonments Act, 1924 (II of 1924). Necessary formalities are now being gone through preparatory to introducing an amendment Bill in Parliament.

श्री भवत दर्शनः क्या माननीय मंत्री जी यह बतलाने की कृपा करेंगे कि जो संशोधन सम्बन्धी विधेयक है वह कब तक पालियामेण्ट के सामने आ जाएगा और क्या वह इस बात का प्रयत्न करेंगे कि अगले अधिवेशन में कम से कम जरूर उसको पेश कर दिया जाये ?

सरदार भजीया : हम इसकी जरूर कोशिश करेंगे, मगर जो बक्त का एलाइटमेंट है वह तो इस हाउस ने ही करना है ।

श्री भवत दर्शनः क्या इस बात का पता लगाने की कोशिश की गई है कि सब छावनियों के अन्दर अनिवार्य प्राथमिक शिक्षा लागू करने में कुल कितना खर्च होगा और क्या उसको प्रतिरक्षा मंत्रालय वहन करेगा या छावनी बोर्डस को यह भार उठाना पड़ेगा ?

सरदार भजीया : क्योंकि हमारे संविधान में यह चीज रखी गई है, इसलिए जो कुछ खर्च होगा वह तो करना ही पड़ेगा और किस तरह और कौन उसे करेगा, जब यह चीज लागू होगी, तब इसे देख लिया जाएगा ।

सेठ अचल तिहः : क्या मंत्री महोदय बतलाने की कृपा करेंगे कि ये जो प्राइमरी टीचर्स हैं और जो छावनियों में काम करते हैं इनको तनाखाह बहुत कम मिलती है उन टीचर्स के युकाबले में जो और जगहों पर काम करते हैं, क्या इनकी तनाखाह बढ़ाने पर भी विचार किया जा रहा है ?

सरदार अजोठिया: यह सबाल तो इस सबाल से तात्पुर नहीं रहता है। मगर उनकी तनस्वाह का जो सबाल है, उस पर जरूर विचार होगा।

डेनमार्क में अध्ययन के लिए भारतीय युवकों को निम्नरूप

*१२३२. श्री विभूति मिश्र: क्या शिक्षा और वैज्ञानिक गবेजरण मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि जून, १९५७ में प्रधान मंत्री की डेनमार्क की यात्रा के समय सरकार को यह निर्णय दिया गया था कि डेनमार्क में तीन महीने के लिये कृषि, वाणिज्य और संस्कृति के अध्ययन के लिये २५ भारतीय युवक भेजे जायें; और

(ख) यदि हाँ, तो उनका चुनाव किस आधार पर किया जायेगा और उनका यात्रा-व्यय इत्यादि कौन वहन करेगा?

शिक्षा और वैज्ञानिक गवेजरण भंत्रालय में राज्य-मंत्री (डा० का० ला० श्रीमानी):

(क) जी, हाँ।

(ख) यह विश्य विचाराधीन है।

श्री विभूति मिश्र: मेरे जानना चाहता हूँ कि ये जो २५ भारतीय यहाँ से जायेंगे वे क्या विभिन्न स्टेट्स में से लिए जायेंगे और क्या उनका चुनाव करने समय उनके शिक्षा दीक्षा का कोई परिमाण निश्चित किया गया है, क्या उनके लिए कोई सास क्वालिफिकेशन निश्चित की गई है, यदि हाँ तो क्या क्या?

डा० का० ला० श्रीमानी: जहाँ तक उनकी सिलेक्शन का सबाल है, उस पर अभी विचार किया जा रहा है। जो डेनिश ब्रांच आफ दी वल्ड फ्रेडिशप फैडेशन है, उन्होंने हमको आमंत्रण दिया है कि हम २५ व्यक्ति यहाँ से वहाँ भेजें जो कि तीन महीने तक डेनमार्क में रहें तथा वहाँ रहने का खर्च डेनमार्क एसोसियेशन उठायेगी।

और उसके बे मेहमान होंगे। बाकी जो डिटेल्स हैं कि किस तरीके से यह लोग दिये जायेंगे, इसकी योजना अभी नहीं बनाई गई है।

श्री विभूति मिश्र: मेरे जानना चाहता हूँ कि यहाँ से जो भाई जायेंगे वे पूरी तरह भारतीय संस्कृति के प्रेमी होंगे और इसका तो खतरा नहीं रहेगा कि वे वहाँ के कलबर में चले जायेंगे?

डा० का० ला० श्रीमानी: मेरे जानना करता हूँ कि जो भी यहाँ से व्यक्ति जाते हैं, वे भारतीय संस्कृति से पूरी तरह भ्रोतप्रोत होते हैं और उनका दूसरो संस्कृति में जाने का और अपनी भारतीय संस्कृति को भूला देने का कोई प्रश्न नहीं उठता है। डेनिश में जो लोग जाने वाले हैं, यह स्थान है पि. वहाँ के जीवन में, जो वहाँ का एग्री-कलबरल, इंडस्ट्रियल और को-प्राप्तेटिव मूवमेंट है, उनसे इन लोगों का परिचय कराया जायगा।

Shri Ajit Singh Sarhadi: Will Government consider the feasibility of sending only farmers' sons for study of agriculture?

Dr. K. L. Shrimali: It is a suggestion for action.

Shri P. R. Patel: Will persons working in agricultural organisations in India be sent?

Dr. K. L. Shrimali: All these matters have still to be considered.

Boot Manufacturing Plant

*1236. **Shri S. M. Banerjee:** Will the Minister of Defence be pleased to confer to the reply given to Starred Question No. 887 on the 8th December, 1954 and state at what stage is the proposal to instal a boot manufacturing plant in H. & S. Factory, Kanpur?

The Parliamentary Secretary to the Minister of Defence (Shri Fatesinghrao Gaekwad): The proposal for the manufacture of boots in the Harness & Saddlery Factory, Kanpur, was examined by Government and it was decided not to proceed with the scheme as sufficient capacity for the manufacture of boots already existed in the private sector.

Shri S. M. Banerjee: May I know the names of the concerns manufacturing boots for our Army?

Shri Fatesinghrao Gaekwad: I have no information.

Shri S. M. Banerjee: May I know whether this proposal to have a boot plant in Harness & Saddlery Factory has been dropped to safeguard the interests of the British concern, Messrs. Cooper, Allen & Co., Kanpur, and whether the British Superintendent of H. & S. has a hand in it?

The Deputy Minister of Defence (Shri Raghuramaiah): I would like to draw the attention of the hon. Member to one of the recommendations of the Baldev Singh Committee that ordnance factories should not attempt to manufacture components or stores of which adequate and well-established manufacturing facilities existed in the private sector. In this case, such facilities do exist in the country in civilian trades and so we do not propose to undertake it in the ordnance factory.

Shri S. V. Ramaswami: What is the surplus capacity in the H. & S. factory and how is it proposed to utilise it?

Shri Raghuramaiah: I would like to have notice.

Shri T. B. Vittal Rao: The hon. Deputy Minister just now referred to the Baldev Singh Committee Report. May I know whether a copy of it will be placed on the Table?

Shri Raghuramaiah: That is a totally different question which will have to be considered.

Mr. Speaker: Merely because he referred to a Report, he need not place it on the Table.

Shri T. B. Vittal Rao: He has read extracts from the Report.

Mr. Speaker: He has given only a synopsis. Anyway, he may consider it. Normally when a Report is referred to by directly quoting an extract or giving even the substance, hon. Members must have an opportunity to see the whole Report. As far as possible, all such Reports will be laid on the Table.

Shri S. M. Banerjee: May I know whether it is a fact that the leather goods produced in this factory are more cheap and durable than that produced in the private sector? If so, why is this factory not being utilised for the manufacture of civilian leather goods on mass scale?

Mr. Speaker: He said that they did not want to compete with civilian goods.

Shri Raghuramaiah: I have not got the relative figures. But the whole purpose is that wherever there is civilian capacity, we should not utilise the limited capacity available in ordnance factories for the same purpose.

Mr. Speaker: If hon. Members are not satisfied with the policy, they may raise it independently.

Shri S. M. Banerjee: I have already raised it.

Mr. Speaker: He may table a Resolution. There may be a difference of opinion. Why should not the full capacity be used and why should private industries be pampered?—That may be one view. I think that is the view of the Opposition. Let them place it by way of a Resolution.

Shri S. M. Banerjee: You will allow it?

Mr. Speaker: I do not give my consent in advance.

Participation of Indian Teams in Foreign Sports Meets

***1237. Shri Shree Narayan Das:** Will the Minister of Education and Scientific Research be pleased to lay on the Table a copy of the Circular letter, regarding the participation of Indian Teams in foreign sports meets which has been issued by Government to all the National Sports Federations, State Sports Associations and Sports Clubs of India; and state:

(a) the number of individuals or teams that have been permitted by Government to participate in games and sports abroad since the issue of the Circular;

(b) the number of cases of rejection during this period; and

(c) what are the National Organisations or State Organisations of games and sports which have been recognised for the purpose of recommending the applications for participation in meets abroad?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) and (b). A copy of the letter sent on April 18th, 1957 to the Presidents of all National sports organisations is placed on the Table of the Lok Sabha. [See Appendix III, annexure No. 108].

Government's permission is not required for participation in games and sports abroad. Information regarding the number of teams and individuals to whom passport facilities have been granted or refused after 18-4-57 is being collected and will be placed on the Table of Lok Sabha.

(c) A statement showing the organisations concerned is placed on the Table of the Lok Sabha. [See Appendix III, annexure No. 108].

Shri Shree Narayan Das: From the statement, it appears that some 16 organisations have been given recognition for this purpose. What is the basis on which this recognition was accorded and was there any case of an

organisation having asked for recognition but was not given recognition?

Dr. K. L. Shrimali: I shall place the Constitution of the All India Council of Sports in the Library. The main criterion which, as far as I remember, Government had in view while recognising the associations is that they must be in the nature of all-India organisations.

Shri Shree Narayan Das: What are the specific functions for which the All India Council of Sports has been constituted?

Dr. K. L. Shrimali: To promote sports in the country and co-ordinate their activities.

Shri Viswanatha Reddy: Is Government aware of the very rapid fall in standards of various sports in the country and this is attributed to a great extent to the inefficiency of these organisations and the interne-cine quarrels in those organisations? If so, what steps are being taken to see that one sport has got only one organisation at the all-India level?

Dr. K. L. Shrimali: The hon. Member is right in saying that there is great deterioration with regard to sports standards because of lack of proper organisation among the sports bodies. It is for the purpose of improving sports that the Government had set up the All India Council of Sports, and every effort is being made to improve the standard of sports in the country through this body.

श्री भवर दर्शन : क्या यह सत्य है कि विदेशों को भारतीय खिलाड़ियों की जो टीमें जाती हैं, उनके खिलाड़ियों का चुनाव करने में कभी कभी बड़ी शिथिलता दिखाई देती है, उदाहरणार्थ मैं आपको बतलाऊं कि बौलीबौल की जो टीम हेलसिकी गई थी, कहा जाता है कि उसके मैनेजर साहब एक महिला को भी साथ ले गये थे और जिसकी कि वजह से बड़ी बदनामी हुई, तो क्या इसके बारे में सल्ली से

कोई नियम बनाये जायेंगे और उनका कहाई से पालन किया जायगा ?

झा० का० ला० अ० भ० ली० : उसके सम्बन्ध में सारी इनफार्मेशन मेरे पास इस समय उपलब्ध नहीं है। भगवान् आनन्देश्वर मेम्बर इसके बारे में अलग से प्रश्न पूछ्ये तो मेरे उसका जवाब दे सकगा।

Strike at Air Force Department Jambagar

*1238. { Shri Nagi Reddy:
Shri S. M. Banerjee:
Shri A. K. Gopalan:
Shri Awasthi:

Will the Minister of Defence be pleased to state:

(a) whether workers of Air Force Department at Jamnagar observed a token strike on the 29th July, 1957; and

(b) if so, the reasons therefor?

The Deputy Minister of Defence
(Sardar Majithia): (a) Yes.

(b) The strike was observed in sympathy with five discharged employees of the Unit.

Shri S. M. Banerjee: May I know the cause for their removal from service?

Sardar Majithia: Three were surplus to the establishment; one was discharged on disciplinary grounds and one because he was absent without getting leave.

Shri S. M. Banerjee: As regards the three who were discharged because they were surplus to requirements, were they offered alternative employment? As regards the other two, did they make an appeal, and if so, is it being considered by the Minister?

Sardar Majithia: So far as the three civilian M.P. drivers were concerned, they were offered alternative employment which they refused to accept.

So far as the person discharged on disciplinary grounds is concerned, Government is satisfied that he has been rightly discharged and there is no question of review. Similar is the case with the laskar who was discharged because he absented himself without any leave. That cannot be tolerated.

Shri S. M. Banerjee: May I know whether two workers from the same establishment went on a hunger strike from 22-7-57 as a protest against this dismissal and may I know whether any action has been taken against them?

Sardar Majithia: Those employees who were discharged also threatened to go on strike.

Shri S. M. Banerjee: Did they go on hunger strike?

Sardar Majithia: From their books it does not certainly seem that they went on strike.

WRITTEN ANSWERS TO
QUESTIONS

Bangalore Aerodrome

*1211. **Shri Keshava:** Will the Minister of Defence be pleased to state whether there is any proposal for improvement of the aerodrome at Bangalore?

The Deputy Minister of Defence
(Sardar Majithia): Yes, Sir.

Political Sufferers

*1213. **Shri Panigrahi:** Will the Minister of Home Affairs be pleased to state:

(a) whether there is any proposal under consideration of Government for the permanent rehabilitation of political sufferers; and

(b) if so, whether the State Governments will get monetary assistance from the centre for this purpose?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) State Governments look after the political sufferers and have introduced several schemes for their benefit in their respective States. All expenditure on this account in Union Territories is met by the Centre.

(b) No monetary assistance is given direct to the State Governments but in special deserving cases grants are made out of the Home Minister's Discretionary Fund to political sufferers.

West German Technical Scholarships

*1214. **Pandit D. N. Tiwary:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether applications for the scholarships offered by the Government and private institutions of the Federal Republic of Germany for training Indian students in West German Technical Institutions have been invited;

(b) if so, the method of selecting these students; and

(c) the number of scholars to be selected?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) Yes, Sir.

(b) By means of a Selection Committee appointed by Government.

(c) 147.

Central Committee on Prohibition

*1217. **Shri Sanganna:** Will the Minister of Home Affairs be pleased to state:

(a) whether a Central Committee has been constituted in pursuance of recommendations of the Prohibition Enquiry Committee, to review the progress of prohibition;

(b) if so, what are the personnel of the Committee; and

(c) if not, the reasons therefor?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Not yet.

(b) Does not arise.

(c) It was felt that it would be appropriate to await the reorganisation of the States before the Committee was constituted. The matter is now under active consideration in consultation with the State Governments. Necessary steps for the constitution of the Committee will be taken as soon as the views of the State Governments are received.

Hire-Purchase Sales Corporation

*1218. **Shri Gajendra Prasad Sinha:** Will the Minister of Finance be pleased to state whether it is a fact that there is a proposal before the State Bank of India to provide finance to automobile manufacturers to open Hire-Purchase Sales Corporation at different centres?

The Deputy Minister of Finance (Shri B. R. Bhagat): There is a proposal before the State Bank of India for an advance to an automobile manufacturer in respect of the latter's scheme to extend credit to operators who purchase vehicles manufactured by it. The details are still to be finalised but the advance from the State Bank will be for refinancing actual hire-purchase transactions and not for opening hire-purchase Sales Corporation.

Public Service Commission for Tripura

*1225. **Shri Dasaratha Deb:** Will the Minister of Home Affairs be pleased to state:

(a) whether absence of a Public Service Commission for the Union Territory of Tripura is causing great difficulties in matters of recruitment of Cadres;

(b) whether a large number of gazetted posts remain unfilled due to this factor; and

(c) if so, the number of such vacant posts?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) The Union Public Service Commission established under Article 315(1) of the Constitution is concerned with recruitment to Class I and Class II posts in the Union Territory of Tripura also. No difficulty has been experienced so far in making these recruitments through the Union Public Service Commission.

(b) and (c). Five Class I posts and 51 Class II posts are lying vacant. Out of these, recruitment action in respect of 4 Class I posts and 41 Class II posts has been initiated already by the Union Public Service Commission.

Allocation of Iron and Steel

***1233. Shri Panigrahi:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether Government have now suspended the annual allocation of Iron and Steel under small scale industries quota to different States; and

(b) the quantity of iron and steel allocated to the State of Orissa under this quota?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes, Sir. Allocations of steel are now made quarterly.

(b) A quantity of 263 tons of steel has been allotted to Orissa under Small Scale Industries Quota in each of the two quarters of 1957-58.

West German Technical Mission

***1234. Pandit D. N. Tiwary:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the report of the German Technical Mission which visited India in October, 1956 in connection with the establishment of a Higher Technological Institute, has been made available to Government; and

(b) if so, the place where the Institute will be located?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) Yes, Sir.

(b) It has been decided to utilise the German assistance in the establishment of the Southern Higher Technological Institute in Madras.

State Social Welfare Advisory Boards

***1235. Shri Sanganna:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether it is a fact that the State Social Welfare Advisory Boards have been asked by the Central Board to send schemes for starting "Homes" in States;

(b) whether schemes have been received from all the States; and

(c) the maximum cost of each "Home" to be set up?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimati): (a) These schemes are drawn up by the State Governments in consultation with the State Social Welfare Advisory Boards and are submitted to the Ministry of Home Affairs.

(b) No, Sir.

(c) (i) Rs. 70,000 non-recurring.

(ii) Rs. 60,000 recurring per year.

Employment Office for the Blind at Madras

***1239. Shri Naldurgker:** Will the Minister of Education and Scientific Research be pleased to state:

(a) how many blind adults have been employed so far through the Employment Office which has been functioning at Madras since July, 1954;

(b) what sort of employment they are provided with; and

(c) whether they get any monthly or annual salary or any other monetary provision is made for them?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimati): (a) 67.

(b) A statement giving the industries in which they have been employed is laid on the Table of Lok Sabha. [See Appendix III, annexure No. 109].

(c) They are paid on the same basis as other workers. No special provision is made for them.

Committee on Indian Companies Act

*1240. **Shri Sanyanna:** Will the Minister of Finance be pleased to state:

(a) whether the report of the Committee to suggest amendments to the Companies Act, 1956 has been received;

(b) if so, the main recommendations of the Committee; and

(c) action taken by Government thereon?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) No, Sir.

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

Re-employment of Ex-convicts

*1241. **Shri Shree Narayan Das:** Will the Minister of Home Affairs be pleased to state:

(a) the number of cases in which appointing authorities sought the approval of Government regarding re-employment of ex-convicts involving offences other than moral turpitude under Government during the years 1956 and 1957 so far; and

(b) the number of cases in which approval was given and appointments made by the authorities?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) and (b). There is no ban on the employment of persons convicted of offences not involving moral turpitude.

Hence the question of appointing authorities seeking the approval of Government in such cases does not arise.

Defence Stores

*1242. **Shri S. M. Banerjee:** Will the Minister of Defence be pleased to state:

(a) the value of Defence Stores purchased from U.K. during 1956; and

(b) whether some of these stores could have been manufactured in Ordnance factories?

The Parliamentary Secretary to the Minister of Defence (Shri Fatesinghrao Gaekwad): (a) The value of stores purchased through our High Commission in the U.K. during 1956 is Rs. 3453.83 lakhs. This figure represents the stores purchased from the U.K. as well as from other European Countries. No separate accounts are maintained in respect of stores purchased only from the U.K.

(b) It is the policy of Government to restrict procurement of Defence stores from foreign countries to those items which are neither indigenously available from manufacturers/stockists nor can be manufactured by the Ordnance Factories.

Writ Petitions

926. **Shri L. Achaw Singh:** Will the Minister of Home Affairs be pleased to state:

(a) the number of writ petitions filed in the Court of the Judicial Commissioner, Manipur during the years 1954, 1955, 1956 and 1957 so far; and

(b) how many of them have been admitted and how many rejected?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) One in 1954, seventeen in 1955, eighteen in 1956 and four in 1957.

(b) Fourteen were admitted and thirteen rejected.

Gold Smuggling

927.	Shri D. C. Sharma:
	Pandit D. N. Tiwary:
	Shri Raghunath Singh:
	Shri Ram Krishan:
	Shri Vajpayee:
	Shrimati Tarkeshwari Sinha:
	Shri Mohan Swarup:

Shri Ganpati Ram:

Will the Minister of Finance be pleased to state:

(a) the number of cases of gold smuggling from West and East Pakistan separately detected during the months of May, June and July, 1957; and

(b) the value of gold recovered?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The number of cases of gold smuggling from West and East Pakistan detected during the months of May, June and July, 1957 is 141 and 12 respectively.

(b) The value of gold seized in these cases is Rs. 37,78,448 and Rs. 1,22,909 respectively.

Development of Science and Technical Education

928. **Shri Nagi Reddy:** Will the Minister of Education and Scientific Research be pleased to state the amount of subsidy or grant given to different Universities for the development of Science and Technical Education during 1954-55 and 1955-56?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali):

1954-55	Rs. 96,96,365
1955-56	Rs. 1,15,69,004

Excise Duty

929. **Shrimati Parvathi Krishna:** Will the Minister of Finance be pleased to state the amounts realised

annually from excise duty from Madras State from the year 1949-50 onwards?

The Deputy Minister of Finance (Shri B. R. Bhagat): A statement giving the information required is laid on the Table. [See Appendix III, annexure No. 110].

Birth Anniversary of Shakespeare

930. **Shri H. N. Mukerjee:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether India was represented recently at the celebration of the 393rd anniversary of Shakespeare's birth at Stratford-on-Avon;

(b) if so, who represented India; and

(c) whether any report was presented there in regard to Shakespeare translations in Indian languages?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) No invitation was received by Government of India.

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

Income Tax Evasion

931. **Shri H. N. Mukerjee:** Will the Minister of Finance be pleased to state:

(a) whether a scheme for preventing evasion of income tax and allied taxes is being finalised; and

(b) whether the names of informants are kept secret and rewards given to them?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) There is no particular scheme for preventing evasion of Income Tax and allied taxes under consideration of the Government of India. Attention is, however, invited to the reply given to the Unstarred Question No. 741 answered in the Lok Sabha on the 7th December, 1956 and also to the note placed on

the table of the Lok Sabha on 30th May, 1956 on the subject of evasion of Income Tax along with the report of Professor Kaldor.

(b) The names of the informants are kept secret and appropriate rewards are given in suitable cases.

English at University Stage

932. { Shri D. C. Sharma:
Shri Bhakt Darshan:

Will the Minister of Education and Scientific Research be pleased to state whether the Committee, appointed to recommend ways and means of securing an adequate proficiency in English at the University stage, has since submitted its report?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): No, Sir.

Admission of Territorial Army Personnel to Military College

933. Shri D. C. Sharma: Will the Minister of Defence be pleased to state the number of Territorial Army Personnel who applied for admission to the Military College, termwise from 1952 onwards?

The Deputy Minister of Defence (Sardar Majithia): The number of TA personnel who applied for admission to the Military College, Dehra Dun termwise from 1952 onwards is given below:—

15th Military Course commencing July 1953—3

17th Military Course commencing July 1954—5

18th Military Course Commencing January 1955—1

No T.A. personnel applied for admission to the College in 1952, 1956 and 1957.

Enrolment in Territorial Army

934. Shri D. C. Sharma: Will the Minister of Defence be pleased to state:

(a) the total number of persons enrolled in the Territorial Army from its inception up-to-date, year-wise;

(b) the number of Territorial Army personnel discharged from the Army so far, year-wise during the same period; and

(c) the number of (i) new recruits and (ii) trained soldiers who attended the Annual Training Camps in the years 1948-49 to 1956-57, year-wise?

The Deputy Minister of Defence (Sardar Majithia): (a) and (c). It is not in the public interest to disclose this information.

(b) A statement is laid on the Table of Lok Sabha. [See Appendix II, annexure No. 111].

Grants for Secondary Education

935. Shri D. C. Sharma: Will the Minister of Education and Scientific Research be pleased to state:

(a) the principles of allocation of grants for Secondary Education to States; and

(b) the extent to which the grants thus given were utilised by each of the State Governments during 1955-56 and 1956-57?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) and (b). A statement is laid on the Table. [See Appendix III, annexure No. 112].

Poppy Cultivation in Punjab

936. Shri D. C. Sharma: Will the Minister of Finance be pleased to state the total acreage under the cultivation of opium (poppy) in Punjab at present?

The Deputy Minister of Finance (Shri B. R. Bhagat): 1,502 acres (1320 acres in the former Punjab State and

182 acres in the former State of Patiala) were under poppy cultivation in the Punjab during the year 1955-56 not for the production of opium but of poppy seeds only.

Institute of Armament Studies, Kirkee

937. Shri S. C. Sharma: Will the Minister of Defence be pleased to state:

(a) the number of Technical Staff Officers who received regular training in the institute of armament studies at Kirkee, since its inception in 1952 year-wise;

(b) whether this Institute at Kirkee maintains contacts with Universities and other Civilian research institutions;

(c) if so, what are the names of those Universities and Civilian research institutions; and

(d) other sources through which the dissemination of basic knowledge of defence is carried on from Kirkee institute?

The Deputy Minister of Defence (Sardar Majithia): (a) The first course was started in October 1953 with 10 officers and was completed in April 1955. Further batches of 15 and 13 officers passed out during 1956 and 1957 respectively. 14 more officers are now under training.

(b) Yes. Sir.

(c) Names of some of the important institutions are:

- (1) Institute of Science, Bangalore.
- (2) National Chemical Laboratory, Poona.
- (3) National Physical Laboratory, New Delhi.
- (4) Mathematical Instrument Factory, Calcutta.
- (5) Engineering College, Poona.
- (6) University of Delhi.

(d) (i) by collaboration in some of the scientific investigations.

(ii) participation in various conferences, symposia and scientific discussions,

(iii) visits by Defence Scientists to civil and other research institutions,

(iv) representation on various committees, etc.,

(v) publication of open work in scientific journals in India and abroad.

Octroi Duties

938. Shri M. R. Krishna: Will the Minister of Defence be pleased to state:

(a) the number of Cantonments in the Country where octroi duties are collected directly by the Cantonment Boards;

(b) the number of Cantonments where octroi duties are collected by the municipalities and District Boards on behalf of the cantonments; and

(c) what is the total revenue from Octroi Collections for all the Cantonments in the Country?

The Deputy Ministry of Defence (Sardar Majithia): (a) 9.

(b) 21.

(c) Rs. 42,58,909/-.

दिल्ली पुलिस

६३६. श्री नवल प्रभाकर : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५६-५७ में दिल्ली पुलिस में कितने व्यक्ति भर्ती किये गये, और

(ख) उनमें में अनुसुचिन जातियों के कितने थे ?

गृह-कार्य मंत्रालय में राज्यमंत्री (श्री दातार) : (क) २४६।

(ख) ४१।

Manipur Conspiracy Case

940. Shri L. Achaw Singh: Will the Minister of Home Affairs be pleased to state whether there are still warrants pending against any persons connected with the Manipur conspiracy case of 1951 under sections 121A/123 of I.P.C.?

The Minister of State in the Ministry of Home Affairs: No

Central Special Staff

941 Pandit D. N. Tiwary: Will the Minister of Home Affairs be pleased to state:

(a) what are the functions of the Central Special Staff,

(b) whether any trace of the 14 children who were kidnapped in Delhi (out of the 46 only 32 were recovered) in January, 1957 has been found out; and

(c) the number of children upto the age of 18 kidnapped from January, 1957 to June, 1957 in Delhi?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) There is no Central Special Staff. The Honourable Member probably has in mind the Recovery Squad of Delhi Police the functions of which are primarily to deal with cases in which boys and girls below the age of 16 and 18 respectively are reported to be missing. Occasionally it also enquires into the cases of missing adults

(b) Ten out of the fourteen missing children have been recovered

(c) 35

Youth Camps

942 Dr Ram Subhag Singh: Will the Minister of Education and Scientific Research be pleased to state:

(a) the amount that Government have so far allotted during 1957-58 for the purpose of youth camps run by the Bharat Sevak Samaj;

(b) whether his Ministry have organised some Drama Camps and Youth Leadership Training Camps during the year 1957-58 so far,

(c) if so, their number, and

(d) the amount of expenditure incurred thereon?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) Rs 3,83,443/-

(b) and (c), One Drama Camp has been held so far

(d) Rs 9,117/-

New Collieries in Bihar

943 Shri Gajendra Prasad Sinha: Will the Minister of Steel, Mines and Fuel, be pleased to state how many new Collieries in Bihar have been started during the first year of the Second Five Year Plan?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): The Coal Board granted permission to open the following three new collieries in Bihar during the 1956-57 —

1 Churi Colliery

2 Keshopuly Colliery

3 Chilgo Colliery

Three old collieries were allowed to be reopened during the same period

Import of Steel

944 Shri Wodeyar: Will the Minister of Steel, Mines and Fuel be pleased to state

(a) whether import of steel from foreign countries which had been largely held up owing to Suez crisis has started, and

(b) the total value of steel imported since the opening of Suez Canal?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes, Sir

(b) Rs 60 crores (approximately) in the four months April to July, 1957.

Merit Scholarships in Public Schools

945. Shri Sinhasan Singh: Will the Minister of Education and Scientific Research be pleased to state:

(a) the number of students who have been awarded Merit Scholarship in Public Schools since the inception of the scheme;

(b) the number of those who had studied in Convent, Public and Progressive Schools before their selection for the award; and

(c) the total number of the selected students who were enrolled in rural non-public Schools at the time of their selection?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) 188.

(b) and (c). The information is being collected and will be placed on the Table of Lok Sabha in due course.

Solicitor to the Government of India

946. Shri H. N. Mukerjee: Will the Minister of Law be pleased to state:

(a) whether it is a fact that the Solicitor to the Government of India at Calcutta is also Solicitor to the Industrial Finance Corporation, the Life Insurance Corporation of India and other organisations;

(b) if so, his functions in regard to the said organisations;

(c) whether the said Solicitor receives a fixed remuneration or is paid on any other basis; and

(d) whether any restrictions are imposed by Government in regard to his private practice as a Solicitor at Calcutta High Court?

The Minister of Law (Shri A. K. Sen): (a) No, Sir. The Solicitor to the Government of India at Calcutta is not the retained Solicitor either to the Industrial Finance Corporation or

to the Life Insurance Corporation of India. He, however, acts for these organisations as a private Solicitor in such matters as are referred to him by them.

(b) He performs in regard to these organizations the same functions as are performed by any other Solicitor as part of his private practice.

(c) These Corporations pay him on the same basis as they pay any other Solicitor for legal work actually done. As Solicitor to the Government of India at Calcutta, he is paid a sum of Rs. 1,250/- p.m. as retainer and a sum of Rs. 1,250/- p.m. for meeting establishment expenses. Besides, he is entitled to retain such fees as are recovered from the opposite parties.

(d) Neither he nor any firm of which he is a partner is permitted to act in any legal matter against the Government of India. He cannot also accept a retainer from the State Government.

भारत का राज्य बैंक

६४७. श्री भवत दर्शन: क्या वित्त मंत्री २२ जुलाई १९५७ के अनारंकित प्रश्न संख्या १५० के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या इमरियल बैंक आफ इंडिया, जो अब भारत के राज्य बैंक द्वारा ले लिया गया है के विस्तार-कार्यक्रम में रखे गये १३ केन्द्रों की और भारत के राज्य बैंक अधिनियम, १९५५ की धारा १६(५) के अन्तर्गत चुने गये ११७ केन्द्रों की जहां भारत के राज्य बैंक की शास्त्रावें अब भी खोनी जाने वाली हैं सूची सभापत्तन पर रखी जायेगी; और

(ख) प्रत्येक केन्द्र के कब तक सूचने की आशा है ?

वित्त उपमंत्री (श्री ब० रा० भगत) :
(क) मांगी गयी सूचना का विवरण साथ

लगा दिया गया है। (देखिये परिशिष्ट ३. अनुबन्ध संख्या ११३)। जुलाई १९५७ के अन्त तक जो शाखाएं खुल चुकी हैं उनकी स्थापना की तारीखें भी विवरण में दे दी गयी हैं।

(ख) इन शाखाओं को शीघ्रतापूर्वक खोलने के लिए प्रत्येक सम्भव प्रयत्न तो किया जायगा परन्तु यह बताना सम्भव नहीं है कि टीक किस किस तारीख को इनमें से प्रत्येक शाखा खुल सकेगी।

Soft Coke Prices

948. Shri I. Eacharan: Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the controlled prices, fixed by the Central Government at which the colliery owners are allowed to sell soft coke to the State Governments and other consumers;

(b) the retail prices fixed for soft coke by various State Government; and

(c) the break up of retail prices of soft coke in respect of Delhi and Madras?

The Minister of Steel Mines and Fuel (Sardar Swaran Singh): (a) Rs. 26-75 np. per ton at the loading point nearest to the colliery and is exclusive of Cess, Excise Duty, Labour Welfare Excise Duty, State Sales Tax etc.

(b) Retail prices of soft coke are fixed by respective State Governments from time to time and vary from district to district. Full information regarding all the States is not readily available and will take considerable time and labour to collect.

The following factors are generally taken into consideration in fixing the retail prices:

- (i) Railway freight.
- (ii) Central cesses and local taxes.
- (iii) Cartage, handling and other incidental charges including possible losses in transit.
- (iv) Middlemen's commission.
- (v) Dealer's profit.

(c) The break-up of the prices of soft coke on the basis of which the retail prices have been fixed in Delhi is as under:—

	Rs.
Pit head price	26/12/- per ton.
Middlemen's commission	1/8/- per ton
Railway freight	17/5/6 per ton
Cess duty	-12/2½ per ton
Terminal Tax	-15/9 per ton
Unloading charges	-9/6 per ton
Cartage	2/8/- per ton
Stockage	-9/6 per ton
Pilferage	-1/4 per ton
 TOTAL	 51/1/9½ per ton
 Profit for wholesalers	 OR
 Commission to retailer	 1/15/6 per maund. -1/6 per maund.
 TOTAL RETAIL PRICE	 2/1/- wholesale rate -7/- per maund
	 2/8/- per maund.

In fixing the retail prices the above mentioned elements are generally taken into consideration by the other State Governments including that of Madras. Details regarding individual items in respect of Madras are not available.

केन्द्रीय सरकार के कार्यालयों में भोजन की व्यवस्था

६४६. श्री खूशबद्र राय : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) दिल्ली और नई दिल्ली स्थित केन्द्रीय सरकार के कितने कार्यालयों में सरकार ने कर्मचारियों को अच्छा भोजन देने की व्यवस्था की है; और

(ख) क्या यह सच है कि अधिकाश वार्षिकों में ऐसी सुविधायें नहीं दी गई हैं जिसके परिणामस्वरूप कर्मचारियों को बाहर के खोचे वालों पर निमंत्र रहना पड़ता है ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (श्री दातार) : (क) केन्द्रीय सरकार के दिल्ली तथा नई दिल्ली स्थित लगभग सब कार्यालयों में भोजन की व्यवस्था कोपरेटिव/विभागीय केन्टीनों या टिफिन रूम्ज के रूप में है। केन्टीन तथा टिफिन रूप में अन्तर यह है कि केन्टीने तो विभाग या सरकारी कर्मचारियों की कोपरेटिव सोसाइटी द्वारा बिना हानि लाभ के आधार पर चलाई जाती है जब कि टिफिन रूम प्राइवेट टेंकेवारों द्वारा। टिफिन रूम की चीजों के दाम ऐस्टेट आफिस द्वारा नियंत्रित किए जाते हैं।

(ख) जो नहीं; जगह को कमी के कारण कुछ इमारतों में केन्टीन/टिफिन रूम्ज की संख्या काफी नहीं है। इसलिए हो सकता है कि इन इमारतों में काम करने वाले, यदि अपने व्यक्तिगत स्वाद के लिए नहीं तो सम्भवतः केन्टीन अथवा टिफिन रूम की संख्या कम होने के कारण बाहर के खोचे

वालों या पटरी पर बैठ कर बेचने वालों से अपने खाने की चीजें खरीदते हों।

संयुक्त राष्ट्र आपात सेना के मुसलमान सैनिक

६५०. श्री रघुनाथ सिंह : क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि संयुक्त राष्ट्रसंघ की आपात सेना के मध्यीन मिस्ट में जो भारतीय सेना स्थित है उसमें से कितने मुसलमान सैनिकों ने इस वर्ष हज की यात्रा की ?

प्रतिरक्षा उपमंत्री (सरदार मरीटिया) : एक।

Grants to States for Scheduled Castes

९५१. श्री नागी रेडी: Will the Minister of Home Affairs be pleased to state:

(a) the total grant given to different States for the welfare of Scheduled Castes in 1956-57;

(b) the schemes for which the grants were made; and

(c) whether there is any proposal to set apart some amount for granting house sites to Scheduled Castes in the rural areas?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Attention is invited to the reply given to part (a) of Swami Rama Nand Shastri's Unstarred Question No. 209 dated the 24th May, 1957

(b) The main heads of the schemes are:—

1. Propaganda & Publicity.
2. Education.
3. Agriculture and Cottage Industries.
4. Medical & Public Health including drinking water supply
5. Housing.
6. Aid to Voluntary agencies.

(c) There is no such proposal under consideration. However, some of the States have a provision in their Second Five Year Plan for this item, which is being shared by the Government of India on 50:50 basis.

Income Tax Arrears

952. { Shri Nagi Reddy:
Shri Dharmalingam:

Will the Minister of Finance be pleased to state:

(a) the number of brought forward cases and the current cases pending

in the Income Tax Department on 1-4-1954, 1-4-1955, 1-4-1956 and 1-4-1957;

(b) the total amount of arrears as on the 1st April, 1957; and

(c) the amount of arrears due from the assessees with income above Rs. 10,000?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The number of brought forward Income Tax cases and the current cases pending in the Income Tax Department on 1-4-1954; 1-4-1955; 1-4-1956 and 1-4-1957 is as under:—

	Number of brought forward cases	Number of current cases	Total
I-4-1954	609815	943116	15,52,931
I-4-1955	642792	788168	14,30,960
I-4-1956	602817	796137	13,98,954
I-4-1957	493727	727394	12,21,121

(b) The total amount of arrears as on 1st April, 1957 was Rs. 209.67 crores. A detailed statement is laid on the Table. [See Appendix III, annexure 114].

(c) This information is not available as the figures of arrears of tax are not compiled according to slabs of income.

Assistant Superintendents among Scheduled Castes

953. Shri B. S. Murthy: Will the Minister of Home Affairs be pleased to state:

(a) the number of Scheduled Castes appointed in the cadre of Regular Temporary Establishment of Assistant Superintendents in the Central Secretariat up till March, 1957;

(b) whether these Assistant Superintendents from Scheduled Castes were given placing in the list of selected candidates in accordance with the

announcement of the Home Ministry; and

(c) if not, the reason thereof?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Fifteen.

(b) Yes.

(c) Does not arise.

Political Sufferers

955. Shri Sugandhi: Will the Minister of Home Affairs be pleased to refer to the answer given to Starred Question No. 703 on 8th August, 1957 and state the number of beneficiaries and the amounts disbursed to political sufferers (State-wise) for the years 1955-56, 1956-57 and upto 31st July, 1957?

The Minister of State in the Ministry of Home Affairs (Shri Datar): The information is given in the statements laid on the Table. [See Appendix III, annexure No. 115].

Colombo Plan

956. Shri Damani: Will the Minister of Finance be pleased to state:

(a) whether assistance has been granted during 1956-57 to neighbouring countries under the Colombo Plan by India; and

(b) if so, the nature thereof?

The Deputy Minister of Finance. (Shri B. R. Bhagat): (a) Yes, Sir.

(b) Technical assistance in the nature of provision of training facilities in India and services of Indian experts was given to India's neighbours who are members of the Colombo Plan. In addition, economic assistance was given to Nepal through the Indian Aid Mission for the execution of development schemes, construction and maintenance of roads, and conducting of surveys etc.

Central Man Power Directorate

957. Shri Manabendra Shah: Will the Minister of Home Affairs be pleased to state:

(a) whether an all India policy has been drawn up to absorb retrenched temporary employees;

(b) what the Central Man Power Directorate has done so far in this respect; and

(c) how far the State Governments are associated with this organisation?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) No. Persons retrenched from posts under the Central Government on the recommendations of the Economy Unit are, however, allowed high priority for nomination by Employment Exchanges against fresh vacancies notified to them.

(b) The Directorate of Manpower has so far been concerned with the assessment of requirements for and supply of trained personnel in the context of the Second and subsequent

Five Year Plans, and measures necessary to ensure that the supply does not fall short of the demand. The Directorate has not been dealing with the specific question of retrenched employees.

(c) In matters dealt with by the Directorate of Manpower, it maintains liaison with the State Governments through the officers of the State Governments who have been specially designated to deal with their manpower problems.

Aid to Madras for Employment Schemes

958. Shri N. R. Munisamy: Will the Minister of Finance be pleased to state:

(a) the assistance so far given to Madras in the years 1954 to 1957 by way of loans and grants for schemes for relief of unemployment; and

(b) the schemes and measures so far suggested by Government of Madras to increase its employment potential?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) and (b). All schemes have generally an element of relief to the unemployed. The schemes proposed by the State Government and approved by the Planning Commission under this programme so far as this Ministry is concerned are given below.

(1) Erode-Tiruchi 3rd Circuit change over to 110 KV.

(2) Singarappet-Villipuram 110 KV and Singarappet-Vellore 66 KV extension.

(3) Coimbatore-Madukkarai-Palghat 66 KV extension.

(4) Chinglepet-Maduranthakam 33 KV extension.

(5) Distribution of power.

(6) Extension of Community Project area in Papanasam System.

(7) Electrification of towns and localities in the National Extension Areas of Avanashi Taluk and Palladan Taluk in Coimbator District.

(8) Electrification of towns and localities in the NES areas of Madura, South Arcot, North Arcot and Salem Districts.

(9) Electrification of towns and localities in the NES areas of Chinglepet District.

(10) Electrification of towns and localities in the NES areas of Madura, Tirunelveli and Ramanathapuram Districts.

Recently, the State Government have forwarded proposals that loans of the order indicated against each may be advanced to the following privately owned electrical undertakings under this scheme:

- (i) Trichinopoly-Srirangam Electrical Licensee ... Rs. 14.48 lakhs
- (ii) Mayavaram-Mannargudi-Tiruvarur Electrical Licensee ... Rs. 6.16 lakhs
- (iii) Salem-Erode Electrical Licensee ... Rs. 10.16 lakhs
- (iv) Tinnevelly-Tuticorin Electrical Licensee ... Rs. 5.82 lakhs

The following loans have been given to the Government of Madras during the years 1954-55 to 1956-57 for the expansion of power facilities to increase employment opportunities;

YEAR	LOAN (In lakhs of Rs.)
1954-55	64.00
1955-56	120.00
1956-57	70.37

Achal Trust, Agra

959. Seth Achal Singh: Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the Government of India have leased out a piece of land, survey No. 288/II to the Achal Trust, Agra for establishing a public hall library and reading room;

(b) if so,

(i) the area of the land leased out,
(ii) the year in which the lease was given.

(iii) the period of the lease,

(iv) the premium charged.

(v) the annual rent,

(vi) the standard rent prescribed for such a land,

(vii) the schedule of the Cantonment Land Administration Rules under which the lease was executed; and

(c) whether it is a fact that with a view to allow the Trust to have some income, in order to run the institution started by it, the Government of India have permitted the Trust to construct some shops on the leased land on an enhanced rent?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes.

(b) (i) 0.30 acre.

(ii) 1949

(iii) 30 years renewable at the option of the lessee up to 90 years.

(iv) Rs. 10,440/-.

(v) Rs. 1044/- per annum.

(vi) Rs. 1044/- per annum according to rates prevailing in 1949 for residential purposes.

(vii) Schedule VIII, Cantonment Land Administration Rules, 1937.

(c) Yes.

Union Catalogue of Books and Journals

960. { Shri Subbiah Ambalam:
Shri Thanu Pillai:

Will the Minister of Education and Scientific Research be pleased to state:

(a) whether there is any Union Catalogue of Books and Journals

available in the important libraries in India; and

(b) if not, whether such a Catalogue will be prepared to facilitate the work of our research students?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) So far as Government are aware there is no Union Catalogue of Books and Journals available in any library in India.

(b) There is no such proposal at present under consideration.

Gold Smuggling

961. Shri Raghunath Singh: Will the Minister of Finance be pleased to state whether it is a fact that an Italian has been taken into custody on the charge of smuggling gold and selling it in Delhi market on the 12th August, 1957?

The Deputy Minister of Finance (Shri B. R. Bhagat): On 12th August, 1957, an Italian was found offering approximately 600 tolas of gold for sale in the Delhi market. As the gold was believed to be contraband, he was detained for interrogation. The gold has been seized but the Italian gentleman has not so far been taken into custody.

Mine Managers

963. Shri Matin: Will the Minister of Education and Scientific Research be pleased to state:

(a) the number of 1st and 2nd class Mine Managers to be trained during the Second Five Year Plan;

(b) the number of mining engineering graduates to be trained during the Second Five Year Plan;

(c) the number of geologists to be trained in the next five years;

(d) the number of senior Mine Managers and Engineers to receive specialised training abroad under Government subsidised schemes; and

(e) the amount of foreign exchange earmarked for the purpose?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimali): (a) to (e). A statement giving the required information is laid on the Table of Lok Sabha. [See Appendix III, annexure No. 116].

Deposits for Election Petitions

965. Shri Mohan Swarup: Will the Minister of Law be pleased to state:

(a) the controlling authority of the treasury head given below:

"Central (Civil) Section P. Deposits and Advances Part II Deposits not bearing interest (c) other deposits accounts-Civil Deposits—Revenue Deposits—for Election petitions"; and

(b) the authority before whom the application for refund of the amount be made if the amount has been deposited in the above mentioned head without mentioning in the challan form at the time of the deposit that it is being deposited in favour of the Secretary, Election Commission?

The Minister of Law (Shri A. K. Sen): (a) Secretary, Election Commission.

(b) Applications for refund of deposits in respect of Election Petitions should be made to the Election Commission, though the Secretary, Election Commission, as the Controlling Officer of the account head, is also competent to order refunds. Even where the deposit is not made in favour of the Secretary, Election Commission, applications for refund should be made to the Election Commission.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

EXPLOSION OF WAGON LOADED WITH CRACKERS

Shri S. V. Ramaswami (Salem): Sir, under Rule 197, I beg to call the attention of the Minister of Railways to the following matter of urgent public importance and I request that he may make a statement thereon:—

“The explosion of a wagon loaded with crackers at Katpadi Junction (S. Railway) on the 21st August, 1957.”

Mr. Speaker: The hon. Railway Minister.

He is absent. Let us now proceed...

Shri T. B. Vital Rao (Khammam): Sir, you have called the hon. Minister to make a statement but he is absent. What is the procedure? This is highly objectionable.

Mr. Speaker: I also noticed it as the hon. Members have noticed it. Can I dismiss the Minister? All that I can say is that all the Members and Ministers are aware of this. The Minister of Parliamentary Affairs must take notice of it. When once it is put on the Order Paper....

An Hon. Member: He is also not here, Sir.

Shri C. D. Pande (Naini Tal): Any Member of Government can reply

(At this stage, *Shri Shahnawaz Khan* entered the House.)

Mr. Speaker: The hon. Minister is a little late.

The Deputy Minister of Railways (Shri Shahnawaz Khan): Sir, I was answering questions in the other House.

Mr. Speaker: Yes; he may make the statement regarding the calling attention notice.

Shri Shahnawaz Khan: Sir, at about 17.30 hours on 21-8-57 while 142 cases of fire-works from Shivakasi and Satur, loaded in metre gauge Southern Railway Wagon 26801, sealed from Trichinopoly Repacking Shed to Katpadi tranship shed, which arrived at Katpadi by No. 2124 Goods ex-Villupuram at 10.00 hours on 21-8-57 and placed in position in the tranship shed at 14.00 hours, were being transhipped into Northern Railway covered wagon 60786, a loud explosion was heard and smoke and flames enveloped the tranship shed. The Fire Brigade at Vellore was contacted and it arrived at Katpadi at 17.45 hours. The fire was completely extinguished at 19.00 hours. Due to the explosion and blast, damages were caused within a radius of 200 feet. It was found that the explosion had occurred from the consignments transhipped into broad gauge covered wagon No. 60786.

As a result of the explosion, one Assistant Tranship Clerk and 4 Railway Tranship Hamals were killed on the spot and 12 persons, 11 railway employees and one outsider, received injuries (8 received serious and 4 minor injuries). Two Railway employees with minor injuries were treated as out-patients at the Railway dispensary at Katpadi and the remaining 10 were admitted in the Government Pentland Hospital, Vellore. Of these, two Railway Hamals and the outsider died in the hospital, thus bringing the total number killed to 8. 3 persons have since been discharged from the hospital.

The outsider who eventually died was a woman, by name Nagamma, and she was not on Railway business at the time of the accident.

On receipt of the information, the Divisional Superintendent, Madras, along with Divisional Medical Officer, Divisional Engineer and other officials proceeded to Katpadi and visited the injured in the Government Hospital.

DAMAGES

BROAD GAUGE

- (i) Wagon No. NR 60786
 (ii) Wagon No. EB 11056
 (iii) Wagon No. ER 46181
 (iv) Two wagons CR 52852 and CR 29349 on the formation of No. 1523 Goods from Arkonam to Jalarpet standing on a line 80 ft. away from the spot of the explosion.

fully smashed.
 body fully damaged.
 slightly damaged.
 slightly damaged.

METRE GAUGE

- (i) Wagon No. SR 26801
 (ii) Wagon No. SR 27805
 (iii) Wagon No. SR 10708
 (iv) Two meter gauge third class coaches which were standing 50 ft. away from the spot of explosion.

body smashed.
 body smashed.
 slightly damaged.
 slightly damaged.

The Railway Protection Post on the tranship platform was completely smashed. The roof and four doors of a private Godown 150 ft. away were damaged.

Railway communication wires towards Jalarpet between mile 80/10 and 80/18 were damaged and all communications were interrupted.

Cost of damage to Rolling Stock, buildings and consignments has been assessed as under:—

(a) Building	Rs. 2,500/-
(b) Rolling Stock	Rs. 20,000
(c) Consignments	Rs. 8,000/-
<hr/> Total	Rs. 30,500/-

There was no damage to permanent way and no dislocation to train service. Transhipment work was suspended pending inspection by the Inspector of Explosives, Madras, who was informed on phone at 18.31 hours on 21-8-57.

The site of the accident was also inspected by the District Collector and District Superintendent of Police, Vellore.

The cause of the accident is under investigation. An Officers' enquiry has been ordered and it is to commence from today, i.e., 27-8-57.

Booking of fireworks has been stopped on all the Railways for the time being. Arrangements have also been made to hold up in transit wagons containing explosives booked from stations on the Madura Division of the Southern Railway, pending further investigations. The Southern Railway Administration are also in close touch with the Police Authorities for further investigations.

Shri S. V. Ramaswami: Just a fortnight before this we had another explosion accident in the Northern Railway near Asansol. There must be something very radically wrong in the transport of explosive material. Within a fortnight 2 major accidents have occurred. I would request that you allot some time, half an hour or an hour, for a debate on this.

Mr. Speaker: Oral requests are never heeded to.

Shri T. B. Vittal Rao: May I have one clarification, Sir? These accidents have to be enquired into by the Government Inspector of Railways. Since these are explosions, may I know if they are to be enquired into by the Inspector of Explosives also?

Shri Shahnawaz Khan: Yes, Sir.

RE. MOTION FOR ADJOURNMENT

Mr. Speaker: The House will now resume....

Shri Braj Raj Singh (Firozabad) rose—

Mr. Speaker: Order, order. I am going to another subject.

Shri Braj Raj Singh: Sir, on a point....

Mr. Speaker: What I would say is, let not the work of the House be interrupted. I would just like to inform the House that so far as this hon. Member is concerned, he sent in a notice of an adjournment motion and I said it is a State subject. Still he says: 'I will be compelled to raise this on the floor of the House.' Then, I will also be compelled to send him out of the House.

Shri Braj Raj Singh: I am prepared for that.

Mr. Speaker: It is very wrong on the part of any hon. Member to take the law into his own hands. He is a Member of the House....

Shri Braj Raj Singh: I know that.

Mr. Speaker: There are 14 Assemblies in this country. Every hon. Member feels that he is the only repository or the representative of anything relating to any important matter in any part of this country. Under our Constitution, there are State subjects and Union subjects. If it is really a State subject, I am not going to allow it here. The time here should not be taken away by this. There are Assemblies equally interested. Persons must move there.

The right to decide whether a subject is a State subject or not is in me. I find it is a purely State subject. The hon. Member wants to show that he is taking interest. By all means let him take interest. The hon. Member has written to me: "If you do not give consent, I may be compelled to raise it in the House." I do not know what to do. I will be compelled to ask my friend kindly to withdraw from this House. Therefore, let him not force me to do this. I do not want to do so. I would like to see that the House carries on its work

normally. If any hon. Member to whom consent to raise a matter is not given threatens me that he may be compelled to raise it here, what shall I do?

Shri Braj Raj Singh: I only wanted to explain the position.

Mr. Speaker: I am not going to allow anything. We will go to the next business.

FINANCE (NO. 2) BILL, 1957—Contd.

Mr. Speaker: The House will now resume further discussion on the Finance (No. 2) Bill, 1957. Out of 7 hours allotted for the general discussion, 5 hours and 24 minutes have already been availed of and 1 hour and 36 minutes now remain. After the general discussion is over, clause-by-clause consideration and third reading of the Bill will be taken up for which 4 hours and 1 hour respectively have been allotted.

May I know how long the hon. Member will take for his reply?

The Deputy Minister of Finance (Shri B. R. Bhagat): 45 minutes.

Mr. Speaker: It is 12.10 now. I will call the Minister at one O'clock or at about 1.10.

Shri Bimal Ghose (Barrackpore): Sir, I suggest that half an hour more may be given for general discussion.

Mr. Speaker: Yesterday we decided that four hours may be allotted for clause by clause consideration. An hon. Member has now suggested that half an hour more may be given for general discussion. Is that the desire of the House?

Several Hon. Members: Yes.

Mr. Speaker: So half an hour more is given for general discussion. I will call the hon. Minister at 1.30.

Shri Shree Narayan Das (Darrbhanga): The clause by clause consideration will not take much time. I

think the general discussion is more important and, therefore, I suggest that two hours would be sufficient for clause by clause consideration.

Mr. Speaker: When we come to clause by clause consideration then hon. Members will say that is important. Now, Shri Naushir Bharucha may continue his speech.

Shri Naushir Bharucha (East Khandesh): Mr. Speaker, Sir, I was referring to the magnitude of new taxation, and I stated that the Finance Minister in his speech on the Budget stated that 90 items had been subject to taxation. Out of sheer curiosity I calculated the number of items and sub-items subject to taxation under the Finance Bill, and I found that there were not less than 404 items. The requirements of the Second Five Year Plan, therefore, seem insatiable.

According to the Finance Minister, the justification for these taxes is that the alternatives would be either borrowing, or greater external aid, or larger deficit financing. He has told us that he is not able to take credit for more than Rs. 100 crores from borrowing, or get more than Rs. 150 crores from external aid, and that deficit financing in this one year had reached the gigantic level of Rs. 275 crores, which means that we are printing that much of money in one year without backing of either corresponding amount of goods or bullion. Therefore, he felt that deficit financing had already reached a stage when further tampering with it might result in grave inflation. And, according to the Finance Minister, the need for taxation is also partly as a corrective to inflation, partly as an incentive to smaller imports of consumer goods.

But the Finance Minister forgot one thing, that besides these three alternatives there was one more, namely, drastically cutting the administrative expenditure.

The Finance Minister has also laid down certain criteria of good taxation.

He has said that the tax must produce sizeable return, that it should act as incentive to larger earning and more saving, that it should restrain consumption and check domestic inflationary pressures, that it should progressively yield greater returns as incomes go higher. To these four criteria I might add two more of my own, namely, that the cost of collection should be reasonably low, and that it should not set in motion the law of diminishing returns.

Apply this criteria to the proposal to reduce the taxable minimum so far as income tax is concerned from Rs. 4,200 to Rs. 3000. The Finance Minister himself admits that administrative problems involved in assessing relatively small incomes must be faced rather than evaded. In one breath he admits that these are smaller incomes likely to produce smaller yields, and there would be enormous administrative difficulties which he desires to be faced rather than evaded.

In a case like this, let us see in this bracket of Rs. 3000 who will be the people who will be roped in. Largely, the fixed salary earners, Government servants and people with fixed salaries. How can these people be asked that they should make an effort to increase their income, because raising of salaries is not within their power. Also, to talk of curtailing consumption, preaching tightening of belt to a class of people, who do not have daily two square meals or even one square meal, is a cruel joke. I am certain that in this case the cost of collection would be very much higher and, therefore, most of the criteria laid down for good taxation by the Finance Minister will not be satisfied.

This is particularly so in the case of postal letters. There the law of diminishing returns will also operate. We have increased the rate of postal envelops. The shift, therefore, will be to the post-cards. It is a well known fact that nearly half an anna is lost on every post-card that is delivered. That means, what the Finance Minister is going to collect from a larger

[Shri Naushir Bharucha]

rate on envelopes will diminish the returns on it because of increased use of post-cards. That shows the wisdom of this type of levy.

Coming to the increase in central excises which are expected to yield Rs. 61 crores or more in a full year, we find that all the necessities of life have been taxed. It is not merely sugar, tea and matches that have been taxed, but concealed in this Finance Bill are items designated only by the number of the clauses in the Tariff Act, which shows that the Finance Minister has cast his net far and wide. Incorporated in the tax items one finds that there will be fish, ghee, flour, starch, food—not otherwise specified, oil cakes, heavy chemicals, paints, candles, hides and skins, wood and timber, knitting wool, jute manufactures, gunny bags, cotton rope, coir fibres, hosiery, iron and steel pipes, and manufactures not otherwise provided for, hardware, tools, machinery, electric goods, furniture, and the Finance Minister has not even forgotten slate pencils. I do not know what is left out of the necessities of life which the Finance Minister has not taxed. If he has not taxed anything I think it must be due to some error, just as through error he taxed kerosene and newsprint. This is the wide list of subjects of universal consumption, and the bulk of the incidence of it will fall on the poor people.

[MR. DEPUTY-SPEAKER in the chair.]

12.17 hrs.

Because these items have not been enumerated by their names in the Finance Bill, the public do not know the exact extent to which the Finance Bill encroaches upon the daily necessities of life.

But, this is not a complete picture. There is also a concealed form of taxation. If you turn to clause 12 of the Bill it reads this way:

"(1) The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in Parts I, II, III, and IV of the Second Schedule."

Then the Explanation says:

"Explanation.—References in this Schedule to the 'excise duty for the time being leviable on like articles if produced or manufactured in India' shall be construed as references to the excise duty for the time being in force which would be leviable on like articles if produced or manufactured in India or, if like articles are not so produced or manufactured, which would be leviable on the class or description of articles to which the imported articles belong."

Sir, the significance of this clause, namely, redefining of excise duty by means of this explanation must be carefully examined. The latter part of it is vague and will present considerable difficulties. It is common knowledge that countervailing excise duties are levied to protect indigenous industries from competition of imported goods. But where there are no indigenous manufactures, one does not understand why the Finance Minister, by manipulation of clause 12 proposes to impose duties under this head. This is obviously not done for the sake of checking imports. The difficulty of implementing this provision especially where there are no indigenous products will be great. Take, for instance, this possibility. Supposing India does not manufacture cigarette tissue paper. Then, according to clause 12, the re-defined clause 12, it would mean that a levy of a tax on all types of tissue paper imported for the purpose of cigarettes would be permissible under the Act. Take other illustrations. X-ray equipment is not manufactured in India. Under clause 12, it may be possible that such an

paratus is included in the electrical apparatus 'not otherwise specified'. Then all types of X-ray apparatus would be chargeable, which are imported from foreign countries.

Also, take the case of machinery other than those specified in that clause. It would be difficult to administer this particular clause. Take a concrete instance. Under clause 13 of the Bill, printing paper of all sorts are subject to excise. Its effect will be to increase the cost of all imported newsprint. For instance, in clause 13, it has been laid down in item 21, sub-items (3), that "printing and writing paper, other sorts" come under the levy of this tax. Therefore, even if printing paper is not manufactured in India, all types of printing paper would be subject to duty by virtue of the manipulation of clause 12. It will thus be seen that clause 12, by putting a levy on goods which are not produced in India, bring within its net many of the articles which are imported and for which there might exist no justifiable excuse for levying an import duty.

People talk of direct taxation and indirect taxation by way of classification. I am talking of another class of taxation, namely, concealed taxation. Whether this taxation is concealed from the public or not, the fact must remain that it cannot be concealed from economic forces which will operate to raise the cost of living.

To come to the incidence of the taxation, a glance at the tax structure shows that the poorer classes and the middle-classes have to pay heavily. Analysing the incidence of the various taxation measures, it will be found that the following items will bring to the treasury about Rs. 6 crores each: motor spirit, cement, steel ingots, unmanufactured tobacco and matches. Each of these items will bring Rs. 6, crores more, making a total of Rs. 30 crores. Sugar alone will give you Rs. 18½ crores. Vegetable oil gives you Rs. 3 crores; tea, Rs. 2½ crores; paper, Rs. 2 crores; lowering the income-tax limit, Rs. 5 crores. It will thus be seen

that all the items will hit the poor and the middle-classes. It is wrong, as the Finance Minister did last time, to say that motor spirit will hit the richer classes. When good transport is involved, goods transport forms an item in the cost of an article and the goods transport carried by trucks on the roads is petrol-driven, and therefore, it is obvious that part of it will have to be borne by the middle and the poorer classes. In an economy where too much artificial paper money keeps chasing too few goods, the entire incidence is passed on to the consumer. I am afraid in this case it may be so. The total revenue raised in a full year will be Rs. 106 crores, and after the machinery of collection is tightened up, it will be a great deal more. But the Finance Minister would have us believe that the ratio of tax to the national income is only 7.5 per cent and with this added taxation of Rs. 106 crores, it will be only enhanced to 8.6 per cent of the national income. That being so, he says that it is comparatively too low. But he forgets what the per capita national income in other countries is. He also forgets the principle of marginal utility of the unit of currency. It does, therefore, seem that in comparing the figures, he forgets the spirit and import while comparing them. At the rate of Rs. 100 crores, the per capita increase, by the stroke of the pen of the Finance Minister, amounts to Rs. 3 per capita per annum. The Finance Minister, by one stroke of the pen, has added Rs. 3 per capita per annum.

May I remind this House that when Mahatma Gandhi commenced the struggle as a protest against the salt tax and when he called that tax an oppressive measure of taxation, the per capita incidence was only three annas per annum. That was the incidence of the salt tax. But Gandhiji called it an oppressive item of taxation, because it was an article consumed by the poorest. Most of the articles which have been taxed today by the Finance Minister are consumed by the poor and today, at one stroke of the pen, the per capita incidence has been raised to Rs. 3 per

[Shri Naushir Bharucha]

annum. People do not mind payment of taxes so long as the taxes are wisely spent. But before the nation can be asked to make more sacrifices, the Government must be asked to plug all the holes through which our tax yield leaks.

My hon friend Shri Masani pointed out that Rs. 200 crores were lost through tax evasion alone. It is humanly impossible to stop all evasions, because from the very nature of the transactions some amount will always escape, but even then, quite a good deal could be collected. In addition to this, I would suggest administrative economies. I am aware that departmental committees have been set up but may I tell the House that I have no faith in these departmental committees, because the men who are on the committees are those very persons who are guilty of spending extravagantly. I have never heard of a tribunal composed of the accused people convicting the accused! I am of opinion that if these economy measures are to be effective, there should be a committee consisting of Members of this hon. House and not others. I am also not satisfied that Rs. 272 crores, that we are going to spend on the Defence Ministry is going to be wisely spent I would throw this challenge to the hon. Minister of Defence. If I am appointed to look into the economy of the Defence Ministry, in less than ten weeks I can produce a report effecting about Rs. 10 crores by way of economy, without impairing in the least the efficiency of the defence forces.

The other day, a point was raised by my hon. friend Shri Kamble who said that 1,60,000 tons of sugar was released five or six days prior to the announcement of excise duty on sugar. The country lost Rs. 1.6 crores of excise duty on that score. Heaven would not have fallen if that amount of sugar was released five days later. But the explanation given was that it was normally released in due course.

Surely, the due course could have avoided a loss of Rs. 160 lakhs.

The common man, who was so much hero-worshipped when it came to a question of collecting votes, has now to pay every time when he strikes a match to light his oil-lamp in his humble cottage and every time when he sips his cup of tea to assuage his hunger. Somebody has defined a politician as a person who collects votes from the poor and money from the rich on the pretext of protecting the one from the other. I am afraid today we find lots of politicians on that side of the House, but the public cannot sit for long without agitating. The public will feel the pinch in the rising costs. On these grounds, I oppose the Finance Bill to the extent it imposes a levy on the poor and the middle classes.

Shri Siva Raj (Chingleput-Reserved-Sch. Castes): Mr. Deputy-Speaker, one would like to sympathise with the Finance Minister in his predicament of having to find resources to support the Plan and to carry out a Plan, in the shaping of which I do not know what part we have got to play. But it leaves an impression on one's mind, rather, the impression forces itself upon one's mind, that the Finance Minister, in trying to find resources for the Plan, has bitten more than he can chew and that in his efforts to find the finances, he has lost his balance, because he in his budget speech said that "the core of his speech is that the Plan is the thing." I am reminded of a somewhat similar phrase when the Prince of Denmark in Hamlet said that the play is the thing. That was the decision of a confused and cogitated mind and the result was a terrible catastrophe and tragedy. I do hope, when the Finance Minister so enthusiastically says that the Plan is the thing that the result will not be so tragic as in the play of Shakespeare.

They say that finance is the peculiar province and the play-thing of Wizards. I am a normal person and I

dare not venture to enter into that field. Nevertheless, as I read the Plan, I find that the Plan itself is unbalanced in so many ways. In the first place, I find that the Plan is in a sense planless by reason of the fact that when the Plan was made, there was no relation whatsoever to the resources available, whether it was foreign exchange or internal resources. So soon after the Plan was made within less than a year, the Plan has come up against very great difficulties, large gaps and deficits. So, I find that there is lack of planning with regard to the resources for the Plan itself.

The Plan is throughout full of imbalances. The first imbalance that one notices is between the public and the private sectors. I think the public sector has taken a lot more than it needs for the purpose of carrying out the Plan and deprived the private sector of its energy and its initiative in carrying out the Plan. That is due to the fact that the planners and the Government have not consulted or taken into confidence the private sector. Why should I or anybody suspect either the motives or the patriotism of the private sector. I personally am not a capitalist; far from it. Nevertheless, taking a factual view, I find that the Government and the planners have made a mistake in not taking into confidence the private sector; I believe they should have.

There are quite a number of private people who can help this Plan to be successful. Now I find that the Government is gradually losing the sympathy and the co-operation of that sector. Again, I find that there is an imbalance between the industrial sector and the agricultural sector of this Plan. There is greater emphasis placed on the industries, to the detriment of agriculture. What would happen if, when people want food, clothing and shelter, the Plan would ultimately result in producing steel, coal, cement and industries like that? I think there ought to have been a judicial balance maintained between industrial and agricultural production.

Another thing which we all feel, especially those who come from the south of India, is the imbalance that exists between investments in industries in certain portions of India to the detriment of certain other portions of India. It may be justified that it is all national and that the benefit of this plan would come to everyone. At the same time, we forget the fact that India is a multi-national State and there are so many differences in culture, aspirations and economy of the people that it will be difficult to say that any investment made in North India will help the people in the south. I also find that there is so much of over-centralisation that it lead to the excessive employment at the centre and the corresponding unemployment in the other parts of India. It is from these points of view that I call this Plan a planless Plan.

The next thing I would like to impress upon the Finance Minister is that where he should have sought the co-operation of many sectors of the population, by trying to do the thing himself, he has failed miserably. I have already mentioned the case of the private sector. I think there is quite a lot of wealth in the hands of the ruling classes and in the hands of our industrial magnates. If they had been tapped, probably they would have come out with suggestions as to how to finance the Plan, might be with their own money, of course, if the Government does not question the origin of their wealth or the origin of their motives. Nevertheless, the fact remains that there was money available and I believe there is still money available, which can be tapped. Unfortunately the Government feel that the Plan is their own. The Government have made it a party Plan, not a national Plan. If it was a national Plan, they should have consulted other interests as well, such as the Scheduled Castes Federation, who had their own schemes for the improvement of the lot and welfare of the Scheduled Castes people.

If the planners had consulted the Federation, they would have suggest-

[**Shri Siva Raj.**]

ed, for instance, the establishment of agricultural colonies for Scheduled Castes, thereby conferring upon them economic independence and equality with the rest of the villages in India. That has not been done. That could have been done only by the Centre. We find from the report of the Backward Classes Commissioner that whereas the Centre is suggesting ways and means of improving the lot of the people, whereas it is prepared to finance certain schemes, the States are very very slow to move in the matter. The Scheduled Castes Federation had also suggested a scheme of education by establishing institutions, the control and the funds of which will be in the hands mainly of Scheduled Castes people.

As a matter of fact, owing to the efforts of the late Dr. Ambedkar, we started what is called the People's Education Society, under which we are running two colleges, one called the Siddharth College in Bombay and the other in Ahmedabad. There was a scheme for the expansion of the People's Education Society in other parts of India also, but unfortunately for us and for this country also, Dr. Ambedkar has been removed from our midst. Nevertheless, if we had been consulted, we would have suggested to the hon. Finance Minister or the planners a scheme of education for our people. What do we find? We have to depend entirely on the mercy and goodwill, whim and fancy of the local magnate, especially the village landlord. That is the position. We feel that in this state of things, we could not get the sincere support and co-operation of....

Mr. Deputy-Speaker: We will be discussing the Plan; the report of the Commissioner for Scheduled Castes and Tribes will also be discussed. Today, our subject is a little different.

Shri Siva Raj: I start from the point that the Finance Minister made that the Plan is the main thing in this Budget. Therefore, I think all my arguments and all my references can be made to the Plan.

Mr. Deputy-Speaker: Leaving aside the Finance Minister Bill? All reference can be made to the Plan and not the Finance Bill?

Shri Siva Raj: The Finance Bill comprises the total finances. In fact, as has been pointed out by the previous speaker, the merits and demerits of each item of taxation, we all know. It is not necessary for me to cover that ground. In fact, I am not going to put these finances in the hands of a Government which is reckless and lavish in the matter of this Plan, and finding themselves in hot waters so soon after the Plan has come into operation. That is my main point. In doing so, I want to point out that they could have done better by adopting in the Plan many measures which would go to alleviate the sufferings and miseries of the poor, apart from the idea of taxation. That is why I said that they did not have the concurrence or consent of the Scheduled Castes Federation.

I feel that the Finance Minister is now putting on a brave front in order to face the difficulties which he probably did not foresee at the time he initiated the taxation measures to support this Budget. I wish him all good luck in his efforts to succeed. But, I fear that there is an air of lack of confidence in the capacity of this Government to go through this Plan. That is more outside the House than in this House. The ordinary man thinks that the Government will not succeed ultimately in its objective. It is up to the Government to see that this kind of lack of confidence is removed and that they so act in the future that that confidence could be restored and every man, it does not matter to which section of the population he belongs, puts his shoulder to the Plan and fulfils it because we feel that it is essential.

There is another point which I want to refer to. This Plan will ultimately result in increased production of both, perhaps, food on the one

side and consumer goods and other things for the country. If it does, the problem of production might have been solved. But, the greater difficulty is the problem of distribution. That is where we of the poorer sections like the Scheduled Castes, Scheduled Tribes and backward classes will suffer, because here is a pattern of society called socialistic pattern of society, which is the aim of this Plan, which is, as they say, the objective of the Government, to be run by a people who do not understand socialism who, through all these centuries, have been not merely un-social but anti-social. If the Plan should succeed, this must be a country of honest workers, of patriots, of patriotic industrialists. On the other hand, I am afraid, the trend is, on account of various circumstances, of the bungling on the part of the Government of India in other matters it has become a country merely of agitators, wage-earners without working and black-marketeers.

पहिन ठकर दस भगव (हिसार)
 जनाब डिर्नी स्पीकर माहब फाइनेन्स बिल के भौके पर आम तौर फाइनेन्स बिल की दफात का और सिर्फ ऐसे प्रावलम्ब का ही जिक नहीं किया जाता जिनका ताल्लुक रूपये पैसे से हो, बल्कि मुझे याद है, बड़े अर्सें से हम हमेशा फाइनेन्स बिल के भौके पर बहुत सी और बातों का जिक करते हैं जिनका फाइनेन्स बिल से कोई ताल्लुक नहीं। यही एक भौका होता है कि जिस पर हर मेम्बर अपनी कोई भी बात कह मकता है क्योंकि जो भी चीज़ हम चाहते हैं वह फाइनेन्स के जरिये से ही अमल में आ सकती है। अगर मैं इस वक्त फाइनेन्स बिल को छोड़ कर बन्द और बातों का जिक करना चाहता हूँ तो मैं ऐसा उस पुरानी ट्रेडीशन को कायम रखते हुए करूँगा जिसके मातहत हमेशा फाइनेन्स बिल के भौके पर हम फैब्रीन्स का जिक किया करते हैं, जेसों का जिक किया करते हैं, मवेशियों का जिक किया करते हैं, खिलौना कास्ट्स

का जिक किया करते हैं गर्ज कि आसमान के भीचे की कोई भी ऐसी चीज़ नहीं है जो कि फाइनेन्स बिल के अन्दर न आती हो। और मैं याद दिलाना चाहता हूँ फाइनेन्स मिनिस्टर साहब को कि उनका और गवर्नरमेंट का कर्ज सिर्फ रूपये के साथ खेलना नहीं है, सिफ़े रूपये को इकट्ठा करना और उसको खर्च करना नहीं है बल्कि देश की उन इस्तेशियल चीजों को देखना है जिनमें कि दुनिया में सुशी बढ़ती है और जिनकी कि देश को जरूरत है।

मुझे दो खास बातों का आज जिक करना है। मुझे शिकायत है कि अब तक हमारी गवर्नरमेंट ने कैबीनेट में एक नया पोर्टफोलियो ऐनीमल हसबेड़ी के लिए क्यों नहीं बनाया। मैं बहुत अर्सें से यह शिकायत करता आ रहा हूँ लेकिन आज तक मुझे कोई ठीक जवाब नहीं मिला कि क्यों गवर्नरमेंट इसको नहीं करना चाहती सिवा इस छोटे से जवाब के कि गवर्नरमेंट के पास आजकल रूपया पैसा खर्च करने को नहीं है। लेकिन मैं पूछता हूँ कि इसमें कितना रूपया खर्च होगा? आज भी एग्रीकल्चर मिनिस्ट्री में तीन चार मिनिस्टर लग दुए हैं। आज अगर सटर में एक ऐनीमल हमबेड़ी का डिपार्टमेंट खोल दिया जा, तो उसमें ज्यादा खर्च की बात नहीं है। अगर देश का भला होना है और देश के फाइनेन्स ठीक होने हैं और देशमें गलने की ज्यादा स ज्यादा पैदावार होनी है तो उसका कोई तरीका नहीं है मिवा इसके कि ऐनीमल हसबेड़ी रा एक अलाहिदा पोर्टफोलियो कायम किया जाये।

दूसरी बात में यह अर्ज करना चाहता हूँ कि हम पार्लियामेंट में रोज़ इतने कानून बना रहे हैं और इतनी तेजी से बना रहे हैं कि उन पर अमल नहीं हो पाता। हमने यहा पर अनटेबिलिटी का एक कानून पास किया। हम नहीं जानते कि कहा वक उस पर अमल होता है या इसमें कितनी तरक्की हुई है। सोयो का कहना है कि अनटेबिलिटी

पं० ठा कुरदास भार्गव]

मैं कुछ भी कमी नहीं। मैं तो यह नहीं मानता। लेकिन ताहम जो हम यहा से अनटचेबिलिटी को हटाना चाहते हैं उसमें हम को पूरी कामयादी नहीं मिली है। और जिनके बास्ते वह कानून बनाया गया था उनको भी पूरा कायदा नहीं पहुंचा है।

इसी तरह से हमने कायदा बनाया शराब के मुताल्लिक लेकिन शराब बढ़ती जाती है। हमें तो उसमें कमी नजर नहीं आती। मैं तो यह देखता हूँ कि जो देश के अन्दर अच्छी अच्छी बातें थीं और जिनके लिए हिन्दुस्तान मशहूर था वे सब की सब कमजोर हो रही हैं। मैं हर तरफ देखता हूँ कि मैरिज टाई कमजोर हो रही है।

सहकार मंत्री (श्री प० श।० देशमुख) : अच्छी शराब भी नहीं बन रही है।

पंडित ठाकुर दास भार्गव अच्छी शराब सो बिलायत से आती है। उसके ऊपर आप टेक्स बढ़ाइये। बाहर से अच्छी शराब बढ़त बढ़ी मात्रा में आती है। इसलिए उनको जो अच्छी शराब पीना चाहते हैं शिकायत नहीं होनी चाहिए।

उपर्युक्त महोदय : मिनिस्टर साहब का कहना है कि वह अच्छी चीज यहा भी बननी चाहिए।

पंडित ठाकुर दास भार्गव : मैं तो इसके लिए एक अलग मिनिस्ट्री की सिफारिश नहीं करूँगा।

उपर्युक्त महोदय : जो आप पोट-फोलियो बनाना चाहते हैं ऐनीमल हसबेडरी का उसी में इसको भी शामिल कर दीजिये।

पंडित ठाकुर दास भार्गव : मैं आपसे अदब से अर्ज करना चाहता हूँ कि आज हमारे

पास एक बिल आया है, कल परसों वह हाउस में भी आ जायेगा, यानी एक्सपेंडीचर टैक्स बिल। इसके जरिये से हमारे फाइनेंस मिनिस्टर साहब चाहते हैं कि लोग ज्यादा खर्च न करे। लेकिन अगर उनको एक्सपेंडीचर कम करना है तो वह इस टैक्स के जरिये से नहीं होगा। यह तो एक डिवाइस है लोगों से रूपया एठने का। अगर खर्च को कम कराना है तो इसके लिए कोई कानून बनाइये, शादी के खर्च पर सीलिंग लगाइये, एक सोशल मिनिस्ट्री बनाइये जो कि लोगों को बतलावे कि उनको फिजूलियात पर, शादी विवाह वगंरह पर ज्यादा खर्च नहीं करना चाहिए। लेकिन यह तरकीब खर्च कम करवाने की नहीं है। यह तो सिर्फ रूपया एठने की तरकीब है और उसके साथ यह बात जोड़ दी गयी है।

श्री च० द० पांडे (नेनीताल) : अगर मेम्बर साहब अग्रेजी में बोले तो फाइनेंस मिनिस्टर साहब उनको समझ सकेंगे।

पंडित ठाकुर दास भार्गव : वह मुझे अच्छी तरह से समझते हैं, मैं अगर न बोलूँ तो भी मेरा दिली मतलब वह समझते हैं। यह उनकी बदकिस्ती है कि वे मेरे कहने पर अमल न कर पाएं। पर वह उस पर अमल करना चाहते हैं।

देश में जात विरादरी (Casteism) का जोर बढ़ रहा है, प्राविशेनिज्म का राज हो रहा है और आपम की रवादारी व मेल जोल घट रहा है। देश के अन्दर इटालरेस इतना ज्यादा बढ़ता जा रहा है कि देश की यूनिटी व फ्रेटरनिटी (Fraternity) का उसूल जिसको हमने अपने कास्टीट्यूशन के प्रिएन्मिल में रखा वह बहुत कम होता जा रहा है। आज आप हर एक जगह पर क्या देखते हैं? पजाब के अन्दर इतने झगड़े हो रहे हैं जिनकी कि कोई बुनियाद नहीं है। उनकी वजह यह है कि एक दूसरे से मेल नहीं करना चाहता। देश के अन्दर हर जगह

फिसाद और झगड़े देखने मे आते हैं । हम किंजूल बातो मे पड़कर एक दूसरे के बिलाफ हो जाते हैं । यह चीज तभी दूर हो सकती है जब कि इस देश मे एक मिनिस्ट्री कायम हो सोशल रिकार्म और सोशल इंटीग्रेशन की । मै कहता हू कि इन किंजूल के झगडो को कौन मिटाये ? क्या यह गवर्नमेट का फर्ज नही है । लेकिन मै पूछना चाहता हू कि गवर्नमेट ने इसके बारे मे क्या कोशिश की । पिछले दिनो मैने अखबार मे पढ़ा था कि जोधपुर स्टेट मे एक दिन मे ३०,००० मास मैरिजे हो गये । न मालूम इन चाइल्ड मैरिजो की वजह से सारे देश मे कितनी खराबी पैदा हो रही है । लेकिन गवर्नमेट इसके ऊपर काई ध्यान नही देती है । इसके लिये गवर्नमेट ने कोई इतजाम नही किया है । इन चीजो पर तबज्जह क्यो नही दी जाती जो वि देश के वाइटल्स को खाये जा रही है ।

बी ह० च० माथुर (पार्टी) जोधपुर मे तो इतनी पापुलेशन भी नही है कि इतने मैरिज एक दिन हो सके ।

पंडित ठाकुर दास भार्गव हो सकता है कि ये सारे राजस्थान के फिगर हो ।

Mr. Deputy-Speaker: I am sure no decision will be taken here.

पंडित ठाकुर दास भार्गव लेकिन अगर ये फिगर सारे राजस्थान के लिये भी हैं तो भी यह बड़ी बुरी बात है । मै पूछना चाहता हू कि गवर्नमेट इसके बारे मे क्या कर रही है ।

मै समझता हू कि इटर मैरिज एक ऐसी चीज है जिसके जरिये से हम कौम मे मुहब्बत और फ्रेंटिनी पैदा कर सकते हैं । मै पूछना चाहता हू कि गवर्नमेट न इसके लिये क्या किया है । यह पहला मीका नही है जब कि मै यह बात कह रहा हू । मै बहुत मर्तबा इसके बारे मे अर्ज कर चुका हू । मै पूछना चाहता हू कि गवर्नमेट ने इसके बारे मे क्या किया है ।

गवर्नमेट ने एक छोटी सी सोसाइटी (Social Welfare Board) बना रखी है जो कि औरनो और बच्चो के बास्ते कुछ काम करती है । मै उसे डिक्राइ नही करता । मै उनको जी-स मे इधर उधर आते जाने देखता हू । उन्होने थोड़ा बहुत काम किया है । लेकिन मै गवर्नमेट से पूछना चाहता हू कि क्या यह देश के सोशल इंटीग्रेशन के लिये काफी है । जब तक आप सारे हिन्दुस्तान के लिये एक सोशल रिकार्म मिनिस्ट्री और सोशल इंटीग्रेशन मिनिस्ट्री कायम नही करेंगे और ऐसा इन्तजाम नही करेंगे कि मुख्तलिक बलासेज मे बेलजोल बढ़े, तो मुझे डर है कि हम इस चीज मे कामयाब नही हो सकेंगे ।

आज आप इतना खबं ला एड आर्डर पर कर रहे हैं । लेकिन रोज खबरे आती है कि आज फीरोजपुर जेल मे यह हो गया, इतने आदमी मारे गये, आज सिखो का मोर्चा हो रहा है, और हिन्दी रक्षा समिति की तरफ से इतने आदमी जेल मे गये । मै चाहता हू कि हिन्दुस्तान का एक एक बाशिन्दा आराम और पीस की जिन्दगी बसर करे और किसी स्टेट मे ऐसा न हो कि लोग एक दूसरे के खिलाफ होकर अनन्मोशल काम करे जैसा कि आज देखा जा रहा है । हम देखते हैं कि रोज गवर्नमेट के खिलाफ सत्याग्रह हो रहे हैं और किंजूल बातो पर । मै पूछता हू कि इस तरह की चीजे मुमकिन क्यो है ? ये चीजे इसलिये मुमकिन है कि लोगो को कोई तालीम नही दी जाती । न कोई मिनिस्टर गवर्नमेट की तरफ से इस तरफ तबज्जह देता है । मै अब कहू कि गवर्नमेट का इस तरफ तबज्जह न देना एक क्रिमिनल निगलेबट है । गवर्नमेट रुपये पैसे की तरफ ज्यादा ध्यान दे रही है पर इस तरफ ध्यान नही देती । क्या एक सोशल बेलफेर स्टेट का यह फर्ज नही है कि वह इन चीजो की तरफ तबज्जह दे । इस वास्ते मै अदब से फाइनेंस मिनिस्टर

[पंडित ठाकुर दास भार्गव]

साहब की सिद्धत में अर्ज करना चाहता हूँ कि वह अपनी सारी पावस को जो कि उनको हासिल हैं, और मैं जानता हूँ कि उनको कैबिनेट में बड़ी पावस हासिल हैं, उनको इस्तेमाल करके एक सोशल रिकार्म की मिनिस्ट्री बनाने की कोशिश करें।

The Minister of Finance (Shri T. T. Krishnamachari): Shall I become the Minister for Social Welfare?

Pandit Thakur Das Bhargava: I would very much like it, you with your drive and cleverness you will succeed. But I don't think you will accept it I would certainly like it if Dr. Panjab Rao Deshmukh takes up the portfolio of animal husbandry, you yourself being in charge of social reform and integration.

मैं अर्ज करना चाहता हूँ कि अगर आप इस पोर्टफोलियो के इन्चार्ज होंगे, तो लोग इस आये दिनों के टैक्सों में तो बच जायेंगे और आप की तबज्जह ऐसे कामों की तरफ लग जायेंगा, जिसमें देश में शानि आर भाई-चाग होंगा। There will be more peace in this land, more happiness in this land.

यांडे दिन पहले ही हमने देखा कि मुमल-मानों के बारे में एक किताब पर बहुत बड़ा भगड़ा हो गया, हालांकि वह भगड़ा निटायन आसानी से रकादफ़ा हो सकता था। अगर हमारे यहां मोशल गिफ्टार्म की कोई मिनिस्ट्री होती। अच्छों। और बाल्मीकियों के लिये आपने इतना कुछ किया, उनके लिये आपने

के बिल बनाया, उन पर इतना रुपया खर्च किया, लेकिन वे इस बात के शाकी हैं कि हमारे लिये कुछ नहीं किया गया है। इन हालात में यह जरूरी है कि आप मोशल इंटेरेशन के लिये एक मिनिस्ट्री कायम करें। मैं आप को यकीन दिलाना चाहता हूँ कि इस पर

आप का ज्यादा रुपया खर्च नहीं होया, और अगर होगा भी, तो उसके डिविडेंज इतने ज्यादा होंगे कि ला एंड आर्डर और दूसरी कई बातों पर आप को ज्यादा खर्च करने की ज़रूरत नहीं रहेगी।

अब मैं किर अपनी पहली बात पर बापस आता हूँ और अर्ज करना चाहता हूँ कि इस देश में एनोमल हसबैंड्री का एक अलाहिदा पोर्टफोलियो होना चाहिये। इस देश में नेशनल इनकार का एक बोर्डार्ड हिस्सा कैटल से बसूल होता है। इस देश की सारी पैदावार खत्म हो जाय, अगर यहां पर बैल न हों। मैं देखता हूँ कि इस देश में लोग काउ-प्राटेक्शन के लिये और कैटल के स्नाटर को बन्द करने के लिये ज़गड़ते हैं, लेकिन बैलों की ताकत को बरकरार रखने और बढ़ाने और उनकी ब्रीड इम्प्रूव करने की तरफ कोई ध्यान नहीं दे रहा है। हमारे एक्सप्टर्म गिरफ़ एक ही बात जानते हैं—उनके पास तो एक ही नुस्खा है और वह यह कि यहां पर अन-डकानामिक और यजलैस कैटल बहुत है, इसलिये उनको मार दो। मैं उनकी राय की कद्र करता हूँ। मुमिकन है कि उनकी राय दरस्त हो, ले ... हम लोग उनसे मुल्ताफ़ राय रखते हैं। जिस बक्त हमारे प्रेज़िडेंट माहब एश्रीकल्चर मिनिस्टर थे, तो उन्होंने इस मिलमिले में एक कमेटी मुकर्रर की थी। उस कमेटी ने सिफारिश की थी कि उस सिफारिश पर गवर्नर-मेट काम कर रही है। पिछले फ़ाइव यीअर प्लैन में २,६७,००,००० मरवेशियों के लिये गोसदन बनाने के लिये ६७,००,००० रुपये खर्च किये गये और गोसदन भी बहुत कम खोले गये। चूँकि एक्सप्टर्म का इस स्कीम में दिल नहीं है, इस लिये इस तरफ कोई तबज्जह नहीं दी जा रही है। मुझे पता नहीं कि एश्रीकल्चर मिनिस्ट्री उसमें यकीन रखती है या नहीं, लेकिन मैं जानता हूँ कि कोई तबज्जह इस तरफ नहीं दी गई, बल्कि इस बात की पूरी कोशिश की

गई कि यह स्कीम फेल हो जाय। एक तज-वीज रखी गई, जिसको सारे देश ने मंजूर किया, गवर्नमेंट ने मंजूर किया और वह तज-वीज यह थी कि यूजलैस कैटल के मसले को गोसदनों के जरिये हल किया जाय और इस का एक्सप्रेसिमेंट किया जाय। लेकिन मुझे डर है कि इस स्कीम को फेल करने के लिये और सैबोटेज करने के लिये एक बड़ी भारी और आरगनाइज्ड साजिश हो रही है। हमारी पुरानी गवर्नमेंट ने—और मैं चार्ज करता हूँ कि इस गवर्नमेंट ने भी—पंजाब के कैटल की नसल को तबाह करने में कोई कसर नहीं उठा रखी। पिछले चालीस, पचास सालों से—और दस साल इस गवर्नमेंट को आये हो गये हैं—पंजाब से और खसूसन रोहतक, हिसार के मवेशी बम्बई और कलकत्ता भेजे जा रहे हैं। जग मुंह मांगे दाम देते हैं, क्योंकि इस ट्रेड में फ्रायदा है। वहां से कैटल वापस आने का कोई काम नहीं है, क्योंकि एक बार दूध खत्म होने पर उनको स्लाटर-हाउस भेज दिया जाता है। मैंने अपनी आखों से यह सब कुछ देखा है और डा० पंजाबराव देशमुख को भी दिखलाया है कि किस तरह कलकत्ता में जबह-खानों में ऐसे कैटल को कत्ल किया जाता है, जो कि यूजफूज होते हैं। उन्होंने इस तरफ कुछ कोशिश भी की, लेकिन मैं यह अर्ज करना चाहता हूँ कि जब तक इस के लिये कोई अलाहिदा मिनिस्टर नहीं होगा, तब तक यह मामला तय नहीं होगा। इस पचास वरस के अरसे मैं यह हालत हो गई है कि जो गाय पहले बारह, पंद्रह सेर दूध देती थी, वह अब सिर्फ आठ सेर दूध देती है। कोई भी गवर्नमेंट इस इलजाम से बच नहीं सकती है, जिसका कि सानी दुनिया में नहीं मिलता है। बैलों की यह हालत है कि पहले वे चालीस पचास मन की गाड़ी खींचते थे, लेकिन अब वे बीस, पच्चीस मन की गाड़ी खींच सकते हैं। पिछले दिनों हमारे प्राइम मिनिस्टर साहब ने भी एक तकरीर में फ़रमाया था कि हमारे बैलों की ताकत कम हो रही है। सिर्फ इतना ही नहीं, हम लोगों

को औसतन शौ छठांक से ज्यादा दूध नहीं मिलता है, जबकि न्यूजीलैंड में ३१ औंस दूध मिल जाता है और इंगलैंड में भी बहुत ज्यादा १६ औंस दूध मिलता है। मैं ये फ़िक्र बनाई दफ़ा इस हाउस में देचुका हूँ, लेकिन कोई तवज्ज्ञ है इस तरफ नहीं दाज़ रहा है। हम लोग बकते हैं, बकवास करते हैं, लेकिन गवर्नमेंट के कान पर जूँ नहीं रँगती है। आखिर हम कहां जाकर अपनी बात कहें, किस को कहें? एक मुश्किल यह है कि कुछ लोग गौ-रक्षा को बात करते हैं, काउंस्लाटर के खिलाफ़ स्लोगन लगाते हैं, लेकिन इस के लिए कोई काम नहीं करते हैं। अगर वे काम करते, तो इससे देश भा भला होता। सबजह से गवर्नमेंट भी उन की बात की परवाह नहीं करती; और उन के खिलाफ़ कदम उठाती है। नरीजा यह है कि दोनों को आपस में कशामकश चल रही है और देश का बड़ा भारों नुकसान हो रहा है। मैं अर्ज करना चाहता हूँ कि अगर आप इस मिनिस्ट्री को कायम करेंगे, तो पोलीटिकलों भी यह आप के इन्ट्रेस्ट में होगा। इन लोगों के ये स्लोगन बँद हो जायेंगे। They will be put in the wrong. तब आप कह सकेंगे कि हम मवेशियों की बीड़ को इमरूव करने की कोशिश कर रहे हैं। आप का यह कदम पोलीटिकलों वाइज होगा। इसने आपके कम्प्यूनिटी प्रोजेक्स में जान पड़ जायगी। हर कलटीवेटर में नई रूह पैदा हो जायेगी। हर एक कल बीवे र यह सोचेगा कि गवर्नमेंट ने मेरी भलाई के लिए स्टेप लिया है। इकनामिकलों, साइकालोजिकलों, पोलीटिकली, हर तरह से आप का फ़ायदा है।

13 hrs.

एक नई फरटलाइजर फैक्टरी पंजाब में बनने वाली है। एक सिंदरी में बननी हुई है। मैं इन को डिक्काई नहीं

[पंडित ठाकुर दास भार्गव]

करता, लेकिन मैं यह अर्ज करना चाहता हूं कि सब से बड़े फरटलाइजर का पूरा फायदा नहीं उठाया जा रहा है। आज करोड़ों लाख गोबर को जला दिया जाता है। पेपर पर कहा जाता है कि इस को हटा दिया जाय, लेकिन प्रैविटम में इस की तरफ कोई तवज्ज्ञन नहीं दी जाती है। पेपर पर कहा जाता है कि हम को पैडिप्री बुल बैथार करने चाहिए—हम को २५० पैडिप्री बुल चाहिए, और हक्क क्षति में सिक्के एक बुल है या जरूरत मौजूदा ताटाद से २५० गुना की है। दिसार में एशिया में सब से बड़ा कैटल फार्म है, लेकिन वहां पर सिक्के एक पैडिप्री बुल है, और दुसरे के मुनालिल भी जांच हो रही है कि वे ही पैडिप्री बुल है या नहीं। ८० बरस से वह फार्म खुला हुआ है, लेकिन पैडिप्री बुल तैयार करने की कोई कोशिश नहीं की गई है। पेपर पर कहा जाता है कि बछड़ों को पाच रुपये वजीफा देते हैं, लेकिन उस का क्या असर होगा, कब असर होगा, ५ह कौन जानता है। जबलपुर में भवेषियों की ब्रोड को सुधारने के सिलसिले में एक फार्म खोला गया था, लेकिन वहां भी कुछ नहीं किया गया है। कम्प्युनिटी प्रोजेक्ट के मुतालिल कर हर हर को बाते हम सुनते हैं। कहा जाता है कि विलेज की सकीम पर अमल होगा, लेकिन उन का अपशांत कुछ नहीं है। यह कहते कहते हमारे गले होसं हो गये कि खराब बुल्ज की कैस्ट्रेशन करो, खराब बुल्ज को खराब और निकम्मी औलाद न पैदा करने दो। इस सिलसिले में गवर्नमेंट की एक्टिविटोज इतनी थोड़ी और नाकापी है कि मुझे शम्भ आती है। बात यह है कि यह काम ऐसा है कि इस में हल्ला कम होता है, इस में जय नहीं बोली जाती है, गले में मालायें नहीं पड़ती हैं। मैं ने मिनिस्ट्री को यह आकर की थी, जिस को मैं आज दोहराता हूं, कि यह नाम उन लोगों के जिस्मे डाल दिया जाए, जो कि कहते हैं कि गोहमारी भाला है। आप अपना कंट्रोल रखिये, रुपये पैसे का खायाल

रखिये, आवर-आल सुपरविजन रखिये, लेकिन उन को काम करने का मौता देंकिये। अगर वे अच्छा काम नहीं करेंगे, तो हम उन को रांग में पुट कर देंगे। लेकिन इस तजबीज पर ध्यान नहीं दिखा गया है। चारे के ज्यादा उत्पादन को निसी बड़ी स्कोर पर अमल नहीं हो रहा है मेरी गुजारिया यह है कि ८८ बरस का अस्सा हो गया है, लेकिन हम ने कुछ नहीं किया। किया यह कि पंडित जी ने हमारी दरखास्त पर एक नन्दा कमेटी मुकर्सर कर दी, जिसके सामने यह सवाल था कि कलकत्ता और बम्बई में फाउस्लाटर को बन्द किया जाय। मैं यह जानना चाहता हूं कि उस कमेटी की रिपोर्ट पर क्या तवज्ज्ञ की गई है। उस कमेटी ने बिला अखत्यार कह दिया निगोहत्या की जावे। १७ जून को शिमला में आई० सी० १० आर० के लाइवस्टाक विग की एक काफेस हुई। मैं कहना चाहता हूं कि उन लोगों का ५ह मन्सव नहीं था कि वे गोहत्या के बारे में हक में राए दें विधान के बिलाफ। कास्टोच्यूशन ने गोहत्या पर बाधा लगा दी है। बानून बता हुआ है, लेकिन हमारे एक्सपर्ट्स ने यही रट लगाई हुई है कि अन-इकानोमिक और यूजलैंस कैटल को खत्म कर दिया जाय। यहांतमा जी ने इस मसले का साल्यूशन सामने रखा था। जिन को अन-इकानोमिक कैटल कहा जाता है, पहले वे आध सेर दूध देते थे, लेकिन कोशिश करने पर बाद में वे पाच सेर दूध देने लग गये। मैं अर्ज करना चाहता हूं कि यह अन-इकानोमिक कैटल हमारे देश का खजाना है। अगर आप इस को इन्प्रूव करें, तो हम लोगों को आठ छंटारु दूध मिलने की जो जरूरत है, वह पूरी हो जायेगी।

मैं बड़े अदब के साथ अर्ज करना चाहता हूं कि जो एक हल देश के सामने रखा गया है और जिस का एक्स्पैरिमेंट करने के लिये कहा गया है, उस को फंयर ट्रायल दिया जाये और उस को इस तरह से टारपीडो करने की कोशिश न की जाये और उस के मतीजों को देखा जाये।

आखिर में मैं इतना ही अबू करना चाहता हूँ। अपने काइनेस मिनिस्टर साहब से, कि आप जितने चाहें टैक्स लगाऊं जायें, आप जितना चाहें पैसा इन्ट्रा करते जायें, आप जैसे चाहें उस पैसे को खर्च करते जायें, वर मेहरबानी कर के वही कान कोजिये जिस से देश का भला हो सके। मैं उन से प्रारंभना करता हूँ कि मेहरबानी कर के एनिमल हस्बैंडरी ना एक अलग मंत्रालय रखिये, एक अलगों से मंत्री रखिये, इस का एक अलग से पोटफोलियो रखिये। यह भेरा कहना ही नहीं है बल्कि एक सैमिनार हैदराबाद में गवर्नरमेट ने कराया था उस का भी यह मुत्त-फिका रेजोल्यूशन था। आप की तरफ से, गवर्नरमेट की तरफ में एक नंदा रमेटा विठाई गई थी, उस को भी यही सिफारिश थी कि एक आदमी प्लेनिंग कमीशन पर एनिमल हस्बैंड्री को रिप्रिजेंट हरने के लिये होना चाहिये। इस बास्ते एक तरफ तो आप एनिमल हस्बैंड्री ना पोटफोलियो रखिय और एक अलग मिनिस्ट्री बनायें और दुसरी तरफ सोशल इंटेरेशन की एक अलहादा मिनिस्ट्री हो, एक अलग से मिनिस्टर हो। आप जितना पैसा चाहें लेते जायें, जितनों मैटोरियल तरक्की चाहें करते जायें, लेकिन इस से कुछ नहीं हो सकता है। देश की स्परिचुअली और इंटक्चुअली ऊंचा उठाने की भी जरूरत है। इस के बगैर आप देश का भला नहीं कर सकेंगे। और दुसरी कल्वरल चीजें भी हैं जिन की तरफ तबज्जह दीं जानो चाहिये और उस में आप को सब से बढ़ कर फेटरनिटी की स्परिट को पैदा करना है जो इस देश में कम होतो जाता है।

Shri Harish Chandra Mathur: Mr. Deputy-Speaker, Sir, the hon. the Finance Minister has proposed bold and heavy taxation measures, some of a very radical nature indeed. In very plain words, he has stated his difficulties and the compulsions under which he is working. The justification for these heavy taxation proposals and measures is the implementation of the Plan. All the pro-

posals revolve round that Plan, the Second Five Year Plan about which we are all so anxious.

Sir, it was really heartening to find the hon. the Finance Minister clear and categorical about his policy regarding the implementation of the Plan. He stated on the floor of this House—he repeated it on the floor of the Rajya Sabha—not once, that the Plan of the order as it was will be implemented. He is clear and categorical that all that he wants to do is the rephasing of the Plan, and the rephasing of the Plan does not mean cutting down the Plan in any sense. He stated it more than once.

But we find that he is faltering now; he is not holding the ground. Now what is being stated is that he is not rephasing the Plan without cutting any items, but rephasing and pruning the Plan. I think, Sir, that is something which will not permit us to give the support which we wanted to give to all the taxation proposals. I feel there is no justification for us to have any defeatist mentality. There is no reason for us to feel that we will not be able to implement the Plan of the order that we have drawn. Not that I hold the Plan to be sacrosanct, not that if we have drawn up a Plan we should stick to it, but I feel that we have the capacity, I feel that we have the resources to implement the Plan of the Order which we have drawn. The Plan is the very breath of our nation and I wish that we stand firmly and resolutely by the Plan and do everything to implement the Plan.

The only difficulty which has been mentioned by the hon. the Finance Minister is about foreign exchange. It is true that at the present moment we are faced with certain difficulties. Possibly the situation is grave. I would not call it an alarming situation, but, of course, we feel that we are in a difficult position regarding foreign exchange, but again, it is my conviction that it is only a temporary phase. This difficulty has been created because of certain extraordinary,

[Shri Harish Chandra Mathur]

temporary reasons. It may not be true that our foreign exchange was frittered away by the Commerce and Industry Ministry, it may not be true that we were very indiscreet in placing our import orders, but there is not the least doubt about it that while granting licences we did not take into consideration certain factors which we possibly could have. Certainly, the plan of the order which was to come was not taken into consideration. We did not take into consideration the food situation, we did not take into consideration the additional amounts that we might have to spend on defence. After seven to ten years of dealing with Pakistan we could not even visualise what would be our responsibility in this matter. There is no justification for us to say that it was an unforeseen item.

Again regarding food, we did know that the food situation in the country had improved not because of the various projects and measures that we had taken, but simply because of favourable monsoon conditions. Therefore, we should have visualised and provided for bad days. I wish to emphasize, however, that though for lack of this vision and consideration we have to put up with a little hardship at the present moment, we should not be scared by it, there is no reason for it.

The hon. Finance Minister, while stating his difficulties on the floor of the Rajya Sabha stated in clear words that if only he could find the finances for the importing of food-stuffs, the greatest obstacle in the way of implementing the Plan would be removed. What he felt and stated was that if only he could get over this difficulty regarding food, he would be able to implement the Plan as it was. Here, on the floor of this House the hon. Minister for Food and Agriculture has more than once stated that

all that he needs by way of foreign exchange for importing of food is hardly Rs. 25 to Rs. 40 crores. I do not know how these two statements can be reconciled. The Food Minister has always taken pains to say that he requires very little foreign exchange, while the hon. Finance Minister says that his main difficulty, main obstacle or hurdle would be over if only we could find the foreign exchange for the import of foodgrains.

Apart from that, why should we get scared about the food situation, because really one or two years have created certain difficulties? There is no reason for us to suppose that we are going to have bad years throughout the period of this Plan. There is no reason for us to think that way and play into the hands of the vested interests who are all the time wanting to scare us about the order of the Plan and wanting it to be pruned. The food situation will improve very considerably if we have a good monsoon next year. Even at present, as the Finance Minister has himself said, there is more than enough food in the country itself. If only we had adopted certain efficient administrative measures in time, visualised the situation and squeezed out what is there with the hoarders, the food situation would not be what it is today. Therefore, I emphasize that these difficulties are only of a temporary nature and should not scare us. If we are more judicious and discreet in our import-export policy, if we have a good export drive, if we take good care of our food situation, it will be possible for us to improve the situation in a year or two and we will be well on our legs to be able to implement the Plan effectively.

While I say all this, why do I support all the taxation measures, the heavy taxation measures which the Finance Minister has brought for-

ward? It is simply because we are assured that these measures have been necessitated for the implementation of the Plan, the Plan on which our future prosperity is based. If the hon. Finance Minister shows any shakiness about it, he will do a great psychological and political harm to this country. I wish we stand firmly and resolutely and say that we are quite confident and competent enough to be able to implement the Plan as it is.

It is true a complaint has been made that the poor man has been taxed, that the common man has been taxed. But who lives in this country? It is only the common man, the poor man, and it is the poor man and the common man who has to be taxed. Not that I am unaware that we have certain parasites, that there are certain exploiters, but we have also adopted measures, measures which are important not because we will be able to collect Rs. 20 or Rs. 15 crores, but because they give a particular direction to our future tax structure. The little time that is being allowed is, as a matter of fact, a very valuable time for the adjustment of our friends there. Whether the Finance Minister stays or not, the common man will stay and he is strong enough to see that there is no exploitation.

While I say all this, while I support the taxation measures, I cannot support this Government and I cannot support the arguments, the plausible and plausible arguments, which are put forward by the Government in support of their administrative structure, in support of administrative efficiency. The Government has not been able to acquit itself in this matter satisfactorily. There is considerable room for efficiency and economy. There is a lot of duplication, there is considerable wasteful expenditure and extravagance, there is not the least doubt about it.

I will just ask a simple question, to test the sincerity of the Government, so far as economy is concerned. We

are talking all the time about the disparity in salaries in the services. It was ten years back that the first pay commission made its recommendations. Among others they made a clear recommendation that it was high time disparities were reduced, that the highest salaries should be cut down to Rs. 2,000, that there should be no departmental head getting more than Rs. 2,000, that certain specialised jobs like that of Members of the Railway Board, General Managers etc., should be fitted in some way between Rs. 2,000 and Rs. 3,000. I would be extremely happy if we are able to pay our highest men in the services Rs. 5,000. Who will be happier than ourselves? But I want to know whether this is the policy of the Government, whether it is the view of the Government that these salaries are proper. If they feel there is disparity, they have got to bring down the salaries. May I know what steps have been taken in view of the recommendations made by the first pay commission?

We have appointed another pay commission. What is the use of these commissions if we are not going to implement their recommendations? What arguments have the Government to justify their action in not taking any steps and still saying all the time that there is an economy drive?

Again, we find that certain economy units have been set up. How can these economy units be of any use and utility? I wish to invite the attention of the Finance Minister to the report of the reforms reorganisation commissioner in U.P. He went into all these matters about the efficiency and economy in the services below the tahsildar level, and in his report, he submits that there would be a saving of about Rs. 2 crores a year. If in one State of Uttar Pradesh, just below the tahsildar level, a recurring economy of Rs. 2 crores a year could be effected, let us consider what would be the economy which would be effected in the entire country in the various States and at the Centre.

[**Shri Harish Chandra Mathur]**

What we need is not these economy units. They are a continuing process, no doubt; they will be there, and they have their own place. But the first thing which we need is a sort of a commission, a commission not of the Members of Parliament, as suggested by my hon. friend, but a commission of the nature of the Hoover Commission. What did they do in America? When they found that there was duplication, that there was extravagance in all the quarters, they appointed a commission. They did not appoint these units in the various Ministries, but they appointed a commission which was presided over by a personality like Mr. Hoover, who was the President of America. If my hon. friend reads the report of the Hoover Commission, he would be disillusioned.

Shri T. T. Krishnamachari: With what result?

Shri Harish Chandra Mathur: We shall be able to take care of this extravagance and duplicity and administrative economy only if we take those administrative measures.

I was very much heartened by a statement made by the Finance Minister in the other House. It was a very pertinent statement. He said that in a welfare State and in a socialist State, the division of responsibility between the Centre and the States vanishes. And he takes all the responsibility, and very rightly so. But may I know whether he has been able to give any practical shape to this fine sentiment which he has expressed on the floor of the other House, that there was no division of responsibility, and ultimately in a welfare State and in a socialist State, the responsibility vanishes, and the Centre must see that the people are taken good care of? That is a very fine sentiment. But what has happened to it?

I shall just give two facts and figures in regard to the State of Rajasthan. As I stated the other day, the per capita expenditure on

the developmental departments is the lowest in India, almost the lowest in India; as against this, the per capita expenditure on administration is the highest. What good care has my hon. friend taken of the State of Rajasthan, where we do not spend much on the developmental side, but our expenditure is the highest on the administrative side? The State of Rajasthan may be responsible for certain reasons. Here, I would like to refer to one particular point about which a repeated request has been made to the Minister, but he does not recognise it even, and he has not even done anything about that particular recommendation which has been repeatedly made. The State of Rajasthan has an international border of 600 miles, but the entire burden of patrolling and other things is to be borne by that poor State which is already spending the highest per capita expenditure on administration. The Centre is not prepared to give them any assistance. How can these States carry on? I would request that proper attention is given to these vital matters.

Dr. P. Subbarayan (Tiruchengode): I entirely agree with the Finance Minister when he says that the core of the Plan should be carried out. Take, for instance, the three steel factories which we have now got. I do not think it will be wise to prune that at any time, for the simple reason that we have put so much capital into it. The sooner we get these factories into production, the better it would be for all of us, because they will give a return for the capital that we have invested.

With regard to the taxation measures, I do still feel that he should not have reduced the income-tax level from Rs. 4200 to Rs. 3000. The money value, as the Finance Minister knows as well as I do, has come down a great deal. The cost of living has gone up. And if he reduces the level, as he has done, then he would be putting a greater burden on the man in the middle income group. Now,

the Finance Minister has reduced it to Rs. 3000, that is, to any person who gets an income of Rs. 250 a month. An ordinary family in this country is composed of husband and wife and five children, and the education of these children has to be attended to as well. (Interruptions). And Rs. 250 will not go a long way in finding the food, clothing....

Mr. Deputy-Speaker: Let there be no dispute about it. The number of children can differ from individual to individual.

Shri Braj Raj Singh (Firozabad): How many has he?

Mr. Deputy-Speaker: None. The hon. Member might continue his speech.

Shri C. D. Pande: That is a personal matter.

Dr. P. Subbarayan: I do not think my family is concerned in this. I was only talking of an average family in this country. That family will find it difficult to manage with Rs. 250 a month, because the taxable limit has now been made Rs. 3000. So, I still plead with the Finance Minister, in spite of his statement that the taxable base should be made broader, that he would still feel sympathy for these middle classes, because they are the foundation of the country, if I may say so, and unless they are kept free from want, we shall be really doing damage to the whole structure of society.

My hon. friend the Finance Minister said, when one hon Member referred to the fact that he was going to the USA and asked whether he would be able to raise a sizable loan to get over our present difficulties of foreign exchange, that he was not going on a begging mission. I entirely agree with him.

Shri T. T. Krishnamachari: I never said that. I merely said that my purpose was different. I am going to attend a meeting.

Dr. P. Subbarayan: That is true, that he is going to attend a meeting, because everybody knows that as the Finance Minister of the Government of India, he is a director on both the International Monetary Fund and the World Bank. But what I mean is that while he is there, he might as well utilise his spare time to see whether we can get a sizable loan to get over our present difficulties with regard to foreign exchange.

Shri Feroze Gandhi (Rai Bareli): Shri Krishna Menon is also going.

Dr. P. Subbarayan: Shri Krishna Menon is going on a different mission.

Shri Feroze Gandhi: He can help.

Dr. P. Subbarayan: I hope he will also help if necessary. But the chief function is that of the Finance Minister himself, because he is concerned with the finances of this country, and it is his job, and it is his duty to find out whether we can get any help, not in any begging manner, as he himself would admit, but by seeing whether he can influence people that our finances are in such a state that they will be doing no injustice to themselves or to their credit by lending some money to this country, which will help the country to tide over the present difficulties.

There is no doubt, as he himself has admitted, that we are in a critical position, as far as foreign exchange is concerned. I know we have tried to raise a loan in the UK market. But the UK finances, as has been stated by the Chancellor of the Exchequer, are almost in as bad a state as ours are in, and so, that source is almost dried up. So, the only source available is perhaps the USA. It is our fortune that because of his occupation as director of the International Monetary Fund and the World Bank, our friend is going over to the USA, and that is a field in which he could find out what amounts may be available and on what terms, because the terms are as important as the funds that would be available, for, as has been stated by the Prime Minister

[Dr. P. Subbarayan.]

time and again, we do not want to get tied up with any strings. But I do not think there will be much in the way of strings, because the USA people themselves realise that unless this nascent democracy in this country is kept up and helped to develop in a democratic way, it will not be easy for democracy to prevail in Asia.

Therefore, the United States is as much interested in the growth of democracy in this country as any other country in the world. Hence I feel this is the time which my hon. friend, the Finance Minister, can take advantage of in getting the necessary finances for getting over our difficulties of foreign exchange.

There was a little talk about the tobacco tax, especially with regard to what we call chewing tobacco.....

Shri T. N. Singh (Chandauli): And the hookah.

Dr. P. Subbarayan: about which difficulties have arisen in the south. But my hon. friend said that he did send an officer to that area and he found there was over-production and that was the reason why prices had gone down. He also said that he would look into this matter; though the tax might be kept at 8 annas a lb, still he would see what help could be given in order to get over the difficulties these growers of tobacco, specially in the south suffer from. My hon. friend, Shri Barman, also referred to West Bengal, where I believe with regard to hookah tobacco, the situation is almost the same. But in view of the promise he has given that he would look into this matter and see in what way help could be given to these people, I do not want to press him further on this subject of reducing the excise duty from 8 annas to 6 annas a lb.

My hon. friend on the other side talked of defence expenditure and said that the more expenditure we had

to incur with regard to our defence forces, the less would be the money available for our Plan. I entirely agree with him, but there is also this to be said that we cannot give up our defence establishment as we have got to keep it up to the strength necessary for defending this country if—God forbid—anything even accidental happens. It was only yesterday that the Prime Minister replied to a short notice question with regard to what the Foreign Minister of Pakistan said. They are at least giving out to the world that there are Russian bases all over this country. I do not know where my friend, Mr. Feroze Khan Noon, got this from. At one time, I did know him rather intimately also, but I did not think that his fanciful imagination would go up to this extent, of saying that there are Russian bases in this country. Perhaps he wants to cover up his own sins, because I do assert they have American bases in their country and, therefore, they think any name is good enough to hang the dog, and if they say there are Russian bases in this country, perhaps the world will believe that there are Russian bases.

That apart, what I do want to say to my hon. friend, the Finance Minister, is that he cannot possibly prune our defence expenditure, situated as we are at present. We know that on the other side Pakistan is getting free armament from the United States. As far as I understand defence, even for the purpose of defending one's country, one must have at least 1½ times the forces the other man possesses—even if you do not want to attack, if you have only to defend yourself.

When such is the case, naturally our defence expenditure has got to go up when you find that the other country is getting so much free. We have got to get it in the open market and

we have to pay for it. Therefore, I hope in thinking of his financial resources, my hon. friend will not in any way cut down our defence expenditure for the present, because it is as low as we can possibly keep it under the circumstances we find ourselves in.

One word more, with regard to rural water supply. I would like my hon. friend, who comes from the part of the country I do, where water supply is really very poor and where it is very difficult even to tap water, and where, as he himself knows, the State Government, though it is their duty to find the money for this purpose, are not so well situated—not that I say the Central Government are better situated; but they can go to their aid—to look into this question. I hope he will keep this question of supplying money for rural water supply at least in mind and see that fresh water is available to everyone in the country.

I wish him success in his venture, especially of his tour in the United States, and hope he will bring back with him good news. In spite of his saying he is not so hopeful and all that, I hope that with persuasive manners, he may be able to raise the money we want in the United States.

Some Hon. Members rose—

Mr. Deputy-Speaker: I am sorry that certain hon. Members could not be accommodated within the time at our disposal. I am sure they would have made useful contributions to the debate. I assure them that I will try to give them chance during the clause by clause stage.

Shri T. T. Krishnamachari: Mr. Deputy-Speaker, Sir, I am not in a position to say that I feel happy over the discussion we have had since yesterday on the Finance Bill on the floor of the House. 22 hon. Members spoke, and I have listened to them very carefully. But while most of them are critical of the Budget,

nobody really offered any solution for our troubles which this budget is intended partly to meet.

13.37 hrs.

[MR. SPEAKER in the Chair]

I am rather disturbed to find that in spite of what I have said on the floor of this House not only at the time I presented the Budget but later on on other occasions, these utterances of mine seem to have had no effect generally on the Members of this House and there is still not sufficient appreciation—whether wilfully or otherwise—of the taxation policy underlying the Budget.

In winding up the debate on the Demands for Grants of the Finance Ministry, I mentioned that I would not deal with all the subjects raised at that time by hon. Members, but would divide up the subjects to deal with them partly at that time, and the rest at the time of the Finance Bill discussion. I therefore propose to make another attempt to set forth my view on the role of taxation in a developmental economy, and of the need for the kind of taxation I have ventured to propose to this House in the context of the present economic situation.

Some reference has already been made, both directly and indirectly, to the monetary and credit policy, particularly by Shri Prabhat Kar when he spoke sometime back in this House. I shall deal with this aspect also. One or two hon. Members, notably Shri Harishchandra Mathur, still remain unconvinced about the policy pursued by this Government in regard to the utilisation of foreign exchange. I have spoken at considerable length on this particular subject. I do not think it worthwhile my going through this ground again, though incidentally I might have to refer to this matter in connection with our approach to the Plan in the course of my remarks just now.

The one point which, I think, hon. Members would like to know—which they do not know already—is this.

[Shri T. T. Krishnamachari]

I have here a set of amendments in regard to the detailed provisions of the Finance Bill which, in one sense, are supplemental to the main principles behind the Finance Bill. Many hon. Members from the Opposition, notably from the communist party have proposed amendments which, if accepted or passed by the House, would mean that there would be no additional revenue.

There are, I think, some hon. Members on this side of the House who would like to propose amendments in regard to certain direct taxation aspects of this Budget which will again mean, if accepted, that there will be no revenue from the point of view of direct taxation.

I wonder if hon. Members have realised the fact that this House debated at length for a number of days the Demands of the various Ministries which this House has passed in entirety. There has been no cut at all, in regard to the proposals put forward by Government, no cut which has been made by the House and which has been accepted by Government, because the House has accepted the Demands in toto. Naturally, if I am going to be polemical I can ask hon. Members, how are these Demands to be met and where is the money to be found? Even, as it is, hon. Members will realise that in introducing the Budget I mentioned that there are certain shortfalls and the shortfalls have to be met by the creation of Treasury Bills so that the Budget might be complete. And, I had envisaged a sum which is frightful indeed so far as I am concerned. It is somewhere near Rs. 275 crores.

In judging this particular measure before the House, I feel that hon. Members should have taken note of the fact that they stand committed to this expenditure and, therefore, if they reject my proposals for meeting that expenditure they must also suggest alternative methods of finding

the money. Of course, some suggestions have been made to which I will refer presently. But, in the main, I do not think any proposals have been made by which it would be possible for us to collect Rs. 100 crores without any of these measures—that is the barest minimum that is necessary for carrying through the Demands as they were approved by the House.

Twenty-two hon. Members spoke and it would be rather difficult for me to single out the various statements made by hon. Members and reply to them. I would only have to take the representative criticisms and answer them. I hope the communist party will not be offended, and my hon. friend Shri Nagi Reddy will not be offended if I give the pride of place to my hon. friend Shri Minoo Masani.

An Hon. Member: He always gets it.

Shri T. T. Krishnamachari: Shri Masani speaks with that assurance which respect gives to a person. Long familiarity with this House, a familiarity with the international atmosphere and a close knowledge of the working of big private enterprise, undoubtedly, make Shri Minoo Masani a person who is to be listened to with respect and attention even though one finds himself in the unfortunate position of not being able to accept any portion of his advice.

Shri M. R. Masani (Ranchi—East): It is my misfortune

Shrimati Tarkeshwari Sinha (Barh): It is tragic.

Shri T. T. Krishnamachari: The tragedy of it—as my hon. friend Shrimati Tarkeshwari Sinha mentions—is that Shri Masani gives in my mind mixed feelings, not quite so mixed as the mixed economy which he supports—gives a feeling of dismay and apprehension in my mind. And it is more than the feeling of pleasure when I hear him and when I have a chance of crossing swords with him.

As I said before, I have taken every opportunity on the floor of this House and even elsewhere to explain the rationale of my tax proposals, and, I am prepared to go the ground over again if necessary. But, I have no hope, no shadow of hope of convincing Shri Minoo Masani, that my tax proposals are rational and necessary, because, to use a Biblical expression, it is easier for me to go through the needle's eye than to convince Shri Masani.

Shri Masani thinks that all this taxation has become necessary because of one particular act of this Government and, if I may say so, of this House—because the House is a continuing entity—that is, the Government sponsored a Plan and the House has approved of it. It is a Plan that is ambitious and that is the root of all trouble. In one sense, I admire Shri Masani. Instead of disliking the Finance Minister or the Members of the Congress Party, for whom, I have no doubt, he has warm friendship (Shri M. R. Masani: I like him) he dislikes something which is inanimate and does no harm. He thinks: 'Why not I have a fling at the Plan? I am doing you no harm.' If this is his intention, I have no quarrel with him. But the trouble about it is that if I do not take him very seriously, the next thing I shall hear is, 'Oh! Shri Masani just put forward the ideas of the elite of the country which the Finance Minister has not been able to answer. Therefore, he has accepted that the view of the elite is the correct one; only he is helpless either because of the party to which he looks or because he himself is so idiotic that he cannot see the correct path.'

Shri Ranga (Tenali): Poor fellow!

Shri T. T. Krishnamachari: Whether the Plan is big or getting bigger or not, taxation of this order this year is inescapable, if the deflationary pressures are not to be allowed to get out of hand. It is not merely the Plan, because hon. Members have made

mention of Defence, which requires this taxation. Moreover, there are, as I have repeatedly stressed, long-term considerations. The tax system has to be expanded and made more elastic.

When Shri Masani made mention of one way of making money, more money by means of additional tax collection, he knew as nobody else in this House knows, that he is making a suggestion which, if accepted even and relied upon, would mean nothing. (Shri M. R. Masani: Question.) As a businessman he knows how the business mind behind business works. Shri Masani, as I said, has an international outlook. Maybe like myself he suffers from long-sight—I mean metaphorically. I suffer from physical long-sight and Shri Masani suffers from metaphorical long-sight. He casts his eyes wide and he finds Burma. He commends the example of Burma to us. It is good although it is virtually a socialistic economy. And, Burman socialism, even hon. Members on this side will not want. But I should like, in return, to commend to Shri Masani Burma's example in the matter of enlarging public revenues, in the matter of making the grain trade a State monopoly.

The Government of that country gets a much larger share of the national income into the public exchequer than we do. Shri Masani asked me to copy Burma, which I hope he would not ask me to in all seriousness. He should ask me to go the whole hog. I am sure he won't.

Shri M. R. Masani: They are retracing their steps....

Shri T. T. Krishnamachari: because Shri Masani's criticism is selective and discriminative, not discriminating. Shri Masani chooses excises. He argues that these are inflationary. On this point also I shall say that in a situation which is already inflationary, excises divert a part of the excess profits into the hands of Government. Prices in such a situation are determined by the play of

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market forces. Hon. Members do understand that they tend to touch the maximum that the consumer will bear. In some cases excise duties do undoubtedly raise the price. It has raised in the case of sugar, but actually the price level today is much higher than what the additional excise will warrant. But the aim in such cases is to restrain consumption in the interests either of domestic investment or of export.

I do not deny that the new excise duties are stiff. I said so at the time I introduced the Budget. But, when people like Shri Masani talk about burdens on the common man and the far reaching adverse consequences likely to follow, may I, Sir, in all humility point out that Shri Masani falls into the trap of over-stating his case. One hon friend yesterday mentioned a very nice story about this common man. It was translated to me and it is worthwhile repeating it here. It is not my story, it is the story told by Shri Mulchand Jain. He mentioned the story of two people travelling together, one rich and the other a poor man. The poor man had Rs 20 and the rich man apparently had a lot of money. The rich man devised a way of finding somebody to watch his money. He told the poor man, this place is infested with dacoits and you may lose your Rs. 20. The poor man asked, what shall I do. The rich man told him to keep vigil overnight and he went to sleep. I did not know Shri Mulchand Jain designed a story for Shri Masani, because Shri Masani is a rich man in this case and the poor man is the man who keeps vigil throughout the night merely because he threatens the poor man that he will lose his Rs. 20.

I can understand my hon. friend here speaking about common man. They know it is a fiction in most countries, that the common man is ground down, that he has got to conform to a pattern and stick to that. It is a political cliche, and nobody can say that they are on the side of some-

body else. They are only on their own side. They are neither with the common man nor with the rich man. They are independent. They want their power to be augmented. But Shri Masani is not like that. Therefore, he must realise that when he speaks of the common man, I am afraid, he is doing himself, his own class, the elite of India a lot of injustice; no injustice to the common man I assure him.

Shri Masani did not only cast his eye eastwards, he looked westward, because he is a person who does research, and research has told him that Mr. Gomulka has adumbrated new theories I am prepared to accept Mr. Gomulka. Mr. Gomulka might become a Kadar, he may not be a Nagi. That danger is always there. When we do not know our friends, we do not know which way they go. That is why our foreign policy is better, because we do not know exactly which way the cattle will jump; we would like to keep quiet.

Shri Gomulka says certain things. He is now ordering the economy of Poland. I am sure he is wise. I am sure he is doing the right thing. I am sure he is going to do a lot of good to his country. But why choose Mr. Gomulka?

Shri M. R. Masani: Because he is a reformed economic rake.

Shri T. T. Krishnamachari: I see. I did not know that element of Shri Masani's make-up, his sympathy for the people who are reformed. I do not know where he is going to join next. My friend Pandit Thakur Das Bhargava is not here, otherwise I would have told him here is a person who is fit enough to fill that particular Ministry, namely, Ministry of Social Reform.

Well, you cannot consume as well as invest more at the same time, unless the size of your cake is expanded. All that I am trying to do is to increase the size of my cake. Of course, Shri Nagi Reddy says, your

cake has got a lot of gilt, I am going to scratch it. Please do it. I do not mind if you scratch the gilt. It does not do any harm. What I am concerned is about the cake and the nutritive quality of the cake. The gilt can go. You can have all the gilt. Scratch it and take away all the gilt, but the cake has to expand. That is exactly why some purchasing power has to be mopped up through taxation.

I hope my hon. friends will bear with me, because they will think that I am taking all my time to talk about Shri Masani. What can I do? I have got some partiality to him.

Shri M. R. Masani: You are being unfair to them.

Shri T. T. Krishnamachari: Shri Masani said that if he were in charge he would not have taxed anyone. May I say amen? If I am in charge I won't tax anyone. The House passes the demands and I have to find the money. It is a very queer position indeed, and I am completely in sympathy for him. If I could be I, the individual I, without any responsibility, I would not tax anybody. I do not like it.

He said he would not tax anybody until he stopped all evasions. I do not know. I am quite prepared to ask for his advice to stop evasion. If he can give it I am even prepared to pay a fee. I now say in all solemnity, if any person in this country is going to tell me how to stop evasion, instead of writing anonymous letters and saying that so and so has evaded paying tax—it always comes from an employee—I am prepared to pay him a big prize. I shall pay him better than what we pay the informers, I shall pay him a percentage also.

Shri Tyagi (Dehra Dun): Why not pay me?

Shri T. T. Krishnamachari: The only trouble is that my hon. friend has tried it and failed.

Shri Tyagi: My arrears.

Shri T. T. Krishnamachari: Shri Masani knows fully well that while we have to do it, to say that we will stop it is an impossible task. There could be no complete stoppage at all times. We have to do it. But I cannot do it overnight. I have not got a magic wand which will enable me to say that all evasions have to stop today, and just carry on. Shri Masani himself knows, if I devise one method and stop evasion something else will start. If I tax dividends then the shares will be transferred before dividends are realised. If you try to tax the shares then it will go somewhere else. All these things have happened. And, certainly, one set of people who are immune to any magic influence are the tax evaders.

That is why we tried 'built-in checks'. It is because I have taken to heart even before Shri Masani mentioned it that evasion should be stopped that we have brought in this complex picture of tax that we have before this House, so that by various devices we might check evasion to a large extent, which we hope we would be able to do in time.

Then, a point has been mentioned that there are too many taxes in one year. I think it is much better to have too many taxes in one year and say: no further taxation of a serious kind, than to go on bringing it in dribbles. When you do a tax reform, you are making a big change. You have to make the change and use the rest of the time to see where are the loopholes which you have to plug.

Therefore, I think Shri Masani has provoked me to state my taxation policy a little more clearly, and I hope the House will not mind if I take a very small portion of their time to mention what we really intend to do, what is our policy, what is our theory. I, therefore, would like to re-state the role of taxation in a developmental economy in general, and as it applies at this particular juncture.

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14 hrs.

For financing development on a scale and pattern visualised under the Second Plan we have to depend or rely very largely on taxation which, as I have said before, is not merely desirable but also essential. It is desirable because of its relative superiority over other alternative methods of raising resources. It is essential because of the logic of the circumstances through which the Plan has to be steered through if a lasting solution to the problem it seeks to answer is to be attained. In particular, the case for raising a greater part of the resources for the Plan through taxation than was envisaged in the original scheme of finance rests on a number of considerations. May I state those considerations as briefly as possible? One of them is that it ensures a sizeable proportion of the resources required for development in the public sector and on a continual basis, thereby imparting an element of certainty and continuity in the planning endeavour and in effect underwriting the success of the public sector of the Plan to a large extent. The second is that if it is appropriately designed, it acts as an instrument not only to mobilise a part of the current flow of private savings but also of generating additional savings. In either case, whether by canalising unused or inappropriately used savings into socially determined uses or by restraining increase in consumption, the effect of it is that it promotes a very effective utilisation of the community's resources for building what you might call a durable economy which will ensure prosperity. It is to be flexible and adaptable to the requirements of development in the context of the objectives defined. But they may be questioned. But broadly, they have to be accepted, and it should be capable of quick and far-reaching changes in its form and structure, conducive to planning for a more egalitarian and prosperous society, functioning as it has to be, under a democratic set-up; also for initiating economic and social change

in the desired direction without unleashing what may be called counter-pressure or forces of instability, as it would be true if we resort to market borrowings and even more to deficit financing on a large scale.

It has to be discriminatory in its effect, its burden being capable of regulated distribution in accordance with the socially determined criteria and in a manner as to impinge more heavily at specific and preferred points desired in the scheme of socio-economic regeneration of the country. This is because it lends itself to a wide differentiation and progression and, at the same time, it offers ample scope for a balancing if the somewhat conflicting objectives of equity, stability, incentives to work, to save and to invest. It is an instrument for an over-all fiscal discipline that can go a long way towards regulating the ebb and flow of economic activity, and through the devices of a well-designed system of allowances, concessions, rebates and differential treatment for preserving and promoting incentives to production and investments in the required direction and on the desired scale.

It might look a little academic, but it is necessary that these steps have to be taken because they are a necessary complement to the other ways of raising resources inasmuch as it acts as a corrective to socio-economic repercussions such as that of market borrowings or deficit financing will give rise to. Their regressive effect on income distribution or destabilising pressures could well be countered by suitable accompaniments in the field of taxation.

Therefore, taxation has an increasingly greater role to play if the targets of the Plan investment set under the second Five Year Plan are to be achieved, inasmuch as it has the potentiality of ensuring that the necessary resources do in fact become available and are not frittered away in excessive consumption, that the sacrifices involved are equitably shared and the system of restraints and incentives appropriate to economy

and effective enough for directing investments on a large scale into channels essential for promoting a balanced attainment of social and economic objectives is kept in view and is constantly built up.

I have said all these just to indicate to this House that this year's tax proposals have to be viewed in this light. The effort is indeed large; it promises in a full year a yield of about Rs. 100 crores and an addition to the current year's additional revenue of about Rs. 80 crores, not taking into account the taxation that has been imposed during the last year, and the benefits of which will undoubtedly go to this year. This is the minimum that has to be raised by way of taxation, if the step up of Rs. 150 crores in the Plan outlay over the level reached last year has to be financed. I cannot see how else it can be done.

There is again the inevitable increase of Rs. 50 crores in defence expenditure which, I think, is a modest estimate. Its essentiality emerges from the fact that other alternative sources can hardly be expected to bring in the increased resources under the present circumstances. The already tight situation in the money and capital market does not offer prospects for any sizeable step up in the long term borrowings. The signs of upward pressure on prices being on the horizon, prudence and caution precludes any greater measure of reliance on deficit financing. External resources now available are hardly up to even our expectations. A sizable addition to our tax revenue as envisaged in this year's proposals is, therefore, essential for implementing the Plan without inflation, for strengthening the forces of domestic stability and for supplementing our efforts in augmenting, if it is possible at all, our export earnings.

In addition, designed as they are, they are intended to serve the objectives of equity, higher incentives and a measure of progressiveness in the

tax structure. The tax system emerging from this year's reforms would be broad-based and develop a system of internal checks and balances as would render it more efficient, ensuring that the public exchequer gets its dues and the tax-payer knows precisely his liability, not only for the current year but for more or less during the Plan period as a whole.

That is my justification, and that is the taxation policy about which some hon. Members opposite mentioned. Now, to come to the Plan. Shri Masani referred to the size of the Plan. I hope Shri Masani is not taking his cue from an economist who has been arguing rather pathetically that what we should do is just to limit our investment plans to the spontaneous savings that somehow take place in the economy. We do many other things besides. That is an advice which, if followed, would take us not merely to the edge of the precipice but well deep into the abysmal depths of bankruptcy. The Plan has to do something much more than that. It has to step up savings partly through budgetary policy and partly through other institutional devices. The question has been asked: "How far"? I agree, there are limits to the process in a democratic set up, and even in a non-democratic set up, it is rather difficult and we are discovering it now. Shri Masani says that we are committed to Rs. 4,800 crores, but he started off with Rs. 3,800 crores. I do not know if he said Rs. 3,600 crores, perhaps

Shri M. R. Masani: I said Rs. 3,800 crores.

Shri T. T. Krishnamachari: If he had said Rs. 3,600, I can say that he got it from the report of the Taxation Inquiry Commission. If it was Rs. 3,800, it was purely a slip of the tongue, and we should not take advantage of that, for, everybody is likely to slip.

Shri M. R. Masani: That is very generous of you.

Shri T. T. Krishnamachari: It is true that in a sense the House is committed to Rs. 4,800 crores expenditure. But I am speaking of Rs. 4,800 crores with all the gaps that I have envisaged, which the Plan has envisaged: Rs. 2,050 crores in all. They are, Rs. 450 crores by taxation, Rs. 400 crores unprovided for and Rs. 1,200 crores by deficit financing. Even for that, the additional measure of taxation is necessary, because we cannot in the present circumstances, the prices being what they are today, the food supply being short, whatever the reasons might be, undertake a deficit financing of the magnitude of Rs. 400 crores. Therefore, even if the Rs. 2,050 crores of internal gap is accepted on the basis of Rs. 4,800 crores, the new taxes will be necessary. But then Mr. Masani was only speaking about one side of the medal.

The facts must be realised that not merely this House accepted an expenditure of Rs. 4,800 crores, but it also laid its seal of approval on certain definite targets in the Plan. I am not prepared to enter into a dialectical discussion whether the resources are more important or the targets are more important. The resources are undoubtedly important, but there must be an honest attempt made to raise the resources to the extent that is possible, so that the targets might be fulfilled, because the target is more important than the resources. If the resources were at all important, I do not think the Planning Commission could have accepted a gap of Rs. 2,050 crores in regard to internal resources and a big gap in regard to the external resources. Mr. Masani was right in only one portion of what he said, but that may not be always possible. Here is the other side of the medal. Both sides of the medal have got to be looked at. Therefore, Mr. Masani must agree, I know he will, that he made a slip when he said Rs. 3,800 crores.

He made a slip again; for a moment, he forgot the targets which the House approved of. He refuses to accept

that proposition. I cannot talk logic, where a body repels logic.

All this talk of Government enlarging the Plan beyond the original size is out of place. Nobody wants to do it. The strain on resources has grown because of various factors, some originating within the economy, some outside. The House has agreed, for example, to more defence expenditure. Many Members in this House have said, "If we have an aircraft carrier, why don't you have submarines? Why don't you increase the number of squadrons in your Air Force? What about spending a little more money on the Army and raising a few more units?"

My hon. friend there who is always objective suggested that we should have a committee set up, no matter what the committee is composed of, to find out how we can change the pattern of our defence structure with a view to using atomic weapons that are coming into being. Atomic weapons are not cheap and it is not going to be done without increased cost. He did not realise that—he had only to embarrass me over a particular matter—the next day he was going to say, "You should raise the resources not merely openly, but also overtly. There are a number of hidden things which nobody has seen." Maybe it might help us to buy at least a specimen atomic weapon, in order to tell our people what atomic weapons could be.

The House has also accepted my proposal to have a food subsidy fund of Rs. 25 crores

Shri Naushir Bharucha: I never made the plea that atomic weapons should be purchased.

Shri T. T. Krishnamachari: I am very sorry I have misunderstood Mr. Bharucha, perhaps due to the defect in my ear.

Shri Naushir Bharucha: The hon. Minister was not here when I made the speech. He was not listening.

Shri T. T. Krishnamachari: I did listen to my hon. friend. We have other methods of listening. The E.N.T. specialist told me that my ear is deaf to high frequency voices.

The point really is that some of the cost estimates in the Plan were on the low side, and it stands to reason that if, with a little more effort, we could obtain the physical targets corresponding to the financial outlays originally envisaged, it will be a good thing. Nevertheless, no one has said that we shall spend any amount necessary, whether it is Rs. 5,600 crores or more, that is suggested if one just calculates arithmetically the revised cost of the Plan. There are limitations of internal as well as external resources which cannot be ignored, and as I stated only two or three days ago, in the House, we propose to proceed realistically in this matter.

What then, is the total outlay we are aiming at? I think this question put by any hon. Member here is legitimate. But unfortunately, it is not possible to answer it categorically, because the Plan is tied up with particular targets and the particular resources, which cannot be tied up really. When we say the Plan must be achieved within those resources and the targets must be fulfilled, it will be vitiated by being teleological.

Firstly, we have to make the maximum effort to raise domestic resources and cut our deficit financing down to the minimum. That is, we must strengthen our defences against such inflationary pressures as cannot but be released while we are implementing the Plan. Further, we have to exert ourselves more in regard to finding what you may call foreign exchange. As hon. Members know, a developing economy needs foreign exchange considerably more than a static economy.

One point I would like to make now is this. I do not think it is a mere matter of personal belief or personal assessment or even because of the chance that I am Finance

Minister here that I have to say so. I think any unbiased observer or anybody who knows about the economy of the country will agree that India's economy is basically sound. Other countries round the world—I need not give instances—have their inflation problems, even though they are all very well developed. There is no reason why the Indian economy should be considered anything but a good field of investment by outsiders who have the capital to invest.

So far as the Plan is concerned, I would again say it is a flexible one. But it does not mean that Mr. Masani should say, "You say it is flexible; make it Rs. 3,000 and don't tax". After all, Mr. Masani is not concerned about taxation, because he is really not concerned about excise duties. It is no use telling he is. All that he is concerned about is, somehow or other, the Plan is his blind spot and he would like that to be removed.

While making it flexible, we are going to approach pragmatically and realistically, but we cannot at this stage say that revision or rephasing or pruning of the Plan we shall need. The task is being done and we are keeping a close watch on it. We shall strain every nerve to raise the required resources, both internal and external, and naturally, the Plan outlay will be adjusted to the resources finally available.

Therefore, I will come back to the burden of my song. I am unable to agree with hon. Members whosoever they are, on this side or that side, in the front or in the back, that the Plan is too large and therefore it should be given up; that the large Plan engenders heavy taxation and therefore the Plan and the taxation should be given up. The taxation that I have suggested will be necessary even for a smaller Plan. I will repeat that, even though it might be nauseating.

Whatever adjustments are required, the important point is that we must place our tax system on a

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progressive and efficient basis and we must make the fullest effort that we possibly can to work up to the targets we have accepted. I would again repeat that there is no question of defeatism, a phrase used pretty often. It is not the work of a single man. It is not the Finance Minister alone; it is the Government that is responsible. It is not the Government alone; it is the Party that is responsible. It is not the Party alone; every Member of this House who is interested in the country is responsible for seeing this Plan through and that, Sir, is the main justification for my taxation proposals.

There is no use; politically, of course, we might think it a good fun that we will vote down, if possible, all the new taxes and bring the Government into trouble. If that is the point of view, I would agree. Shri Nagi Reddy apologises today for opposing the Finance Bill because it is his first speech. He is there to oppose and reject the proposals, because politically, he must see this Government out. But, when we come to discuss the question of the economy of the country outside this House, my friends there must also agree that we have to put our heads together and make the maximum effort. In putting that effort, we should see, as far as possible, that the burdens are distributed fairly evenly to the extent that is possible.

The tax structure itself is moribund today, which will not yield anything more. If tomorrow I will withdraw all my proposals of direct taxation and say, all right, let the status quo remain, and if I raise the income-tax from 93 per cent to 99 per cent, I will get Rs. 2½ crores. Of what use is it? We should be able to make the tax structure more resilient so that in times of need, we may have a surcharge of 10 per cent. or 20 per cent. for a year or two, the person would also willingly pay because he knows that it is going to be for a short time, and we would get Rs. 50

or 60 crores when we need. A tax structure which is moribund, which has nothing elastic, has to go. Therefore, we have made an attempt to revise it.

There is no question of adhering to any particular line indicated by somebody. It is something which we have to devise in this country. The administrators have to look into the problems of this country in devising the taxation. We must still make mistakes. If the tax structure as it is approved, it can be looked into, scrutinised and loopholes plugged so that, progressively the realisation will be more. Somebody said that I am going to raise rate structure next year. I may be a fool. But, I am not that much of a fool. If in next year I am going to raise the rate. I am not going to say this year. I believe that the tax structure is such that it will give a progressively increasing yield both by way of stopping inflation and by way of generating fresh incomes.

I feel that though the House has been generally critical and sometimes even devastating in its criticism, I have no doubt in my mind that all of them want that the Plan should go through, all of them want a more radical and rational tax structure and all of them want that inflation should be kept under check. I also agree that, to the extent that it is necessary to minimise the hardships to the people, we should attempt it. If advice is given, it should be examined and if it is worth being taken, it must be taken, no matter from what quarter it comes. As I said, I hope my hon. friends opposite would forgive me for saying that I recognise that the opposition here is something for which they are here. But, I would also ask them to recognise that they have some duty beyond opposition, some duty probably for the country. I do expect that not merely they, but the other Members also would not be niggard-

ly and chary of giving us that support when that support is needed for us to make this Plan a success, which, to my mind and to the mind of my colleagues, seems to be the only way in which we can raise the economy of this country.

Hon. Members will, undoubtedly speak on particular items of taxation. But, as I realise that the main discussion itself is a discussion of general principles, I have taken so much time in trying to make clear, to the extent that I am capable of, the principle underlying the Government's tax proposals.

One other matter I would like to mention before I sit down, and that is with regard to the credit structure. Shri Prabhat Kar made this point the other day. I like to say that it is a matter which is engaging our serious attention. Probably that credit structure as it is today is not pliable, flexible enough to meet with certain tendencies that have developed. We are learning. The checks and directives that have been imposed by the Reserve Bank have brought the level of credit to slightly lower than what it was about this time last year. That would not be enough. The Reserve Bank wanted a reduction of 66 per cent. from the last year's credit levels. It has not been easy to achieve it. There are various other cushions in the economy which enable still a person to hoard. One or two steps we have taken. This question of credit structure, to bring it in tune with our needs, for the purpose of implementing the Plan, for the purpose of restricting higher prices, for the purpose of putting a check on inflation is a thing which is engaging our immediate attention. I can assure the House that we will try to do our very best to see that the credit mechanism is so adjusted that it helps a developing economy rather than hinder it, that it helps no particular interest or class, but helps the country as a whole and helps those people who produce for the country. I hope the

House will accept, at any rate, my own incapacity to deal with all the points raised by hon. Members. As I said, those points relate to particular items of taxation and we should deal with them as we discuss the Bill clause by clause.

Mr. Speaker: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1957-58 be taken into consideration."

The motion was adopted.

Clause 2—(Income-tax and super-tax)

Shri T. T. Krishnamachari: I beg to move:

Page 1—

(i) for lines 9 and 10, substitute:

"surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein; and"; and

(ii) lines 15 to 17—

for "surcharge for the purpose of the Union calculated in the manner provided therein" substitute.

"surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein".

I mentioned in my speech yesterday that the intention was that this surcharge on unearned income should go into the divisible pool. I am advised that this would be the position. Surcharge being used for various purposes has created a certain amount of confusion. Therefore, certain States have asked me whether this amount is going into the Central pool or the divisible pool. I assured them that this is going into the divisible pool. In order to allay all apprehensions and make the position clear, my legal advisers have advised that this

[Shri T. T. Krishnamachari]

amendment should be made. It is not a departure from the original intention because even constitutionally without Parliament's sanction, I cannot make any serious change of this nature, and I should have mentioned it to Parliament if I was making a change. It was never my intention to make any change.

Mr. Speaker: Are they not two categories?

Shri T. T. Krishnamachari: As I said, the surcharge is a surcharge on unearned income. That is to be treated as a whole along with the total income-tax and goes into the divisible pool. We have already a surcharge on income-tax which is a Central surcharge. That has been stepped up above a particular limit, above Rs. 100,000. That is a Central surcharge. The distinction is made very clear.

Mr. Speaker: That is only a surcharge for the purposes of the Union.

Shri T. T. Krishnamachari: Surcharge for the purposes of the Union will not go into the pool. That is 5 per cent. up to Rs. 100,000 and 10 per cent. beyond that. The surcharge on unearned income will go into the divisible pool.

Mr. Speaker: All I am concerned with is, whether recommendation has been given by the President.

Shri T. T. Krishnamachari: Yes.

Mr. Speaker: The question is:

Page 1—

(i) for lines 9 and 10, substitute:

"surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein; and"; and

(ii) lines 15 to 17—

for "surcharge for the purpose of the Union calculated in the

manner provided therein" substitute:

"surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein".

The motion was adopted.

Mr. Speaker: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill

Clause 3— (Amendment of section 4)

Shri T. T. Krishnamachari: I beg to move:

Page 3—

for clause 3, substitute:

'3. Amendment of section 4—In section 4 of the Income-tax Act, in sub-section (3),—

(i) in clause (xvii), the figures and words "3½ per cent." shall be omitted;

(ii) in clause (xviia), the figures and words "10 year" shall be omitted; and

(iii) after clause (xviia), the following clause shall be inserted, namely:—

"(xviib) interest payable—

(i) by Government or a local authority on moneys borrowed by it from sources outside India from any person not resident in India or from any institution established outside India;

(ii) by an industrial undertaking in India on moneys borrowed by it under a loan agreement entered into with any such financial institution in a foreign country as may be approved in this behalf by

the Central Government by general or special order;

(iii) by an industrial undertaking in India on any moneys borrowed or debt incurred by it in a foreign country in respect of the purchase outside India of capital plant and machinery in any case where the loan or debt is approved by the Central Government, having regard to its terms generally and in particular, to the terms of its repayment."

I have mentioned both yesterday and previously that it is our intention to waive taxes on interest payable in regard to loans borrowed for purpose of importing capital equipment. We are now, because of our foreign exchange difficulties, encouraging people to get deferred terms. Under normal circumstances, the interest paid on this deferred term is subject to taxation. The net result will be that either the party will not offer deferred terms because of the difficulty, or they will raise the price to that extent. Already, in regard to certain borrowing from international institutions, interest is not taxed. So we propose to give a general exemption in cases where special or general approval is given for borrowings from abroad, the idea being that interest on these borrowings should not be subject to income-tax.

Mr. Speaker: Is it for the purpose of import of machinery or is it a general exemption?

Shri T. T. Krishnamachari: All items would be categorised industry-wise. The Commerce and Industry Ministry approves of particular schemes on deferred terms. Then we have to agree to the scheme on deferred terms because otherwise payment has to be made immediately. So the whole thing has to get Government approval. Where it has got Government approval, those schemes where interest is paid, will be tax-free.

Mr. Speaker: The question is:

Page 3—

for clause 3, substitute:

"3. Amendment of section 4.—In section 4 of the Income-tax Act, in sub-section (3),—

(i) in clause (xvii), the figures and words "3½ per cent" shall be omitted;

(ii) in clause (xviii), the figures and words "10 year" shall be omitted; and

(iii) after clause (xviii), the following clause shall be inserted, namely:—

"(xvib) interest payable—

(i) by Government or a local authority on moneys borrowed by it from sources outside India from any person not resident in India or from any institution established outside India;

(ii) by an industrial undertaking in India on moneys borrowed by it under a loan agreement entered into with any such financial institution in a foreign country as may be approved in this behalf by the Central Government by general or special order;

(iii) by an industrial undertaking in India on any moneys borrowed or debt incurred by it in a foreign country in respect of the purchase outside India of capital plant and machinery in any case where the loan or debt is approved by the Central Government, having regard to its terms generally and in particular, to the terms of its repayment."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clause 4—(Amendment of section 10)

Shri T. T. Krishnamachari: I beg to move:

Page 4—

(i) line 13, add at the end:

"and within the prescribed time"; and

(ii) for lines 26 to 29, substitute:

"(b) providing for the manner in which and the extent to which any amounts declared as dividends by a company incorporated outside India or by a company not resident in India or, by a company any portion of whose profits and gains is not included in its total income by reason of any of the provisions of this Act may be deemed to have been declared as dividends in India;"

This is a formal amendment, providing the time-limit within which the additional deposit, if any, found due on assessment, has to be made.

The power to make rules taken by Government under section 10(2C) of the Income-tax Act does not specifically include the power to determine proportionate dividends in cases where a company's profits and gains include income which is exempt from tax. The amendment proposed makes specific provisions in this regard also.

The computation of such a proportionate dividend is necessary in order to prevent companies from claiming that the whole of their dividends have been distributed out of taxed income and has *pro tanto* reduced the statutory surplus when in fact the portion of the dividends had been declared out of untaxed income.

This arises out of the question of deposits and reserves and, as I have said, the amendment is more or less of a formal character.

Mr. Speaker: The question is:

Page 4—

(i) line 13, add at the end:

"and within the prescribed time"; and

(ii) for lines 26 to 29, substitute:

"(b) providing for the manner in which and the extent to which any amounts declared as dividends by a company incorporated outside India or by a company not resident in India or, by a company any portion of whose profits and gains is not included in its total income by reason of any of the provisions of this Act may be deemed to have been declared as dividends in India;"

The motion was adopted.

Mr. Speaker: The question is:

"That Clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5—(Amendment of section 15).

Shri T. T. Krishnamachari: I beg to move:

Page 5—

for clause 5, substitutes

5. Amendment of section 15.—

In section 15 of the Income-tax Act, in sub-section (3)—

- (i) for the words, brackets and figures "sub-section (1) of section 58F" the words and figures "section 58F" shall be substituted; and
- (ii) for the word "one-fifth" in both the places where it occurs, the word "one-fourth" shall be substituted."

Mr. Speaker: What difference does it make?

Shri T. T. Krishnamachari: Section 15 makes a reference to section 58F (1). But section 58F, as amended, does not contain any sub-section.

The second amendment is about rebate of income-tax. Now the rebate of income-tax on account of life insurance premium and contribution to recognized provident funds is allowable, provided the sums do not exceed one-fifth of the total income or Rs. 8,000. Now it is proposed to increase the limit.

Mr. Speaker: The question is:

Page 5—

for clause 5, substitute:

5. Amendment of section 15.—

In section 15 of the Income-tax Act, in sub-section (3)—

- (i) for the words, brackets and figures "sub-section (1) of section 58F" the words and figures "section 58F" shall be substituted; and
- (ii) for the word "one-fifth" in both the places where it occurs, the word "one-fourth" shall be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That Clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Clause 6 was added to the Bill.

Clause 7.—(Amendment of section 23A).

Shri T. T. Krishnamachari: I beg to move:

Page 6—

for lines 37 to 41, substitutes:

"(iv) the Explanation to section 23A shall be renumbered as Explanation 1, and in the Explanation as so renumbered in clause (b),—

- (a) in sub-clause (i), for the words "held by the public" the words "held by the Government or a corporation established by a Central, State or Provincial Act or the public" shall be substituted;
- (b) in sub-clause (iii), for the brackets and words "(persons who are related to one another as husband, wife, lineal ascendant or descendant, brother or sister, as the case may be being treated as a single person and persons who are nominees of another person together with that other person being likewise treated as a single person)" the following shall be substituted, namely:—

"and in computing the number of six persons aforesaid, the Government or any corporation established by a Central, State or Provincial Act or a company to which the provisions of this section do not apply shall not be taken into account, and persons who are relatives of one another and persons who are nominees of any other person together with that other person shall be treated as a single person, the expression "relative" in this context mean-

[Shri T. T. Krishnamachari]

ing husband, wife lineal ascen-
dant or descendant, brother or
sister;"

(c) for the word, brackets and
figure "sub-section (4)" in
both the places where they
occur, the words, brackets
and figures "clause (ii) of
Explanation 2" shall be sub-
stituted;"

This is in regard to certain companies called 23A companies which are private limited companies. If six persons hold more than 50 per cent. of the shares, they come within the mischief of this particular section. It happens Government acquire shares in many companies now and therefore if Government is treated as one person, and other persons have got shares which together comes more than 50 per cent. the character of a public company becomes that of private company. It also happens that the Insurance Corporation holds certain shares and it is almost in danger of converting some of these public companies into private companies. This amendment have been moved in order to eliminate this particular position, namely that if Government or any other State Government or corporation holds these shares for purpose of investment or otherwise, it should not in any way tamper with the present position, namely other than Government there should be six persons. That is the position.

Mr. Speaker: The question is:

Page 6—

for lines 37 to 41, substitute:

"(iv) the Explanation to sec-
tion 23A shall be renumbered as
Explanation 1, and in the
Explanation as so renumbered
clause (b),—

(a) in sub-clause (i), for the
words "held by the public"

the words "held by the Gov-
ernment or a corporation
established by a Central,
State or Provincial Act or the
public" shall be substituted;

(b) in sub-clause (iii), for the
brackets and words "(persons
who are related to one
another as husband, wife,
lineal ascendant or descendant
brother or sister, as the case
may be, being treated as
single person and persons
who are nominees of another
person together with that
other person being likewise
treated as a single person)"
the following shall be substi-
tuted, namely:—

"and in computing the number
of six persons aforesaid the
Government or any corpo-
ration established by a Central,
State or Provincial Act
or a company to which the
provisions of this section do
not apply shall not be taken
into account, and persons
who are relatives of one
another and persons who
are nominees of any other
person together with that
other person shall be treat-
ed as a single person, the
expression "relative" in this
context meaning husband,
wife, lineal ascendant or
descendant, brother or
sister;"

(c) for the word, brackets and
figure "sub-section (4)" in
both the places where they
occur, the words, brackets
and figures "clause (ii) of
Explanation 2" shall be sub-
stituted;"

The motion was adopted.

Mr. Speaker: The question is:

"That clause 7, as amended,
stand part of the Bill".

The motion was adopted.

*Clause 7, as amended, was added to
the Bill.*

Clause 8—(Amendment of section 24).

Shri Jhunjhunwala (Bhagalpur): I beg to move:

(i) Page 8, line 12.

for "eight years" substitute "fifteen years"

(ii) Page 8, line 15—

for "eight years" substitute "fifteen years".

There is nothing much to be said. The only thing is that so far as previous losses are concerned, the present law is that till they are wiped out there will not be any taxes. My point is that in view of the very heavy taxes from all points of view, it is very necessary that this new sub-clause (a) of clause 8 be eliminated, and the law be allowed to stand as it is.

Mr. Speaker: He wants a modification of eight years to 15 years.

Shri Jhunjhunwala: That is amendment 49. In amendment 48 I want total abolition of the time-limit. There should be no time-limit. The present law is that there is no time-limit.

Mr. Speaker: For "eight years" substitute "fifteen years".

That is amendment 48.

Shri Jhunjhunwala: It is wrongly printed. I had said that this should be deleted, that lines 10 to 12, i.e., sub-clause (a) should be deleted. Then in amendment 49 brother or sister, as I had said: for "eight years" substitute "fifteen years".

Mr. Speaker: They have wrongly typed both as the same one. Amendment 48 must be different from 49.

Shri Jhunjhunwala: Amendment 48 is that I want no time-limit, and 49 is that instead of 8 years it should be 15 years.

Mr. Speaker: Sub-Clause (a) to be omitted?

Shri Jhunjhunwala: Yes.

Mr. Speaker: "No such loss shall be carried forward for more than eight years." "Eight years" occur in both the places. Evidently the hon. Member wants fifteen years for eight years in both the places.

Shri Jhunjhunwala: No. The present law is that till the previous losses are wiped out and the company begins making profits, the company or the individual concerned as the case may be, shall not be taxed. I want the present law to continue. If that is not accepted, I say instead of eight years, let it be 15 years.

Mr. Speaker: In both the places?

Shri T. T. Krishnamachari: I shall explain the position. The position is as follows. Formerly losses could be set off against income for a period of six years. Two years back we removed that limit and allowed people to set off losses indefinitely. We found in actual working that this was pernicious. So, we have now sought to reimpose the provision of limitation on the number of years during which losses could be written off, and we have made it eight. That is an improvement on the original position as it stood two years back.

Now, my hon. friend has got two amendments. One is that the *status quo* must remain, that is to say there should be no limitation at all in regard to the period during which the company can make losses and then set it off year after year against profits. And if that amendment fails through, he has an alternative where he says eight years should be made into 15. I am afraid I will have to oppose both.

Mr. Speaker: There need not be an amendment. He only wants sub-clause (a) to be omitted in the first instance. If it is omitted, *status quo* will continue.

Shri Naushir Bharucha: There is no such amendment for omission. I do not find it here. There are two amendments 48 and 49.

Shri T. T. Krishnamachari: For omitting, any person can oppose it.

Mr. Speaker: For the omission of a whole clause, no amendment is necessary. For the omission of a sub-clause of a clause, an amendment is necessary.

Shri Naushir Bharucha: Amendment 48 says: for "eight years" substitute "fifteen years". The second is only a consequential amendment which must come, but nowhere is there an amendment saying eight years should be deleted.

Mr. Speaker: He says the office wrongly omitted to type it or include it in the Order Paper. Anyhow, I have no objection. I will put sub-clauses (a) and (b) separately. First, I will put amendment No. 48.

The question is:

Page 8, line 12—

for "eight years" substitute "fifteen years".

The motion was negatived.

Mr. Speaker: The question is:

"That clause 8(a) stand part of the Bill".

The motion was adopted.

Clause 8(a) was added to the Bill.

Mr. Speaker: I shall now first put amendment No. 49.

The question is:

Page 8, line 15—

for "eight years" substitute "fifteen years".

The motion was negatived.

Mr. Speaker: The question is:

"That clause 8(b) stand part of the Bill".

The motion was adopted.

Clause 8(b) was added to the Bill.

Shri Mohamed Imam (Chitaldrug): I have amendment 28 for new clause 8A.

Mr. Speaker: I have over-ruled it, disallowed it. It does not arise out of this. Hon. Members are aware when an Act is being amended, it is not open to them to table amendments to other sections of the Act which are not touched by the Bill, as it will be widening the scope of the Bill, unless it is consequential, ancillary or accessory. I found this is not consequential. The hon. Member wants a different thing altogether. He wants some other section to be touched or amended which does not form part of the scope of the Bill. So, I disallowed it. Was it not shown to him already? It must have been intimated to him.

Shri Mohamed Imam: It is included in the list that is supplied to us.

Mr. Speaker: We print all the amendments, subsequently we look into them; whenever there is no time, we allow all amendments to be circulated, then at leisure look into them and then disallowed them. I have disallowed it. I have written here. "May be disallowed as being beyond the scope of the Bill".

Clause 8—(Substitution of new section for section 58E.)

Shri T. T. Krishnamachari: I beg to move:

Page 8, lines 29 and 30—

omit "subject to the exemptions specified in section 58F".

This again is a formal amendment which is rendered necessary on account of the revision of sections 58E and 58F. Since the employers' contributions below a certain level are to be fully exempted, it is not necessary to provide the section 58F for a rebate of tax on those contributions as done hitherto.

Shri Sadhan Gupta: (Calcutta—East): I beg to move:

Page 8, lines 21 and 22—

for 'ten per cent.' substitute '12½ %'.

The object of moving this amendment is this. I want to exempt the employee a little further regarding his provident fund accretions. In a subsequent amendment to clause 10, to which I shall come later, I have tried to leave out of the scope of that exemption the accretions to provident fund in the case of earners of too high a salary. Subject to that, of course, there are many employees who have a provident fund contribution of 12½ per cent., that is, one-eighth of their salaries, and they get a contribution from their employers of one-eighth of their salaries, which is not quite so uncommon. It may be that 10 per cent. is common or 6½ per cent. may be even more common. But there are cases in which employees have, through their struggles, won a contribution of one-eighth of their salaries to the provident fund. Now, it is necessary that the protection should extend to them, and many poor employees who are having some savings on that account would benefit, if we make the proportion 12½ per cent. instead of 10 per cent. So, I commend my amendment to the acceptance of the House, that the exemption should extend up to 12½ per cent. contribution by the employer and not up to ten per cent. only.

Shri T. T. Krishnamachari: It has gone up from 6½ per cent. to 8-1/3 per cent., and then up to 10 per cent. My hon. friend wants me to take it up a little further. I am not yet ready.

Mr. Speaker: The hon. Member may kindly wait for the next year. We have been progressively increasing it from 6½ per cent. to 8-1/3 per cent. and then to 10 per cent.

I shall now put amendment No. 58 to vote.

The question is:

Page 8, lines 21 and 22—

for 'ten per cent.' substitute '12½ %'.

The motion was negatived.

Mr. Speaker: I shall now put amendment No. 6 to vote, which is a formal amendment.

The question is:

Page 8, lines 29 and 30—

omit "subject to the exemptions specified in section 58F".

The motion was adopted.

Mr. Speaker: The question is:

That clause 9, as amended, stand part of the Bill".

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clause 10—(Substitution of new section for section 58F).

Shri T. T. Krishnamachari: I beg to move:

Page 8, line 32—

after 'section 58F' insert 'of the Income-tax Act'.

This is a formal amendment.

Mr. Speaker: I shall put amendment No. 7 to vote.

The question is:

Page 8, line 32—

after 'section 58F' insert 'of the Income-tax Act'.

The motion was adopted.

Shri Sadhan Gupta: I have got amendment No. 59 to this clause which reads thus:

Page 8, lines 37 and 38—

for 'one-fifth of his salary in that year or eight thousand rupees,

[**Shri Sadhan Gupta**]

which ever is less' substitute 'two thousand rupees'.

Mr. Speaker: This amendment appears to require the President's recommendation.

Shri Sadhan Gupta: Why?

Shri T. T. Krishnamachari: I do not think it requires.

Mr. Speaker: It does. The hon. Member seeks to decrease the exemption limit.

Shri T. T. Krishnamachari: It deprives the person of privilege.

Shri Sadhan Gupta: The tax is there.

Mr. Speaker: If the exemption is increased, the tax will be decreased. There is no objection to that proposal. But if the exemption is decreased, the tax will be increased, and, therefore, the President's sanction is necessary to the moving of the amendment.

Under article 117 of the Constitution, if an amendment does not increase the tax but seeks to reduce it, then no recommendation from the President is necessary. If there is a higher exemption, there will be less of taxation, but if there is less exemption, there will increase in taxation.

The Bill seeks to impose less taxation, while Shri Sadhan Gupta through his amendment wants to reduce the exemption and thereby increase the taxation. His intentions may be very good, but unfortunately, he has to seek the permission of the President.

I disallow this amendment.

Shri Sadhan Gupta: Then, I would like to speak on clause 10.

You have been pleased to disallow my amendment. But regarding the provision itself, namely the exemption of one-fifth of the salary or Rs. 8,000, whichever is less, I might

say that it is a thing which the country would not appreciate. I am not quarrelling with one-fifth of the salary as such. But the figure of Rs. 8,000 seems to be extraordinary. It is proclaimed every day that the country is desperately short of resources, and some people must bear the burden. And burdens have been imposed, as I shall show in the course of the discussion on 13 and other clauses, very heavily on the common people, by way of different kinds of taxes, excise duties and other kinds of taxes on the assessee.

Under these circumstances, it is difficult to understand why the salary-earners with a very high income should escape income-tax to this limit. I can understand that a person, one-fifth whose salary amounts to Rs. 2,000 may be given a tax relief. That means that he would have an annual income of Rs. 10,000. Although Rs. 10,000 is a pretty high amount in our country, yet in view of the rise in prices today, a person with Rs. 10,000 annual income may be said to belong to the middle classes.

If you extend the exemption to Rs 8,000 or one-fifth of the salary, whichever is less, then you give a tax relief to a person who has an annual income of Rs. 40,000. When the common people are asked to bear the burden of taxation on all kinds of necessities, I do not see why a person who has an income of Rs. 40,000 should escape taxes on a portion of his savings to the extent of Rs. 8,000 or at least, as I had proposed, to the extent of Rs. 6,000. On Rs. 6,000, we might collect quite a substantial amount of tax from different people of this kind. And whether we collect a substantial amount of tax or not, the question is that when we are asking much poorer persons to bear a much heavier burden in proportion, there is absolutely no ground why we should give a relief to persons who earn more than Rs. 200 or Rs. 3,000 a year. That is indefensible in the present circumstances of our country.

Therefore, I would request the Finance Minister at least to sponsor an amendment to that effect because he will have no difficulty in getting the recommendation of the President, if it is necessary.

15 hrs.

Therefore, I would request him to accept the principle of my amendment and let the burden fall where it deserves to fall. If he won't give the common people relief in respect of the imposts made in other clauses, at least let him create a psychological condition in which the common people might feel to some extent that burdens are being borne by those who can bear those burdens, and they are not being imposed unilaterally on them alone. Unfortunately, at present that is the impression left by the various clauses of the Bill, and specially by the exemptions under the Wealth Tax Bill and Expenditure Tax Bill that are being granted.

So I would once more request the Finance Minister to reduce this exemption limit of 1/5th of salary or Rs. 8,000 to a flat rate of Rs. 2,000 or so, so that a equitable burden may rest on different sections of the community.

Shri T. T. Krishnamachari: The scheme of tax exemptions is a complicated piece of work. We are giving tax exemptions on certain types of savings. Unfortunately, we are giving a fairly high limit. So far as provident fund is concerned, it is a form of enforced saving which a person has to put in and he cannot draw from it except perhaps as a loan, which is not very advantageous, until the end of his service; his savings are immobilised to that extent.

For instance, now the appeal made by services associations for contributions by service people to the national savings certificates has resulted in some response in regard to payment by way of purchase of these certificates, and in some cases, payment of an additional amount to the

provident fund where it is within the permissible limit. To that extent, the money is now being paid into the provident fund and thereby it is frozen. My hon. friend is looking at it and judging it from a narrow point of view of certain egalitarian attitude, but that is not the only thing that determines a matter of this nature. So long as there is a high-salaried class, so long as we do not want them to spend the money, at a time when you want them to save, various incentives have to be given. The whole scheme of company rebates—with which he won't agree—development rebates and things of that kind is based on certain principles. We want to keep the existing structure; within that, we want to get some further savings.

So this is an intricately worked out piece and it is very difficult for me to explain to my hon. friend within the short space of an amendment how difficult it is to pull out one particular piece from this structure. If one piece is pulled out, the whole structure will certainly collapse. I appreciate what he has in mind, but that does not mean that I approve of what he thinks in this matter.

Mr. Speaker: The question is:

"That clause 10, as amended, stand part of the Bill.

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Clause 11—(Commencement of amendments to Act II of 1923).

Shri T. T. Krishnamachari: I beg to move:

Page 9—

(1) for lines 7 to 9, substitute:

"(3) Where any assessment for the year ending on the thirty-first day of March 1958, has been completed or a notice of demand has been issued before the commencement of this Act, the Income-tax Officer shall, wherever necessary,

[Shri T. T. Krishnamachari]

revise the assessment or issue a revised notice of demand, as the case may be, conformably to the provisions of this Act"; and

(ii) line 15, for "1957" substitute "1958".

The sub-clause in the Bill, while it enables a revision of 1957-58 assessments in accordance with the amendment to the Income-tax Act proposed therein, does not enable revision of the demand necessitated by the introduction of the new rates. It is therefore reworded as in the proposed amendment.

The second amendment merely corrects a misprint.

Mr. Speaker: I shall now put amendment No. 8 to the vote of the House.

The question is:

Page 9—

(i) for lines 7 to 9, substitute:

"(3) Where any assessment for the year ending on the thirty-first day of March 1958, has been completed or a notice of demand has been issued before the commencement of this Act, the Income-tax

Officer shall, wherever necessary, revise the assessment or issue a revised notice of demand, as the case may be, conformably to the provisions of this Act"; and

(ii) line 15, for "1957" substitute "1958".

The motion was adopted.

Mr. Speaker: The question is:

"That clause 11, as amended, stand part of the Bill."

The motion was adopted.

Clause 11, as amended, was added to the Bill.

Clause 12 was added to the Bill.

Clause 13—(Amendment of Act I of 1944).

Shri T. T. Krishnamachari: I beg to move:

Page 9—

omit lines 31 to 33

Kerosene has already been exempted. So I have to take it out.

I also beg to move.

Four rupees and fifty naye paise per gross of boxes.

Four rupees and thirty naye paise per gross of boxes.

Two rupees and ninety-five naye paise per gross of boxes.

Two rupees and eighty naye paise per gross of boxes".

fusion regarding the clause. I find that the rate originally proposed was Rs. 3.05 per gross of boxes. This is sought to be enhanced by Rs. 2.50.

Mr. Speaker: The hon. Member is reading amendment No. 10. Amendment No. 10 relates to reduction from

III. Page 11—

omit lines 16 to 21.

It has all been decreased—from Rs. 4.80 to Rs. 4.50, Rs. 4.45 to Rs. 4.30 and Rs. 3.05 to Rs. 2.95.

Shri Mahomed Imam: On a point of information. There is some con-

Rs. 4.60 to Rs. 4.50 and from Rs. 4.45 to Rs. 4.30. Therefore, it is a reduction, not an increase.

Shri T. T. Krishnamachari: Both cases are of reduction.

Mr. Speaker: To avoid confusion, I would put the amendments one by one, amendments Nos. 9 to 12.

Shri Sadhan Gupta: Sir, we have got other amendments on the same subject. If these amendments are put and adopted our amendments may be barred.

Shri T. T. Krishnamachari: If it is for enhancement, then they may not

be put. But they are for reduction, they can be moved later and put to the House.

Shri Nasir Bharucha: Once you omit sub-clause (a), then the brackets and letter 'b' will also go.

Mr. Speaker: That is consequential. The hon. Member is very cautious.

Now, I will put the amendments, Nos. 9 to 12 to the vote of the House.

Mr. Speaker: The question is:

Page 9—

omit lines 31 to 33.

The motion was adopted.

Mr. Speaker: The question is:

Page 10—

for lines 1 to 6, substitute

- “(iii) does not exceed one hundred gross of boxes per day, but exceeds twenty five gross of boxes per day. Four rupees and fifty naye paise per gross of boxes.”
- “(iv) does not exceed twenty five gross of boxes per day. Four rupees and thirty naye paise per gross of boxes.”

The motion was adopted.

Mr. Speaker: The question is:

Page 10—

for lines 18 to 23, substitute:

- “(iii) does not exceed one hundred gross of boxes per day but exceeds twenty-five gross of boxes per day. Two rupees and ninety-five naye paise per gross of boxes.”
- “(iv) does not exceed twenty-five gross of boxes per day. Two rupees and eighty naye paise per gross of boxes.”

The motion was adopted.

Mr. Speaker: The question is:

Page 11—

omit lines 16 to 21.

The motion was adopted.

Mr. Speaker: Are there any other amendments?

Shri Sadhan Gupta: I have my amendments, Nos. 61 to 73. I beg to move.

(i) Page 9, lines 39 and 40—

for “Four rupees and ninety naye paise” substitute “One rupee and fifty naye paise”.

(ii) Page 9, lines 42 and 43—

for “Four rupees and seventy-five naye paise” substitute “One rupee and twenty-five naye paise.”

(iii) Page 10, lines 1 and 2—

for “Four rupees and sixty naye paise” substitute “One rupee.”

(iv) Page 10, lines 10 and 11—

[Shri Sadhan Gupta]

for "Three rupees and twenty-five naye paise" substitute "Seventy-five naye paise."

(v) Page 10, lines 14 and 15—

for "Three rupees and fifteen naye paise" substitute "Sixty-five naye paise."

(vi) Page 10, lines 18 and 19—

for "Three rupees and five naye paise" substitute "Fifty naye paise".

(vii) Page 10, lines 21 and 23—

for "Two rupees and ninety-five naye paise" substitute "Twenty naye paise".

(viii) Page 10, lines 24 and 25—

for "One rupee per gross of boxes" substitute "Five naye paise per gross of boxes".

(ix) Page 10, line 27—

for "Eighty naye paise" substitute "Two naye paise".

(x) Page 11, line 31—

for "Fifteen naye paise" substitute "Five naye paise".

(xi) Page 11, line 41—

for "Ten naye paise" substitute "Two naye paise".

(xii) Page 11, line 43—

for "Five" substitute "One".

(xiii) Page 12, line 7—

for "Fifteen" substitute "Two".

Clause 13 relates to the imposition of excise duties. The burdens that have been imposed by clause 13 fall very heavily on items of daily necessity such as matches, sugar or paper and so forth, which are extremely heavy to bear for the common man. Let us not forget that this burden of excise duties has gone on increasing

from year to year. It is said that the common man must bear a part of the burden. But the question here, again, is the proportion of the burden he must bear, whether there should be some equity in the distribution of the burdens. We have given exemptions to ex-rulers for their retinues. We recognise the right of the ex-rulers to maintain a retinue and to keep up a standard of living. Shall we not recognise the right of the common, the right at least to save himself from starvation? To take whatever income the Government

15.17 hrs.

[PANDIT THAKUR DAS BHARGAVA
in the Chair.]

wishes to take, it is necessary to provide the minimum amenities which human life requires in our country. Today most of our people live below a standard of living which can be got through the earning of living wages. You know that the concept of living wages includes the subsistence, not only the normal requirements of food and clothing but also the requirements of education of children, the requirement of certain physical comforts, some provision for old age and so on.

The income that most of our countrymen get, whether they are clerks in government service or workers in factories, is certainly not sufficient to provide for all these various needs which are covered by the concept of living wages. If that is so, may we not ask whether this additional burden should or should not be imposed upon them? When, in the case of companies, in the case of wealthy individuals, in the case of earners of high salaries you want to give them an incentive for saving, do you not at least owe it to the common man to spare him at least the means to maintain his family at a decent standard of living?

To day when you increase the price of his needs, when you increase the price of his sugar, the price of his paper, it means that the burden of feeding his children, the burden of carrying on domestic work, the burden of educating his children and so on and so forth, all these burdens are increasing very much. Let us not also forget that the excise duty does not reflect the increase in prices. The result of the imposition of the excise duty is reflected by a greater proportion of the increase in the price of the commodity than the imposition of the excise duty warrants. Government have no machinery to check this increase in price. Government have no machinery to see to it that this is not done. Yet we are going on imposing burden after burden on the common people whereas we are going on giving relief after relief to the richer classes.

We have reduced income-tax this year in the top slabs. We have reduced it on the ground that the imposition of new taxes on wealth and expenditure will compensate. I do not know whether it would be compensated. But, even there we have granted substantial relief to classes who do not deserve relief, to classes who really deserve to bear the burden to the maximum extent of our Second Five Year Plan and other needs of our country.

Whereas we are giving relief in income tax, in wealth tax and in expenditure tax, we are imposing new burdens on the common people in the shape of excise duties on matches, sugar, paper and so forth. Already he has to pay heavy excise duties on his cotton cloth, woollen fabrics, artificial silk and so on. There are already excise duties on other necessities. As a matter of fact, if you glance through the First Schedule of the Central Excise and Salt Act you will find that out of the 27 items or so which are there, barring four or five items or so, most of the items are items which the common people have to purchase in order to

satisfy their daily necessities. Under those circumstances, I strongly plead that both in the interest of relief to the common people and in the interest of a proper psychological atmosphere, which is not the least consideration, there should be a substantial reduction in the export duties on matches, paper, sugar and so forth.

I have referred to the psychological atmosphere which needs to be created. I hope the Finance Minister appreciates that the Plan is not going through, the Plan is not going to go through without a psychological enthusiasm in the common people. However much the ex-rulers can be with you, however much the companies bless you for giving them relief, however much the companies try to save and thereby create capital formations, let there be no mistake about the fact that, if the common people are not with you psychologically, if you fail to create the psychological enthusiasm in the common people for the Plan, for the work of development of the country, then the Plan is not going to succeed.

If you want to create that psychological condition among the common people, you must let them feel that the burden is not resting inequitably on them, that heavier burden is not being put on them than they can bear. And, what is more; on the other hand, you must convince them that those who can bear the heavy burden are not bearing a lighter burden. It will be very difficult to convince them to this effect, if, on the one hand, you give relief to the richer sections—relief of income tax in the higher slab, relief by way of exemptions in the wealth tax and expenditure tax—and, on the other hand, you increase the price of paper, you increase the price of sugar, you increase the price of tobacco and the price of so many other things, not only by the amount of excise duty imposed but by a far greater amount out of all proportion to the excise duty, imposed.

Let there be a feeling of equality. The hon. Minister was accusing me of

[Shri Sadhan Gupta]

being egalitarian or, rather, approaching the matter of employers' contribution from an egalitarian point of view. It is not the only consideration. But, let us not forget that in creating a psychological atmosphere the egalitarian consideration is very much there. By egalitarian consideration I do not mean that you should reduce everyone to the same level but, at least let there be a feeling in the country that everyone is sharing the burden equally. Can the Finance Minister really say with his hand on his heart that the people of the country really feel that all sections of the people are bearing the burden equally? Is it not a fact that millions in the villages, millions in the towns feel that they are being made to bear too heavy a proportion of the burden, and those who have more, those who can influence the Government more by reason of their wealth, are escaping their due share of the burden? Under those circumstances, I would suggest that the Finance Minister should accept my amendments numbers 61 to 73 for reduction of excise duties on matches and paper, and also bring out his own scheme for drastic reduction of excise duties on sugar and other necessities of life, and thereby at least create confidence in the people.

If he loses revenue thereby, I am sure he has other sources from which to get the tax. He can tax the huge amount of surplus wealth that there is in the country. There is a lot of idle wealth lying in the country. If he adopts the principle of leaving enough of wealth for a person to carry him comfortably through his life and, perhaps, through the life of the next generation, even then he would get plenty of money. Sir, it is said that there are people in the country with fortunes amounting to Rs. 500 crores or so. I can't at least understand how a person can require more than Rs. 1 crore to carry him through the whole of his life. I do not discount the possibilities that you can spend more than Rs. 1 crore

throughout your life or even in a month or a year. But the point is, are we going to allow it? Are we prepared to allow it in the present state of the country? A fortune of Rs. 1 crore would yield a monthly income of, I think, at least Rs. 25,000. I think it should be enough for anyone to carry through for the whole of his life, and for the posterity that is coming afterwards. Therefore, if a person has a fortune of Rs. 500 crores, why should not we take away Rs. 499 crores out of it by way of taxes—wealth tax or whatever tax it may be?

If we follow that principle of taxation, then at least we would be able to give substantial relief to the common people. By that relief, apart from the tax that we would earn, we would also earn the enthusiasm of the common people which is a great thing. You know, if the people are enthusiastic they will bear any amount of sacrifices. Even they will starve and help the country to progress, but only if they are convinced that the country is going in the right way.

That is the atmosphere that has to be created, and for that purpose excise duties must be drastically reduced, in any event on the necessities of life, and resulting deficit in taxes must be found from other sources, must be found from the idle wealth that is plentiful in the country, and must even be found in the surplus wealth of big capitalists, big landlords, ex-rulers and so forth, and of which there is no dearth; at least it is more than the revenue the Finance Minister can hope to bring out of the disparate means of the common people.

Therefore, I would once more request the Finance Minister to reduce the imposition of excise duties and thereby give not only economic relief to the people but create a psychological enthusiasm which will really help to carry forward our Plan.

Mr. Chairman: The amendments moved by Shri Sadhan Gupta are before the House.

Shri Prabhat Kar (Hooghly): I have my amendment No. 50.

Shri T. T. Krishnamachari: For the same purpose, that is, to completely eliminate the increase.

Mr. Chairman: Is there another amendment on the same subject to the same clause?

Shri T. T. Krishnamachari: He has amendment No. 50.

Mr. Chairman: I do not see it. No. 54 is for elimination of lines 45 and 46.

Shri T. T. Krishnamachari: They are all for elimination—the whole lot.

Mr. Chairman: You want to move amendment No. 50? Now, has the hon. Minister to say anything on that? It is an independent amendment.

Shri T. T. Krishnamachari: I was only trying to help the Chair on the amendment that the hon. Member wanted to move.

Mr. Chairman: Yes; **Shri Prabhat Kar.**

Shri Prabhat Kar: I beg to move:

(i) Pages 9 and 10—

omit lines 31 to 45 and 1 to 30 respectively;

(ii) Pages 10 and 11—

omit lines 34 to 51 and 1 to 15 respectively; and

(iii) Pages 11 and 12—

omit lines 22 to 46 and 1 to 17 respectively.

Clause 13 deals with excise duties. If we look into the excise revenue since 1949, we will find that in the year 1948-49, the figure was Rs. 50.63 crores. In 1957-58, the figure has gone up to Rs. 258.43 crores. So, within the past ten years, Rs. 200 crores of revenue from the common

man has come in, to help the Government. I do not know, when we talk of the common man, the Finance Minister feels that we do not represent the common man or we do not exactly know the common man and that all is political fiction.

But here is a paper which is a Congress paper—*Jugantar*. Its editor's son is a Minister in the State of West Bengal, and is the owner. It gives a picture for these ten years. It is not a Communist paper. It says that the condition of the common man now is such—the ordinary middle class, that it is almost impossible for the common man to keep his body and soul together.

Here is another copy of *Jugantar* which gives a picture of the people in the district of Nadia, who are going a begging. This is the picture of the common man given by the Congress paper and not by the Communist propaganda machinery. This increase from Rs. 50.63 crores to Rs. 258 crores means Rs. 200 crores of excise revenue. Now, what are the items? Sugar, vegetable oils, tobacco, matches, cotton cloth, etc. If you look into the picture for each item, what does it reveal? On cotton cloth, excise revenue has risen from Rs. 87 lakhs to Rs. 72 crores. On sugar, it has gone up by five and a half times. In matches, it is 100 per cent. On tobacco, it is 50 per cent. These are the items which are generally used by the common man, and naturally, if they are now made to pay the tax through their nose, they will devoutly however we may not like.

Now, the incidence of the excise duty on a person whose average income is Rs. 50 a month is Rs. 3. On a person whose income is about Rs. 1,500 a month, the incidence is Rs. 40. But the real wage or earning of a person who earns Rs. 50 a month is, today, 11.80 naye paise. For a person who earns Rs. 100 a month, the real wage today is 23.80 naye paise. If in spite of this, in order to fulfil the Plan one must sacrifice

[Shri Prabhat Kar]

everything and if the common man has to sacrifice—he being one among those who constitute the major part of the population—then, I am sorry that this will naturally scare the people away from the Government, from the Plan and from all things, a circumstance which we do not want to happen. We want today the success of the Plan. We are ready to sacrifice for the successful fulfilment of the targets of the Plan, but, if today the taxes are imposed in this manner so that the common people may feel that if they are to fulfil the targets, they may have to starve, then, I am sorry to say that the common people may revolt against the Plan. In that case, we shall be only helping those sections of the people who do not want the Plan to result in success.

Today, I am quite sure that all political parties agree that the second Plan must be made a success, and for that every party is agreeable to co-operate. But for that, an atmosphere has to be created. It cannot be done by simply forcing the common people to choose the path of despair and starvation to death. It needs the co-operation of the common people and that can have only if you look into their interests and try to minimise their hardships which, the Finance Minister, by his tax proposals, has never cared to.

We know that apart from the excise revenues, the cost of living and the prices of commodities are much higher than the taxes that are being imposed. It is no denying the fact. We know that after the budget, we were given certain papers from the Finance Ministry. There, one particular item, namely, matches, it is said—will cost us only about 0.1 naya paisa more. But what is the position today? We know what is the result of the taxation. The price of matches has gone high. The Char Minar cigarette packet, which are never consumed by any rich person—it being the common cigarette for

the common people—has risen from one and a half annas to two annas. The prices of tobacco and hooka tobacco especially have gone high. If we really want to see the Plan through successfully, it is high time the Finance Minister should think in terms of revising the excise duty.

Even here, on the floor of this House, we have got so many Congress Members who have been vociferous while speaking against the taxation measures and the indirect taxation. They know what is the reality. Of course, if the Finance Bill is put to the vote, perhaps they will pass it, but it will be against their will. By imposing such a heavy taxation, you cannot expect to carry on your Plan. The people are really anxious to see that the Plan becomes fruitful and ends in success so that the country may become economically stable and solvent. Therefore, I would request the Finance Minister to revise these excise duties. All the time, we have been told by the Finance Minister that after all, when you have accepted the second Five Year Plan, you have got to accept these provisions. "It is not the fault of the Finance Minister; it is not the fault of the Cabinet; it is not the fault of the Congress Party; it is Parliament as a whole which has accepted this and they have got to accept the decision." That is what he has been saying. I do not know whether it is a veiled threat—that if we want to carry through the Plan we have got to pay through the nose. But I say there are other ways. There is enough scope to get the revenue by other means. This is not the only way to get revenue by simply imposing excise duties on commodities which are generally used by the common people. It is not by this way that you can simply get their money. Without the co-operation of the people,—whatever may be your taxation proposals,—It is not possible to carry out the second Five Year Plan which everyone of us wants to put through successfully. I do not know why

there is this veiled threat every time. I have been hearing the Finance Minister saying everytime that "the Parliament has accepted this expenditure and naturally, in order to meet it, I have to find revenue and here is the source of revenue". I would request him to tap other sources. There are other sources and the hon. Finance Minister does know them, I am sure. Therefore, I would request the Finance Minister not to impose this exorbitant excise duty on matches, tobacco and sugar, but to tap other sources, where he will get the revenue required to meet the demands under the second Five Year Plan.

Mr. Chairman: Amendments moved:

(i) Pages 9 and 10—

omit lines 31 to 45 and 1 to 30 respectively;

(ii) Pages 10 and 11—

omit lines 34 to 51 and 1 to 15 respectively; and

(iii) Pages 11 and 12—

omit lines 22 to 46 and 1 to 17 respectively.

Shri Mohamed Imam: I beg to move:

(i) Page 10, line 32—

for "one rupee and twenty-five naye paise" substitute "One rupee"

(ii) Page 10, line 35—

for "Forty rupees" substitute "Twenty rupees"

I have moved these two amendments, but that does not mean that I accept the enhancement of excise duty on other items. There may be some justification for the imposition of new direct taxes or the enhancement of direct taxes, but as it is, there is absolutely no justification to enhance the present rate of excise duty on various commodities, which are essential for the comfortable living of the common man.

It was pointed out by the previous speaker that those excise duties have undergone changes to the prejudice of the people every year. I think no year has passed without seeing the enhancement of the duty on various items. I may just point out the rapidity with which these duties have been enhanced; it was also pointed out by the previous speaker. In the year 1948-49, the revenue from central excise was only Rs. 50 crores. In 1950-51, the revenue was Rs. 71 crores and it led to steep prices. In 1956-57, the revenue from central excise duty is Rs. 188,73,00,000 and this year the budget figures reveal a revenue of Rs. 209 crores. This shows to what extent the people have been taxed and to what extent they have been asked to undergo sacrifices by the enhancement of duty on various articles.

It must be understood that whenever there is an enhancement of excise duty, people suffer not merely by paying extra taxes, but it has got a tremendous effect on their economic life. Every enhancement of excise duty leads to the enhancement of prices. It leads to inflation and to economic disequilibrium. It is common experience that whenever the duty is enhanced on a certain commodity, wheat, sugar or iron, the person who deals in them always takes advantage of it and puts on his own price. I may say that this is the direct cause of inflation also. If the excise duties have been kept down and if they had not been increased, perhaps the prices would not have soared as high as they are prevailing now.

In fact, what is inflation? What does it denote? Under inflationary conditions, a man gets much less goods for the money he spends. Secondly, it may also be understood that he gets much less value for the social services that are being rendered to him. The Government takes away with one hand what it proposes to give with the other. I may warn that every enhancement of the excise duty is the direct cause of inflation. If the

[Shri Mohamed Imam]

Government is thinking of getting a few crores by way of revenue, the loss sustained by the nation as a whole and by the people as a whole is enormous.

I may take one or two examples. You are making the living of the people impossible; you are denying the ordinary comforts for which they are entitled. As was pointed out, these excise duties mainly oppress the poor class of people. These duties do not oppress the rich people, because it must be known that the tax-payer is quite different from the tax-bearer. The tax-payer never suffers; he gets himself indemnified at the cost of the poor. It is the poor who have to bear the burden of taxation and they become easy victims of the tax-payer, who has his own way. I do not know on what principle the rates of excise duties are being enhanced. Is it with a view to confer any corresponding benefit on the people? Definitely not.

The obvious reason is that all this money is required for the implementation of the Plan, which I characterised a few days back as a nightmare. I do not know, in the name of the Plan, what financial difficulties we will have to face, what further taxation is going to be imposed and what the future has in store for us. But, as was pointed out by a few speakers, I am afraid much of the revenue that is derived goes to increase the number of officers. It goes towards their pay, because I can say that out of the total revenue that is derived by the Government, not less than 60 per cent of it goes only to meet the pay and allowances of the officers. Similarly, this one also will go not for the benefit of the people, but to increase the number of officers.

I very much agree with the remarks made by Mr. Masani who said that further recruitment, further over-crowding, should be stopped at once. It is proposed to increase the duty on iron from Rs. 4 to Rs. 40 and

to enhance the duty on cement by 3 or 4 times the original duty. This shows the desperate measures that are being adopted by the Government irrespective of the effect it will have on the people. I cannot understand it. Is there any instance where a duty is being enhanced all at once by 300 or 400 per cent? Do you mean to say that iron and cement are luxuries? Originally the underlying principle was that all articles of luxury should be taxed in order to lessen their consumption. There is some justification to tax liquore because it is in the interests of the State to minimise drinking. But, iron and cement are articles which are needed by every person, both rich and poor. Iron is a material which is wanted by every person, by even a ryot, by even an ordinary man. You want him to pay more. Cement is also needed by every person. Is it the idea of the Government that a common man, an ordinary person or a middle class man should be placed in an embarrassing position so that he could not make use of iron or cement? What is the idea? Can the Finance Minister justify his action in enhancing the duty by 300 per cent?

Perhaps, his main idea is to grab as much revenue as possible, tax the earning of the people as much as possible. I may point out to him, let him not be so drastic. Let him be sympathetic; let him be reasonable towards the aspirations of the people. The Finance Minister always points out at the opposition. He just now said that we must co-operate with him. I may assure him that whenever we make any suggestion, we make it for the good of the people, in the interests of the country. Let not the economy of the country be upset. I can tell him that with such taxes, with such indiscriminate taxation, we are living in an era of taxation and nothing else. All these taxes have brought us nothing but frustration. Let him be reasonable and see that these taxes are not increased to the prejudice of the people.

Only one thing more, I would like to say. Let the Finance Minister give us an assurance that he will not have further recourse to enhancing these excise duties. It is the future that makes us very anxious. Why all these pains and penalties every year? Let him once for all say, I levy so much every year. Then, he may give us a respite. When the time for the presentation of the Budget approaches, the whole country, the entire population will be quite nervous thinking what the Budget will bring for them, what further privations and difficulties are in store for them. He must give at least some respite to the people to recover from the various shocks they have received as a result of these taxes. It does not matter. The Finance Minister is going to carry the day because he is backed by a big majority. At least in the interests of the country, at least to give the people a sense of security, can he at least give the assurance or hold out the assurance that at least for a period of.....

Shri T. T. Krishnamachari: All the 'at leasts' you can have.

Shri Mohamed Imam: I do not think so. Our past experience has been, taxation is not merely an annual feature. After you assumed the office, it has become a biennial feature. Because, formerly, Finance Ministers used to come with taxation proposals once a year. Now, you are bringing them in more than twice a year. Recently, six months ago, you proposed and carried a tax on cloth. You assured at that time that though the Government derived a revenue of Rs. 70 crores, the duty would not have the effect of increasing the price of cloth. You gave a categorical assurance, a definite assurance that Government will take care to see that the price of cloth will not go up to the prejudice of the common man. What has been the result? Has your assurance been carried out after the levy of the excise duty?

Shri T. T. Krishnamachari: One hundred per cent carried out.

Shri Mohamed Imam: I am afraid I cannot agree with you.

Shri T. T. Krishnamachari: If you can't agree, facts speak:

Shri Mohamed Imam: I am a consumer. I have been purchasing cloth. Prices have gone up not only to the extent of the duty which you proposed, but the merchants have imposed their own quota of profit.

An hon. Member: Prices have gone down.

Shri Mohamed Imam: I am afraid I can't agree. I have been paying through my nose.

Shri T. T. Krishnamachari: Still the nose is there.

Shri Mohamed Imam: At least give us some hope that we will be free from these pains and penalties at least in the future. I agree with the previous speaker that he will be very sympathetic and that he will not indulge unduly in enhancing the excise duties, especially, he will not go to the extent of increasing the duty by 300 or 400 per cent.

I have got another amendment seeking the reduction of the duty on power alcohol and motor spirit. It is proposed to raise it to 125 n.p. as against the existing rate of 98 n.p. One feature of the present day taxation is that the same commodity is going to be taxed again and again by various agencies, by various Governments. New taxes are levied on the same commodity. It must be remembered that it is not only the Central Government that levies taxes on these commodities. We must reckon with the State Governments also. The State Governments also, immediately following the Budget proposals, come forward with their own taxation proposals. They also levy taxes on these commodities. Following the proposals of the State Governments, the local authorities also come forward with their proposals. Take, for example, motor spirit. First of all, if it comes from other countries, the import duty has

[Shri Mohamed Imam]

to be paid. Even here, the Central Government levies the excise duty. I doubt whether the Central Government has got that power to levy the excise duty, because, in the first place,—I speak subject to correction—motor spirit is not manufactured in India. It is a commodity which is imported. Excise duty is to be levied only on such commodities that are manufactured or prepared in India. Anyhow, it is proposed to levy an enhanced duty on petrol.

Again, the State Government levy a separate duty, sales tax, on the same commodity, of six annas. So much so, before this duty, petrol was costing Rs. 3-8-0 per gallon. I am sure it will go up to Rs. 4. Similarly, all these commodities which are under contemplation now, are also sure to receive their quota of taxation from the State Governments and the local authorities also. They charge what is called octroi. The cumulative effect of all these taxes will be an oppressive burden on the common man. The Finance Minister must study the economic condition of the people. The Finance Ministry can work efficiently only if they are well acquainted with the economic condition of the people.

Petrol is no longer a luxury. As was pointed out by Shri Naushir Bharucha, it is an article which is wanted by every person. Stop the issue of petrol for 15 days and see what happens. There will be a revolt. It is no longer an item of luxury. It is an absolute necessity, as great a necessity as food. You do not want people to travel by cars. Nor do you want them to travel by buses. All this will have the effect of putting up the rates when the people travel by bus. You must understand the plight of the people. You must understand in what predicament, in what difficulties they will be, and you must be reasonable and sympathetic. The fact that you need money for the Second Plan is no justification. We must adjust ourselves. There is no use having a too ambitious Plan, having

a plan which is beyond our capacity. You must swallow as much as you can digest and not beyond that.

Taking all these into consideration, I appeal to the Finance Minister. I know he is coming from the masses. I have great veneration and reverence towards him. He comes from the State which is next to mine. I cannot doubt his sincerity. I hope he will take a reasonable attitude. Because, it is with great pain I express that after Shri T. T. Krishnamachari assumed the Finance Ministership, taxes have risen very greatly. Imposition of taxes has gone up by leaps and bounds and especially this year marks the leap year in this era of taxation.

Mr. Chairman: Amendments moved.

(i) Page 10, line 32,—

for "One rupee and twenty-five naye paise" substitute "One rupee".

(ii) Page 10, line 35,—

for "Forty rupees" substitute "Twenty rupees"

16 hrs.

Shri K. U. Parmar (Ahmedabad-Reserved-Sch. Castes): Sir, many things have been said from the opposition side and the treasury benches regarding the enhancement of the excise duties. The hon. Finance Minister must be knowing that in the 1st schedule of Central Excise and Salt Act of 1944 there were only 14 items in 1952. But now there are as many as 27 items and most of these men has to bear the necessities of the common man. Now the common man has to bear the burden. So it is very difficult for the common man to live in such hard days. In these circumstances, seeing the criticism on both sides of the House, and also the discontent of the people of India, it would have been better if the hon. Finance Minister had decreased the duty. But,

on the contrary, he has increased it. So, I regret, I am not in a position to congratulate the Finance Minister on his action.

Many thing have been said regarding the socialistic pattern of society. Our hon. Prime Minister has also laid some special stress on this. But the hon. Finance Minister, I may say if he may not feel offended, is a pick-pocket. He has withdrawn the word "social", and beating the people with the remaining word stick. He is picking the pockets of the people. By imposing these taxes and by enhancing these taxes he is picking the people of all their earnings. The Finance Minister says that "when we have got our Plan, we must have finances." But I submit that when our people are paying taxes, they must get some return. So much money is being wasted in this country. When the people are not finding a square meal, bread and butter—or we can even say only bread and no butter—we are undertaking projects like the Asoka Hotel. When there is shortage of foreign exchange, our Ministers are purchasing costly cars from abroad. They are not giving any importance to swadeshi things. Cars manufactured in India and wasting our exchange.

All the necessities of life like sugar, coffee, tea etc. have been taxed. And the most disgusting thing is Ground nut and Til oil, which is one of the necessities of poors not a non-essential has been taxed and he has failed to reduce the duty on that. Then the duty on iron and cement has been enhanced. On the one hand, we are giving some subsidies and loans to the housing societies. On the other hand, we are taking it back by enhancement of taxes. So, in these hard days we are not helping the co-operative housing societies. If it is not possible to reduce the duty on cement and iron generally, I would request the hon. Finance Minister at least to give some consideration to the housing co-operative societies and encourage them by giving them cement and iron on reduced rates of duty.

Regarding tobacco, Sir, it is being used for the purpose of making cigarettes also. Small leaf between 1 $\frac{1}{16}$ " and $\frac{1}{4}$ " are used for bidis. But nowadays the leaf that is used for bidis is also being used for cigarettes. So it is being charged at the rate of Re. 1/- per pound, which is very exorbitant. The tobacco crop of 1952-53 is lying with the curers and the traders. The curers and the traders have approached the hon. Finance Minister in this connection, and he also has declared that the tobacco crop of 1952-53 was of an inferior quality.

16:05 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

But the said tobacco even after reducing the duty to 7 annas, was not marketable. It was not sold. But now the same inferior tobacco is not considered as inferior tobacco. So hon. Finance Minister has done a great injustice to my region, Gujarat, by treating that tobacco as superior quality tobacco and he has thereby taxed it at Re. 1/- per pound. There is an agitation throughout Gujarat that such tobacco should be treated as inferior quality tobacco and the duty should be collected at a lower rate. Since the rate of Re. 1/- per pound on bidi tobacco is very exorbitant, I humbly request hon. Finance Minister to reduce the rate at least to twelve annas per pound.

Regarding sugar, Sir, it has now become a necessity for the common man. Everyone is using it. But the rate of duty on sugar has been raised like anything, which is not justified. On the whole, I want to say that the rate of excise duty and the enhancement of excise duty is not uniform and it is not in the interest of the common man. So I request hon. Finance Minister to look into the matter.

Shri Oza (Zalawad): The provisions of the Bill relating to the taxation proposals brought by the Finance Minister at the time of presenting his

[Shri Oza]

budget were discussed both in this House and outside the House, from every platform and every press. We can now feel that the country has more or less reconciled to the taxation proposals. I concede that because it was a very large dose, particularly on commodity taxation, at the initial stage there was some reaction. But slowly and gradually the robust commonsense of the people has prevailed and all round we find that there is not that much of discontent, as it has been made out to be. Why these taxation proposals? It has been aptly described in one sentence—for the fulfilment of the Second Plan without releasing the forces of inflation.

I think much has been said about the Second Five Year Plan. We have framed a Plan and while the Plan was placed before this august House it was discussed by all sections of the House and also in the country. And there is a large measure of agreement about it. This is the second year of the Plan, and I do not think there is any going back. We cannot change horses in midstream. And it is also no use blaming us. Some friends are saying: "Did we not say that there would be inflation, that so much emphasis on heavy industries was no good?" When we are in the midst of the Plan, all our efforts should be directed towards the fulfilment of the Plan, we should appeal to the people to strain themselves so that the Plan on which we have placed so much hope may be fulfilled and we may usher in an era of prosperity in this country.

We find that some sections of the House are again devoting themselves to an attack on the taxation proposals, while one section is devoting its attack to the emphasis on heavy industries.

Mr. Deputy-Speaker: I will allow the hon. Member some latitude as he had no opportunity of speaking in the consideration stage, but the speech should have some reference to the clauses that we have got.

Shri Oza: Before I started speaking some friends had made an attack on the Second Plan and the emphasis on the heavy industries. That is why I was referring to it. But the Communist group and some other friends have attacked the proposals about indirect taxes. We know that so far as direct taxes are concerned, we have almost reached the saturation point, and it is no more possible to have more revenues out of direct taxation. So, just like any other under-developed country we have to resort to indirect taxes.

As some friend remarked, in a poor country where most of the people are poor, what is the percentage of rich people or upper middle class people? A very small fraction. Most of the people in this country are very poor, and therefore, as in any other under-developed country, in this country also we have necessarily to resort to indirect taxes, what are called commodity taxes. We also concede that the average man, the poor man is hit, though not to the extent to which it has been made out to be, to some extent at least, but as has been pointed out repeatedly from the Treasury Benches, there is no other way out if we want to fulfil the Second Plan.

Let us turn the leaves of history and find out what other under-developed countries have done when faced with similar situations. Let us take the case of Soviet Russia. It was also under-developed, it was not industrialised, it also wanted to undertake some plans, and in all seriousness they started their Five Year Plans one after another.

How did they raise their resources, as there was a limit to the yield from direct taxes there also? Though in Marxist theory, as compared to direct taxes indirect taxes are considered to be in the interests of the masses, though Marxism condemns it, we find this phenomenon that the very country which is supposed to follow what they call scientific Marxism had to resort to indirect taxes. Hence I

appeal to my friends to concede that what is sauce for the goose must be sauce for the gander also. If Soviet Russia had to resort to indirect taxation, why should not this country, which is also facing a similar situation, resort to commodity taxes?

With your permission I would refer to certain lines from a treatise on Soviet taxation by Prof. Hozman of Washington University who has carried out a very useful research into the Soviet taxation system, and has written this book after going through all the facts and figures. He has observed:

"The outstanding feature of the Soviet tax structure is the heavy reliance placed on indirect or commodity taxes. Those familiar with Marxist literature in public finance may find this difficult to understand, in view of the vehemence with which indirect taxes were attacked by these writers. The basic argument, an argument of considerable merit, was that sales and excise taxes were inequitable (or regressive), falling most heavily on the poor and on the members of the working classes. Why, in spite of their ideological bias, have the Soviets relied so heavily on indirect taxes and so little on direct taxes?"

He poses that question. Now, let us know to what extent commodity taxes have been levied there. He says:

"The 'tax burden' increased steadily and rapidly from 1926 to 1936, roughly doubling over the ten year period in 1936. The household paid back to the State in the form of taxes 60 per cent of its total money income. The 'burden' declined during the relatively good years 1937 and 1938, but increased again in 1939 and 1940 as the Soviets mobilized for war. In 1948 the 'burden' is estimated to have been almost 69 per cent."

This is the story in a similar under-developed country.

I do not grudge what the Soviets have done. They have done it correctly. I have no complaint against it. I only want to appeal to my Communist friends that they must have a similar attitude towards the taxation system here in this under-developed country. Only because the Government structure varies—there it is a sort of totalitarian State and people are not allowed to criticise or protest, and here we have got a very good forum—it does not mean that whatever is legitimate and comes from this side should be attacked, should be opposed. I think that is not a helpful or a constructive attitude. And now that they have said that they support the Second Plan, if this sympathy is not to remain only lip sympathy and if they are really very serious and honest about it, I would say—they may forgive me—that they must support these taxation proposals, placed in this situation as we are.

I may also point out that in Soviet Russia they have not left out the articles of primary necessity. All the primary necessities required by the people including bread, salt and sugar, have been heavily taxed by that system. One may ask why instead of relying upon direct taxes, they have resorted to indirect taxes. There they say that in order to create a money illusion in the working classes they have resorted to indirect taxes. That is what has been stated by Prof. Holzman. If there was direct taxation it was felt there would be some discount. Say for example work mongers to 200 roubles each and out of the 200 roubles that they are paid, they would feel if they are losing 40 or 60 roubles by direct taxes they would protest. There would be discontent and there would be some effect on production. Therefore, by taxing the commodities, by increasing the prices of commodities, they created money illusion in the working classes. We do not want to create any illusion here. Our cards are always on the table. When we have to take from the people, we tell them that they have got to pay for the fulfilment of the plan. There is

[**Shri Ozal**]

no humbugging about it. We always frankly tell the people what sacrifices they should make in order to fulfil the Plan.

Another point I want to submit is this. In Soviet Russia the consumers had hardly any options. They had necessarily to buy certain articles and every article was taxed. Here in India, we have got what is called consumer's options. The consumer can switch on too other articles in some cases, I do not say all, but he has got the options which are denied to his counterpart or the working classes in Soviet Russia. Here, some of the lower middle class and poor people can switch on to commodities which are not taxed.

Taking an over-all view of the picture, I think our friends not only inside the House but outside also should help the Government in creating atmosphere of confidence and ask the people to help in the fulfilment of the Plan on which all of us have placed our hopes.

Pandit Thakur Das Bhargava: May I submit one thing for consideration? So far as clause 13 is concerned, no

"(5) if not flue cured and not actually used for the manufacture of (a) cigarettes or (b) smoking mixtures for pipes and cigarettes;

(6) if used for agricultural purpose.

Two types of tobacco are there, flue-cured and non flue-cured. The non-flue-cured tobacco is generally used for *biris*, or chewing, or in *hooka* or for *charam* and snuff. This tobacco is consumed by the poor people. So, my submission is that the excise duty on this should be reduced to half, that is, to 25 nP from 50 nP.

Then, I would like to draw your attention to item (f) (5) (iv) which reads thus:

time has been fixed. Yet, we have to see that the other amendments also are properly discussed. I think if we proceed at this rate, there will be no time left for amendments to the First and the Second Schedules. I would respectfully beg of you to kindly see that we are also allowed to move our other amendments and discuss them.

Mr. Deputy-Speaker: That means that within the next ten minutes, we must finish the discussion on this clause.

Shri Prabhat Kar: Clause 13 and the Schedules are the two important portions in this Bill.

Pandit Thakur Das Bhargava: There are important amendments to the Schedules also.

Shri Prabhat Kar: We can divide the time and give half to both.

Shri P. R. Patel (Mehsana): I beg to move:

Pages 10 and 11—

for lines 45 to 51 and 1 to 15 respectively, substitute:

Twenty-five naye paise per lb.

Nil."

"tobacco cured in whole leaf form and packed or tied in bundles, hanks or bunches or in the form of twists or coils;".

If these coils, bundles etc. are processed, the result will be that there will be dust, there will be *rawa*, and there will be stems which may be larger than one-fourth of an inch and stems not larger than one-sixteenth of an inch. Also, there may be stems which may be in between one-fourth of an inch and one-sixteenth of an inch. I

would like to know from the Minister whether when these leaves or these bundles or bunches are processed, he will tax them again, or whether he is going to allow even the tobacco with stems between one-fourth of an inch and one-sixteenth of an inch to be used for biris. I think that this tobacco can be processed for biris even. So, my submission is that the distinction between non-flue-cured tobacco, and the last category that has been put in, namely "other than flue-cured and not otherwise specified" is not necessary, and it will rather encourage corruption to a little bit.

Whatever tax he may impose, let it be a uniform tax, so that there will be

"(5) if not flue-cured and not actually used for the manufacture of (a) cigarettes or (b) smoking mixtures for pipes and cigarettes;

(6) if used for agricultural purpose.

Shri T. T. Krishnamachari: One who moves for consideration of this Bill bargains for this kind of discussion. Yesterday and today, I have been stressing the importance of the taxation picture as a whole. I also pointed out that one section of hon. Members would not give me excise duties, and another section would not give me any direct taxes. And that leaves me exactly where I am.

I know hon. Members are sufficiently intelligent to know what the real position is. They want probably a division, but they do not expect that this Bill should not be passed, because I think they really want the Plan to go through. But they must make political capital out of this and speak for the common man.

My friend from Saurashtra spoke about Soviet taxation. But I do not think people would like to be reminded of it, because I do not think hon. Members opposite have got anything

no corruption. I want to point out one other thing. If tobacco dust, or useless tobacco is used for agricultural purposes, there should be no excise duty on it. It was so in the original Act, but in this Bill, it is not there. So, I submit that the Minister may accept this amendment.

I do not want to say anything more, but I leave it to the Minister to accept this amendment.

Mr. Deputy-Speaker: Amendment moved:

Pages 10 and 11—

for lines 45 to 51 and 1 to 15 respectively, substitute—

Twenty-five naya paise per lb.

Nill."

to do with the Soviet system; they do not believe in that system at all. After all, if they believe in that system, they will find that this Government is an extremely liberal Government. They are concerned with private liberty and the rights of the individual....

Shri Nagi Reddy (Anantpur): And incentives to private property too.

Shri T. T. Krishnamachari: which they would like to increase. They would like to increase the liberty of the individual and the amenities to the common man.

Shri Sadhan Gupta: Ex-rulers also.

Shri T. T. Krishnamachari: I think in the Soviet Union, indirect taxation forms the main part. I have also read something about Soviet taxation. I think their turnover tax somewhere about 1931 or 1932 was near about 11 billion roubles. Today, it is somewhere near 250 billion roubles. If somebody reads this out, it will be found that it has been progressively

[Shri T. T. Krishnamachari]

rising. And that is exactly what has happened in a very small measure in this country. But Shri Prabhat Kar is not a Marxist of that character, and he is a communist of the Indian variety. Therefore, he has different principles. I do not blame him. But the whole idea is, if he did not speak, how could he go and agitate against these taxes and say 'You must have *prabhat pheris*, you must have hartals and various other things in order to protest against taxation'? And he has to prepare the ground. I understand him. Probably, in his position, I shall do the same thing; that is probably what my people are doing in his part of the country. And this is all part of the political game.

Mr. Deputy-Speaker: It is mutual then?

Shri T. T. Krishnamachari: It is mutual in the sense that they must sling, I would not say mud but, stones at those in power.

They know fully well that in this particular case, what we are doing is not a wrong thing, that the taxation that has been levied is a very microscopic portion of a man's existence.

I think my hon. friend from Mysore would be given the prize for inaccuracies, if we evaluate inaccuracies from hon. Members.

Shri Dasappa (Bangalore): From Chitaldrug.

Shri T. T. Krishnamachari: Shri Dasappa would not have him in Mysore.

Shri Mohamed Imam: On a point of information. When Shri Dasappa was the Finance Minister, all the finances got depleted.

Shri T. T. Krishnamachari: The finances got depleted, and my hon. friend got inflated, and the net result is I am the beneficiary.

My hon. friend mentioned something about cloth. I do not say that this Government is very successful

or very clever, but on cloth, at any rate, we can claim that we did something, maybe, in an indifferent sort of way, but we have been able to keep prices steady. I think we have got a whole list of articles, where prices have not risen. So far as cloth is concerned, the price of *swadeshi* drill was Rs. 1.52 in August, 1956, before the imposition of the duty, Rs. 1.47 in March, 1957, Rs. 1.47 in April, 1957, Rs. 1.47 in May, 1957, and Rs. 1.47 in June, 1957. In fact, if you see it, there may be a difference of just two or three naye paise. But by and large, the prices have been very steady. The increase in prices that took place before August 1956, would be neutralised after August, 1956. The extra duty that we got from the industry has been mopped up by the industry, because they could not sell it for the higher price. There, the consumer operated with them. All honour to him! We advertised, went round and told him, do not pay the higher price; and he did not pay. Therefore, the prices came down. So, we have tried our best, so far as cloth is concerned, and I think Government holds a good record that way. When Government raised the duties, it did so specifically because the prices were high, and they were likely to go higher. I think we have succeeded in keeping down the prices.

Of course, Shri Mohamed Imam has got an unfortunate trader who apparently has been cheating him for a long time and who can afford to cheat him.....

Shri Mohamed Imam: I am not a trader. I have nothing to do with trade.

Mr. Deputy-Speaker: The Minister only says that he has got some trader who have been behaving like that.

Shri T. T. Krishnamachari: I can only protect the community at large, but I cannot protect Imam's. They must be exposed to the artifices of the trading community.

My hon. friend, Shri Sadhan Gupta, made one of his most, shall I say, charitable speeches. He usually is rather strong in his language whenever I am concerned. Today he was very kind! I appreciate it. In fact, it was only to make up for the lack of vehemence on the part of Shri Sadhan Gupta that Shri Prabhat Kar became a little vehement. Of course, the balancing is there. But the fact is that they know that this increase is practically negligible. It may be that traders are going to make use of it. It is likely. But my friends have to protect their flanks and they must go on agitating. Therefore, there is opposition. What can I answer to an amendment which has been proposed as a rearguard action? It must remain a rearguard action. I hope the House will understand that this is merely a matter of rearguard action and has no substance so far as arguments are concerned.

Mr. Deputy-Speaker: I shall, with the permission of the House, now put all the amendments to clause 13 to the vote of the House.

The question is:

Page 9, lines 39 and 40—

for "Four rupees and ninety naye paise" substitute "One rupee and fifty naye paise".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 9, lines 42 and 43—

for "Four rupees and seventy-five naye paise" substitute "One rupee and twenty-five naye paise."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 10, lines 1 and 2—

for "Four rupees and sixty naye paise" substitute "One rupee."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 10, lines 10 and 11—

for "Three rupees and twenty-five naye paise" substitute "Seventy-five naye paise."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 10, lines 14 and 15—

for "Three rupees and fifteen naye paise" substitute "Sixty-five naye paise."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 10, lines 18 and 19—

for "Three rupees and five naye paise" substitute "Fifty naye paise."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 10, lines 21 and 22—

for "Two rupees and ninety-five naye paise" substitute Twenty naye paise."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 10, lines 24 and 25—

for "One rupee per gross of boxes" substitute "Five naye paise per gross of boxes."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 10, line 27—

[Mr. Deputy-Speaker] for "Eighty naye paise" substitute Two naye paise".

The motion was negative.

Mr. Deputy-Speaker: The question is:

Page 11, line 31—

for "Fifteen naye paise" substitute "five naye paise."

The motion was negative.

Mr. Deputy-Speaker: The question is:

Page 11, line 41—

for "Ten naye paise" substitute "Two naye paise".

The motion was negative.

Mr. Deputy-Speaker: The question is:

Page 11, line 43,—

for "Five" substitute "One".

The motion was negative.

Mr. Deputy-Speaker: The question is:

Page 12, line 7,—

for "Fifteen" substitute "Two".

The motion was negative

Mr. Deputy-Speaker: The question is:

(i) Pages 9 and 10,—

omit lines 31 to 45 and 1 to 30 respectively;

(ii) Pages 10 and 11,—

omit lines 34 to 51 and 1 to 15 respectively; and

(iii) Pages 11 and 12,—

omit lines 22 to 46 and 1 to 17 respectively

The motion was negative.

Mr. Deputy-Speaker: The question is:

Page 10, line 32,—

for "One rupee and twenty-five naye paise" substitute "One rupee"

The motion was negative.

Mr. Deputy-Speaker: The question is:

Page 10, line 35—

for "Forty rupees" substitute "Twenty rupees".

The motion was negative.

Mr. Deputy-Speaker: The question is:

Pages 10 and 11—

for lines 45 to 51 and 1 to 15 respectively, substitute:

"(5) if not flue-cured Twenty-five and not actually naye paise used for the per lb. manufacture of
(a) cigarettes or
(b) smoking mixtures for pipes and cigarettes;

(6) if used for agriculture Nil"

The motion was negative

16 32 hrs

[MR SPEAKER in the Chair].

Mr. Speaker: The question is:

"That clause 13, as amended, stand part of the Bill"

The Lok Sabha divided

Shri M. M. Gandhi (Panchmahals): My push button is not in order.

Shri C. D. Pande: That is why there is a red light in the 'Ayes'.

Mr. Speaker: Hon Members must press simultaneously and keep on pressing

The result of the division is as follows:

Ayes 124; Noes 50*

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clause 14— (Amendment of Act 8 of 1898)

Amendment made:

Page 12.—

(i) for lines 20 to 32, substitute:

"(i) for the heading Letters and the entries thereunder, the following headings and entries shall be substituted, namely:—

Letters

For a weight not exceeding one and a half tolas 15 naye paise

For every one and a half tolas, or fraction thereof, exceeding one and a half tolas 10 naye paise

Letters-cards

For a letter-card 10 naye paise"

(ii) omit lines 36 to 39.

—[Shri T. T. Krishnamachari]

Shri T. T. Krishnamachari: As I mentioned yesterday, we have dropped the increase in rates in postcards and substituted it by an increase in the envelope rate. At the same time we have increased the weight of the envelope from one tola to one and a half tolas.

Minister's principles of taxation. Our principle is mainly to distribute the burden equitably and to put as little burden as possible on the common people.

Here, I have moved my amendments regarding the price of postcards. I have not touched envelopes. I have confined myself to postcards for this reason that it is essentially the common people in the villages and the towns that use the postcards.

Mr. Speaker: He wants a reduction further down.

Shri Sadhan Gupta: Yes, Sir. I have provided for local postcards 2 naye paise instead of 4 naye paise and for ordinary postcards a reduction from 6 to 4 naye paise and correspondingly for the reply cards from 12 to 8 naye paise. I commend this amendment to the acceptance of the House.

Shri T. T. Krishnamachari: What are the amendments, Sir?

Mr. Speaker: He wants to further reduce the existing price of postcards.

Shri T. T. Krishnamachari: By accepting my amendment to clause 14, amendment No. 13, the whole

Shri Sadhan Gupta: I have moved my amendments in pursuance of my principles of taxation or rather our principles of taxation on this side of the House, as opposed to the Finance

*Names of members who had recorded votes have not been included under direction of the Speaker as the photograph copy of Division result did not clearly show the names of all members.

[**Shri T. T. Krishnamachari]**

item regarding postcards has been removed. How can this be moved now? But I do not want to stand on technicalities.

Mr. Speaker: The hon. Minister has restored the original price of the postcards. But there is nothing to prevent the hon. Member from asking for a further reduction. That is his amendment.

Shri T. T. Krishnamachari: But I do not think technically it is correct.

Mr. Speaker: The amendment was an amendment to the original amendment in the Bill. I should put it first.

Shri T. T. Krishnamachari: Even assuming that you had put it first, how could it be correct? I will leave it at that.

Mr. Speaker: It will be an amendment to the amendment. I should have put it first and the Government amendment next.

Shri Sadhan Gupta: It is absolutely necessary that the burden should be equitably distributed. I am not convinced by the arguments advanced by the hon. Finance Minister about an integral system of taxation. I cannot appreciate, as I will say later on in connection with the Schedule, the idea of an integral tax system where all the burden will be borne by one class.

Mr. Speaker: Are we going to discuss the policy once again? The card is the poor man's card. Anything can be said about that but not on the general plan.

Shri Sadhan Gupta: He said in reply to clause 13.....

Mr. Speaker: Clause 13 is over now. He has been saying that in the beginning; he said it once again at the consideration stage. Possibly, he wanted to use it again in clause 13. But that does not mean that you must go on repeating it at every stage.

Shri Sadhan Gupta: I gave my reasons for reducing the price of the postcard.

Mr. Speaker: It is the poor man's card.

Shri Sadhan Gupta: It is the poor man's card and the burden should be more equitable.

Shri T. T. Krishnamachari: It is as equitable as.....

Mr. Speaker: The hon. Member says that the burden must be thrown on the richer sections and the poor man should be shown larger consideration. This is the point.

Shri Sadhan Gupta: I commend my amendments for the acceptance of Government.

Mr. Speaker: Amendments moved:

- (i) Page 12, line 28—
for "4" substitute "2".
- (ii) Page 12, line 31—
for "6" substitute "4".
- (iii) Page 12, line 32—
for "12" substitute "8".
- (iv) Page 12—
omit lines 24 to 32.

Shri T. T. Krishnamachari: When we raised the price of the postcards we were losing Rs. 1 crore because the price of the postcard was really costing a little less than 7 naye paise. That was why we raised it; 6 naye paise would reduce the loss. Naturally, the public and those in the House felt that that should not be done. That is why we have dropped the rise and went over to the envelopes. Now, the hon. Member wants us to increase the loss from Rs. 1 crore to Rs. 2 crores. That is the idea. I am afraid that while I applaud the sentiment of my hon. friend who wants to give away Government's money as if it is in his own hands, I am unable to follow his arguments or even to

take action on the lines suggested by him. I have to oppose the amendment.

Mr. Speaker: Shri Bharucha.

Shri Naushir Bharucha: do not want to speak; my hon. friend has voiced my sentiments already.

Mr. Speaker: The question is:

Page 12, line 28,—

for "4" substitute "2".

The motion was negative.

Mr. Speaker: The question is:

Page 12, line 31,—

for "6" substitute "4".

The motion was negative.

Mr. Speaker: The question is:

Page 12, line 32,—

for "12" substitute "8".

The motion was negative.

Mr. Speaker: I do not put Shri Bharucha's amendment because he does not press it.

Shri Sadhan Gupta: Sir, once the amendment has been moved it should be put to the vote unless it has been withdrawn. He merely did not speak on his amendment.

Mr. Speaker: The hon. Member does not press it and he does not speak. He keeps quiet.

Shri Sadhan Gupta: But the legal form requires it, Sir.

Mr. Speaker: I shall put the question then.

"Has the hon. Member the leave of the House to withdraw his amendment?"

The amendment was, by leave, withdrawn.

Mr. Speaker: The question is:

"That clause 14, as amended, stand part of the Bill."

The motion was adopted.

Clause 14, as amended, was added to the Bill.

Clause 15 was added to the Bill.

New Clause 16

Mr. Speaker: Then, there is a Government amendment for the addition of a new clause 16, amendment No. 14.

Shri Mohamed Imam: Sir, on a point of order. I had tabled an amendment for the addition of a new clause 8A and it was ruled out by you on the ground that it was a new clause and it had no reference to this Bill. This is also a new clause, Sir, which the Government want to be inserted.

Shri T. T. Krishnamachari: It is a consequence of the amendments made already.

Shri Mohamed Imam: It is more or less confiscatory. It says:

"Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1931, no refund shall be made of any duties of excise or customs collected before the commencement of this Act...."

So, this is new clause which has no reference to other clauses. This gives extra power to the Government.

Mr. Speaker: The hon. Member has stated his point; I have understood it.

Shri Mohamed Imam: On the same ground this is also not admissible.

Shri T. T. Krishnamachari: The point is this. This new clause is as a consequence of certain changes made in the Bill. There has been a change in the Bill; in fact, there has been a reduction of duties which were

[Shri T. T. Krishnamachari]

in the original Bill. Naturally, we have to be protected because of that change. This clause merely seeks to protect Government from anything that may arise as a result of our withdrawing the duties on kerosene, tea and coffee. It follows as a consequence and consequential clauses can be put in.

Mr. Speaker: So far as this matter is concerned, hon. Members will see that on page 13 of the Bill there is a declaration under the Provisional Collection of Taxes Act, 1931—Act 16 of 1931 which says:

"It is hereby declared that it is expedient in the public interest that the provisions of clauses 12 and 13 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931."

Additional taxes are imposed under the Bill. As soon as the Bill was introduced, under the provisions of this Act, as it had been accepted by this House, those amounts have been collected. In pursuance of some representations made the hon. Finance Minister found it desirable that these taxes need not be imposed, particularly on those articles of consumption. Therefore, he has allowed some exemptions in favour, or allowed omissions of those taxes.

Now, the question is whether the money that has been collected by way of those taxes under the provisions of the original Bill as it was introduced in the House should be refunded or not. If these amendments had not been tabled by the Government, there would not have been any need for an amendment of this nature. It is in pursuance of those amendments that this has been brought in. Notwithstanding the amendments they may keep quiet, they may say we are prepared to refund, equally they may say, we won't refund, we will keep it, for various reasons it is not possible to refund everyone.

This matter has come up in various other ways before, when another Bill was introduced in this House relating to sales tax where Bihar collected some taxes and so on.

Shri T. T. Krishnamachari: We have ourselves a precedent. In 1955 the Parliament imposed the excise duty on sewing machines which was subsequently withdrawn. A similar protection was then given.

Mr. Speaker: There are rulings already given. I do not want to labour this point. The amendments are closely related, or inter-connected or vitally connected. If I disallowed the hon. Member's amendment, it is because that it does not flow out of any amendment or the Bill as introduced. Therefore I disallowed it. There is no analogy between the one and the other. I over-rule the point of order.

Shri T. T. Krishnamachari: Sir, I beg to move:

Page 13—

alter line 6, add:

"16 Excise and customs duties collected before commencement of Act not to be refunded—Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1931, no refund shall be made of any duties of excise or customs collected before the commencement of this Act by virtue of a declared provision within the meaning of that Act contained in the Finance (No 2) Bill, 1957."

Sir, the items really are kerosene, coffee and tea. Also matches, Sir, where we have given certain concessions of 10 to 15 naya paise per gross. It is impossible to find out to whom it is to be given. Under 64A of the Sale of Goods Act producers and other people are enabled to recover excise duties or customs and they have done so. Therefore, it is very difficult to refund the duty to

particular persons. That is why we have asked for this exemption from liability to refund duty.

Mr. Speaker: Refund the duty to the consumers or middle men?

Shri T. T. Krishnamachari: We have been paying higher cost for a cup of coffee. We cannot say who have got the benefit of it. In fact, more people have benefited by it than lost by it.

Mr. Speaker: The hotel keeper will take it away.

Amendment moved:

Page 13—

after line 8, add:

"16. Excise and customs duties collected before commencement of Act not to be refunded.—Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1931, no refund shall be made of any duties of excise or customs collected before the commencement of this Act by virtue of a declared provision within the meaning of that Act contained in the Finance (No. 2) Bill, 1957."

Pandit Thakur Das Bhargava: so far as this question is concerned, there may be practical difficulties as the hon. Finance Minister has pointed out in making refund to people. At the same time, it is one of the most dangerous principles to which we cannot subscribe. Supposing Shri T. T. Krishnamachari is not there, there is some other Finance Minister and he, with a view to collect more taxes, brings in a provision of this kind, what can we do?

Shri T. T. Krishnamachari: There is a time factor, which the hon. Member must also recognise. So far as kerosene and newsprint are concerned hardly any mischief has been done. So far as tea and coffee are concerned, it took some time. So far as matches are concerned it is infinitesimal, and in any event it won't be

possible to refund it. So, various duties differ in character and there is the time factor. So far as kerosene and newsprint are concerned, no damage was done.

Pandit Thakur Das Bhargava: My submission is this. Supposing today—I am not referring to the present Finance Minister, he will not be so dishonest as that—some other Finance Minister who takes it to his head to first of all put certain taxes which he knows he does not want to continue. Under the Provisional Collection of Taxes Act he can collect those taxes from the very date the Bill is introduced though we have not passed it and ultimately he may come forward with a provision like this. He knew from the very start that such provisions will not be passed by the House, yet he may bring a measure like that and ultimately say that the amount cannot be refunded. So far as the present Minister is concerned I have no difficulty, he will not do that. At the same time there can be people who may do like that. This may seem as a precedent. We do not know where we stand.

I can understand that in many cases it is difficult to refund the amount, but there can be cases where refund is possible. This provision will apply to all. Therefore, my submission is, if you want to have a clause like this, have it in a qualified manner that in cases where refund is possible certainly refund would be made. If it is impossible to refund then you may appropriate that amount for certain purposes. In law and in fairness we are not entitled to these taxes unless they are passed by this House. In case we have collected some money under these taxes, that money can be called tainted money. At the same time, where we can refund we must refund and where we cannot refund that money can be used for public purposes.

Shri Dasappa: Sir, I wish to refer to one particular case, and that is about coffee, where it is quite possi-

[Shri Dasappa]

ble for the hon. Minister to refund the amount. This is how coffee sales take place. The Coffee Board holds its periodical auctions. There are recognised dealers who purchase at the auctions. They pass it on to the various other dealers and purchaser or their customers. What happens in this case, is, by the time they can pass on the goods that they had purchased to their customers the excise duty was withdrawn by means of a notification. So, the amounts that they paid could not be recovered from their customers with the result that they have suffered a substantial loss. They can easily be traced to the last by a look into the list of recognised dealers and the amounts refunded. Therefore, I support the contention of my friend Pandit Thakur Das Bhargava who says that the wording must be such that where there is really justification, where it is possible to refund it shall be open for the hon. Minister to refund. I want what is known as an enabling clause to be put here and the discretion may be entirely vested in the hon. Minister to do as he thinks best taking the equities into consideration.

Shri T. T Krishnamachari: Sir, I happen to know the coffee trade fairly well, inspite of the fact that the hon Member comes from Mysore, and I can say that it would be very very difficult for me to say very clearly that these people have not passed on, or have not sold and got the benefit of the tax. It is absolutely impossible. It may be that you can probably find one instance, in which case it will be discrimination, and it will be well-nigh impossible to make it a general condition even in regard to coffee trade. I know the hon. Member is interested in the trade, but I happen to know something about it, I happen to know the traders. I happen to know where all auctions are held and who buy it. It is not possible to make any refund.

Dr. Suseela ayar (Jhansi): The extra prices that have been paid by the consumers, they cannot possibly get back if these taxes are refunded. There is absolutely no sense in giving back the money to the big traders who can very well afford to lose a little even if it had been a loss to them. We have criticised the Finance Minister in this House for returning Rs. 7½ crores super-tax, etc., etc. and we questioned him as to why that refund was made. Now, we want him to do the contrary. We want him to return the money that has been collected. It may be small sum or large, but I think that in view of the fact that the man who has taken one cup of coffee or ten cups of coffee or one bottle of kerosene or ten bottles of kerosene cannot possibly get back the refund. It will be fair on the part of the Finance Minister to devote that sum to the social services for the benefit of the Common man. But I do not think it is at all desirable or practicable to have that money returned to the people who have paid it and to pay it to the rich middle men or the traders I think, will be highly undesirable and it should not be done.

17 hrs.

Shri Sadhan Gupta rose—

Mr. Speaker: Is it necessary to refund it? Does the hon. Member want it to be refunded?

Shri Sadhan Gupta: No, Sir. I am supporting the amendment.

Mr. Speaker: I thought that he was going to oppose the amendment.

Shri Sadhan Gupta: It is inconceivable that this amendment should be opposed, but the speech of Pandit Thakur Das Bhargava impells me to say something on this matter. I am astonished that Pandit Thakur Das Bhargava should plead for a refund of excise duties to those persons who obviously had recovered the excise duties from the consumers already.

So, what he pleads for amounts to this; namely, because we have made a mistake or because we are changing our point of view, the person who has already recovered the excise duty should get double the benefit by way of getting a gratuitous contribution from the Government. He has not paid the Government. He has realised from the consumer. He has taken the money from the consumer and he has only passed it on to the Government. Has he any better right than the Government to retain this money? I could have understood it if it was paid over to the consumer, in which case I would have certainly pleaded for a refund. But it is not capable of being paid over to the consumer. All we can do is, either the Government should retain it or it should be given to someone who deserves it.

The only argument that Pandit Thakur Das Bhargava has given is the case of an imaginary, dishonest Finance Minister who might collect the taxes, knowing well that we would not approve of them, and then after collection, take away this provision and retain the taxes. I am not very much impressed by this argument and I am not very much afraid of such a dishonest Finance Minister, because, after all, he is—

Mr. Speaker: We will try to finish this Bill by 5-30 P.M. Then hon. Member agrees with the amendment. The trouble arises only when the hon. Member does not agree with the Government.

Shri Sadhan Gupta: Apparently, that seems to be the clinching argument of Pandit Thakur Das Bhargava, but the point is, we are running a Government on the principle of responsible Government. The Finance Minister can only have his own way if we approve of it. If we consider the Finance Minister dishonest, we are free to throw him out. If the Finance Minister, in spite of his dishonesty, has control over the Parlia-

ment through his party, well, we have no other way. In this way, there can be so many things.

Mr. Speaker: The hon. Member may finish soon.

Shri Prabhat Kar: His support must be qualified.

Shri Sadhan Gupta: In this way, we may be doing so many things which should not be passed by this House, but once they proceed as a responsible Government, what Pandit Thakur Bhargava said as an argument does not hold water. Of course, the Government can use the fund collected to a good purpose as Dr. Sushila Nayar suggested. That is a good thing, but we cannot provide for this in the Finance Bill, I suppose. So, we can only recommend to the Finance Minister that he might take note of it—regarding the utilisation of the money—but to refund it to those who have paid or who had passed on these excises to others, is not proper. I am entirely against it. Thus, I support the Government in this matter.

Mr. Speaker: I will now put the motion to the vote of the House.

The question is:

Page 13—

after line 6, add:

"16. Excise and customs duties collected before commencement of Act not to be refunded.—Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1931, no refund shall be made of any duties of excise or customs collected before the commencement of this Act by virtue of a declared provision within the meaning of that Act contained in the Finance (No. 2) Bill, 1957."

The motion was adopted.

Mr. Speaker: The question is:

"That new clause 16 be added to the Bill."

[Mr. Speaker]

The motion was adopted.

New clause 16 was added to the Bill.

The First Schedule.

Mr. Speaker: The hon. Minister of Finance, may move his amendment to the First Schedule and explain what exactly he is doing by that amendment.

Shri T. T. Krishnamachari. I beg to move:

Page 14 to 16—

For lines 1 to 39, 1 to 39 and 1 to 5 respectively substitute—

"(i) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case.

Rate of Income tax.

Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.

Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.

Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.

	total income	total income	total income
	Rs.	Rs.	Rs.
1. On the first	3,000	3,300	3,600
2. On the next	2,000	1,700	1,400
3. On the next	2,500	2,500	2,500
4. On the next	2,500.	2,500	2,500
5. On the next	2,500	2,500	2,500
6. On the next	2,500	2,500	2,500
7. On the next	5,000	5,000	5,000

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of

every unregistered firm or other association of persons, not being a case to which Paragraph B or Paragraph C or Paragraph D of this Part applies:—

(1) On the first	Rs. 1,000 of total income	Nil
(2) On the next	Rs. 4,000	-do-
(3) On the next	Rs. 2,500	-do-
(4) On the next	Rs. 2,500	-do-
(5) On the next	Rs. 2,500	-do-
(6) On the next	Rs. 2,500	-do-
(7) On the next	Rs. 5,000	-do-
(8) On the balance of total income	.	.

Provided that for the purposes of this Paragraph—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below,

(ii) the income-tax payable shall in no case exceed half the amount not exceed the aggregate of—

by which the total income exceeds the said limit;

(iii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

- (a) the income-tax which would have been payable if the total income had been Rs. 20,000;
- (b) half the amount by which the total income exceeds Rs. 20,000.

The limit aforesaid shall be—

(i) Rs. 8,000 in the case of every Hindu undivided family which as at the end of previous year satisfies either of the following conditions, namely:—

- (a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; and
- (b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case.

Sur-charges on Income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:

(a) A surcharge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of income-tax; and

(ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of income-tax which have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000;

(b) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of income-tax on the total income and

the amount of income-tax on the whole of the earned income, if any, included in the total income of such earned had been the total income,

Provided that—

(i) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below;

(ii) no special surcharge on unearned income shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less:

Provided further that—

(a) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge on unearned income shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(b) the surcharge for purposes of the Union and the special surcharge on unearned income, both together, shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(i) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended for any other living member of the family;

[Shri T. T. Krishnamachari]

(ii) Rs. 7,500 in every other case.

Explanation.—For the purposes of this paragraph, in the case of every Hindu undivided family governed by the Mitakshara law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grand-father notwithstanding any custom to the contrary."

The amendment seeks to provide for (a) children's allowance at Rs. 300 for each dependent child subject to a maximum of Rs. 600, in the case of every married individual having a total income not exceeding Rs. 20,000; (b) similar allowances for minor coparceners of Hindu undivided families; (c) the withdrawal of married allowances in cases where the total income exceeds Rs. 20,000; (d) consequent marginal reliefs to individuals and Hindu undivided families having incomes in the neighbourhood of Rs. 20,000; (e) the availability to the divisible pool of the special income-tax surcharge of 15 per cent on unearned income of individual and Hindu undivided families; (f) raising of the surcharge-free limit for individuals and Hindu undivided families by the amount of dividends on equity shares subject to a maximum of Rs. 1,500.

These are the amendments that are being contemplated by the Government.

Mr. Speaker: Is it in substitution of the existing Schedule?

Shri T. T. Krishnamachari: It is in entire substitution of Part I of the First Schedule.

Mr. Speaker: There seem to be some amendments to Part II of the First Schedule also.

Shri T. T. Krishnamachari: They come later on.

Mr. Speaker: So, we are now concerned with amendments to the First Schedule. The other amendments may also be moved.

Shri Prabhat Kar: I beg to move:

Page 14, line 9—

for "Rs. 3,000", substitute "Rs. 4,200".

Shri Sadham Gupta: I beg to move:

(i) Page 14, line 9—

for "Rs. 3,000", substitute "Rs. 4,500".

(ii) Page 14, line 10—

for "3 per cent" substitute "2 per cent".

(iii) Page 14, line 11—

for "6 per cent" substitute "3 per cent".

(iv) Page 14, line 12—

for "9 per cent" substitute "6 per cent".

(v) Page 14, line 14—

for "14 per cent" substitute "15 per cent".

(vi) Page 14, line 15—

for "18 per cent" substitute "20 per cent".

(vii) Page 14, line 21—

for "1,000" substitute "4,000".

(viii) Page 14, line 26—

for "14 per cent" substitute "15 per cent".

(ix) Page 14, line 27—

for "18 per cent" substitute "20 per cent".

Mr. Speaker: Any other amendments to Part I of the First Schedule?

Shri Mohammed Imam: I beg to move:

Page 15—

after line 5, add:

"Provided that in case of every individual who is married the limit shall be further enhanced by Rs. 500 each for his wife and for every son and unmarried daughter who are dependent on him and live with him in the same house the maximum being Rs. 6,000."

Shri Naushir Bharucha: I am moving amendment No. 23. I beg to move:

Page 15, line 5—

for "Rs. 3,000" substitute "Rs. 4,200".

My amendment No. 22 is the same as amendment No. 57 moved by Shri Prabhat Kar.

Pandit Thakur Das Bhargava: I beg to move:

Page 14, lines 6 and 7—

omit "and every Hindu undivided family".

I want to move amendments 87 to 99 also.

I beg to move:

(i) Page 14—

after line 33 add:

"(iii) in the case of undivided Hindu family the first item below 'Rate of Income-tax' shall be substituted by the following:

(1) on the first 7,500 of total income. Nil".

(ii) Pages 14 and 15—

(i) after line 33 add:

"Provided further that every Hindu undivided family shall be treated for purposes of Part I as if it was a divided family and every coparcener shall be taxed according to his own share in the income of the family on the supposition that the family had been partitioned on the last day of the preceding financial year".

(ii) omit lines 35 to 39 and 1 to 4 respectively.

(iii) Pages 14 and 15—

omit lines 35 to 39 and 1 to 4 respectively.

(iv) Page 15—

after line 4 add:

"The limit aforesaid shall be:—

(i) Rs. 9,000 in case of every Hindu undivided family which at the end of the previous year satisfied either of the following conditions, namely:—

(a) that it has at least three members or more entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least three members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living members of the family;

(v) Page 15—

for line 5 substitute:

"(ii) Rs. 3,600 in every other case."

(vi) Page 15—

omit lines 28 to 39.

(vii) Page 15—

after line 38 add:

"The limit afore-said shall be—

(ii) Rs. 22,500 in the case of every Hindu undivided family which satisfies at the end of the previous year either of the following conditions, namely:—

(a) that it has at least three members or more entitled to claim partition which are not less than eighteen years of age; or

(b) that it has at least three members to claim partition who are not lineally descended one from the other

[Pandit Thakur Das Bhargava]

and who are not lineally descended from any other living member of the family."

(viii) Page 17, line 4—

omit "Hindu undivided family".

(ix) Page 17—

for line 8, substitute:

"(1) on the first Rs. 20,000 of total income in the case of individuals and on the first Rs. 50,000—in case of Hindu undivided family. Nil".

(x) Page 17—

for line 8 substitute:

"(1) On the first 25,000 of total income....Nil".

(xi) Page 17—

after line 15 add:

"If the Hindu undivided family consists of two persons entitled to claim partition who are not less than eighteen years of age or who are not lineally descended one from the other and who are not lineally descended from any other living member of the family the limit specified in item No. (1) shall be double of the amount prescribed for the individual;

If the Hindu undivided family consists of three members or more and fulfils any of the conditions given in (a) the limit specified in item No. (1) shall be three times of the amount prescribed for an individual"

(xii) Page 17—

after line 16 add:

"Every Hindu undivided family shall for purposes of super-tax be regarded as partitioned on the last day of the preceding financial year and every coparcener shall be liable for super-tax on his own separate share."

(xiii) Page 17, line 39—

for "12½ per cent" substitute "10 per cent".

Mr. Speaker: All these amendments are before the House.

Pandit Thakur Das Bhargava: In regard to this matter, I had something to say while we discussed the previous Finance Act. So far as the Hindu undivided family is concerned, my first contention is that it ought not to be put in any category for taxation. When Shri Vignaneswara founded his Mitakshara or joint Hindu family theory, he never thought that the very way of existence of the Hindus would be pressed into service by the British Government and this Government into a scheme of discriminatory taxation.

17.12 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

I cannot understand the meaning of or justification for taxing the Hindu undivided family as such. You can tax an individual; you can tax a corporation. But the Hindu joint family is neither an individual nor a corporation. Only it is a way in which collectively Hindu families existed. In fact, the present co-operative system of insurance, which is to be found in varied forms now, was found by our ancestors to see that those persons who are not employed, who are deaf and dumb and who are not entitled to partition, but who are only entitled to maintenance, are provided in this way. Not only in this joint family, but there are other forms like zamindari, in which the entire village was one corporate body and they did the whole business jointly.

It was held as late as 1889 that there was no pure joint Hindu family in Punjab. It was found by the High Courts that a pure Hindu joint family did not exist. In the present age, the original idea of a Hindu joint family is not to be seen anywhere. We have passed laws in this House—the Estate Duty Act and the Hindu Succession Act—in which, though there is no

partition in the family, yet there is a notional partition and then each member, whose property is sought to be taxed is regarded as having separated notionally from the rest of the family. On that basis succession is taken out and estate duty is realised.

Previously in 1928 or so, the difficulty of regarding joint family as separate was felt. For a long time, this Estate Duty Bill was held up because of the fact that it was said then that it was impossible to allocate any particular property of the Hindu joint family and say whether it belonged to a particular member. But this difficulty was got over when we passed the Estate Duty Act. On the same basis, I may submit that, if the income-tax officer is asked to take it notionally that at the time when he makes the assessment the Hindu joint family is taken as partitioned for the purpose of income-tax, each coparcener will only be taxable to the extent of his share and there will be no harm caused to any person; there will be nothing but justice. But, it so happens that in spite of 28 years of strenuous struggle in this behalf, you have only succeeded partially. In 1948, a breach was made in the ramparts of orthodoxy so to say. I think Shri John Matthai raised the taxable limit so far as the Joint Hindu family is concerned. Next year, in 1949, he raised the limit to twice the amount. That was not also satisfactory. Then, the matter was referred to the Taxation Investigation Commission. They went into the question rather deeply and came to the conclusion that the hardship from which the Joint Hindu family was suffering was not removed by doubling the amount in certain cases. They said—I have the report with me; as I do not have the time to refer to the details, I refer to page 206, etc.—that where the number of members entitled to partition is four or more, the taxable limit may be raised to thrice the amount. Therefore, the present law is that whereas the limit for an individual is Rs. 4,200, if a joint Hindu family consists of two members who are entitled to partition, who are

beyond the age of 18 and belong to different branches of the family, Rs. 8,400 was the limit. In respect of a family having three or four or more than four, the taxable limit should be Rs. 12,600. That was the view.

This was not at all enough. If you look at a Joint Hindu family, you will see that apart from members who are entitled to partition, there are many who are not entitled to partition. They are only entitled to maintenance. If you tax a Joint Hindu family on the basis that the family is partitioned, even then, you are not doing justice, because you do not take into account those persons who are entitled only to maintenance. Ordinarily speaking, if there is a Joint Hindu family, it should not be on the basis of individual share that a person ought to be taxed. You have to give more concessions. In a family, there is co-operative insurance. Many people exist in the family, who are only entitled to maintenance from the income.

Apart from that, what is being done? If there is a family of ten persons, even then, Rs. 3,000 is the limit. Only in two cases, where the number of members is more than two and they are more than 18 years of age and they belong to different branches, the amount is raised to Rs. 6,000. So far as other incidents are concerned, these are the same for an individual and a family. It needs no argument that an individual as a part from the family is much smaller. The whole is greater than the part if we accept the propositions of Euclid. A joint family must consist of at least two persons. It cannot consist of one person. Then, there is only an individual, not a Joint Hindu family. Therefore, at least there must be twice the amount if you want to proceed on the basis of equality.

May I humbly ask this House to consider article 14 of our Constitution? We must have equality in taxation. Every person must be equal before the law. In our anxiety to get as much money as possible, we forget this basic fact. As a matter of fact, even if there

[Pandit Thakur Das Bhargava]

are six persons or more, in a Hindu joint family even labourers will be taxed. Persons getting Rs. 50 a month will be taxed. I do not think that that is the intention of the Finance Minister: that is, to tax such people. Perhaps, the hon. Minister thinks that they are rich people. That is not so. Normally every Hindu family is presumed to be joint, according to law. Therefore, every family whether it consists of labourers or agriculturists or any others, comes within the purview of a Joint Hindu family, and thus within the mischief of this rule.

I will not take much of the time of the House. From 1928, we have been asking the Government to consider the position. The predecessors of the Finance Minister, Blackett, Schuster, Liaquat Ali, all realised that there was a great hardship. Ultimately, they told us that until the Taxation Enquiry Commission sits, we are not going to change it annually. They said that at the time of the Finance Bill, they are not able to make any change. They referred the matter to the Taxation Enquiry Commission. I appeared before the Taxation Enquiry Commission. The Taxation Enquiry Commission also did not decide this question. They have put in their report that they are not competent to express any opinion. But the Hindu law is there and the Succession Law is there. Then, even though they have not expressed any opinion, all the same they have accepted the recommendations of the taxation Investigation commission and they recommended that the limit should be thrice or twice according to the number of the members of the Hindu undivided family.

I can understand the anxiety of the Finance Minister to get as much money as possible for the Five Year Plan and I am so minded that whatever amount he asks, I am agreeable to subscribe, to give my signature to it because we want that the Five Year Plan should succeed. But, at the same time, where is the meaning in sacrificing all principles of justice, in shedding all principles which we have

considered to be very important like equality of taxation etc.? I can understand your taxing more. If you tax more the entire community, I will grant it. But what is the sense in taxing only a particular group? Why this discrimination? Why tax the joint Hindu family more? Does the Finance Minister want to liquidate all joint Hindu families? After all, it is a matter of principle. If I get Rs. 1,000 a month, I should be treated as any other gentleman, who is a non-Hindu, who is getting the same amount. Why should you tax me alone? This is very unjust. You should not keep this law.

Now, by one stroke of the pen, the hon. Minister has taken away all the rights which we have achieved after 28 years of struggle in this House. I am saying this on the basis of principle, not by way of concession. I do not want any concession for the joint Hindu family. I am only saying that the joint Hindu family is entitled to as much rights as any other family or individual persons living together. I am not getting any concession. I am pained to say that everytime I rise up and say there is a breach of principle of equality you say: he is speaking of Hindu joint family. But what is a Hindu joint family? Is it not entitled to the same justice as any other individual? That is my difficulty. Now it is after 28 years of struggle that we got this. The hon. Finance Minister now just by a stroke of the pen decides against it. He is so anxious to get money that even unjustly, at the stroke of the pen, he decides against it. My humble submission is that this is not the way of enacting laws.

After all, a concession has been given. Those principles were accepted, not by this House alone, but by the Taxation Enquiry Commission, on whose recommendations the entire tax structure is based. Now what is the reason for taking it away?

Now, with your permission, I would like to take two more minutes. I do not want to move the other amend-

ments, as they are covered by my speech. I will not move them so as to see that more time is not taken. I am now referring to amendment Nos. 93 to 99. They relate to super-tax. As you know, a difference had been made in the case of super-tax between individuals and joint Hindu families. Whereas in the case of individuals the taxable limit was Rs. 50,000, in the case of the joint Hindu family it was Rs. 75,000. The same concession was shown in regard to the Wealth-tax Bill; instead of Rs. 3 lakhs, they made it Rs. 4 lakhs. They have fixed this limit because a joint Hindu family cannot consist of less than two members. The Income-tax Investigation Commission were of the opinion that super-tax should not be charged on the same basis as that of individual. If there are ten members in a joint family and if the income is Rs. 20,000 if you charge super-tax, what is the sense in it? Therefore, my humble submission is that on the basis of equity alone, they should be exempted from super-tax. If Government is progressively increasing it in the case of the rich by saying: if there are two, then double, if there are three, then treble and so on, I don't mind because it will apply only to the rich people. But my humble submission is that he has included joint Hindu families which get much less income. Now a concession has been provided—section 14. I say, take away your concession. It applies only to the richer people. It does not apply to people who are poor. I am pleading for the poor people, whose income is much less, who cannot make both ends meet. This will apply to them only. It will apply to people who have much less income. I only say that so far as these poor people are concerned, they may be given some respite on the basis of equality and justice, which is the right of everybody. Otherwise, I do not understand what the position of the joint Hindu family will be. Now their position is very pitiable and their woes are numberless.

I may, in this connection, submit that I applied to the President for per-

mission to bring forward a Bill, so that the joint Hindu family may be taken away from the category of taxable incomes. Even that Bill was not allowed to be moved. I was not granted permission. Here we come, and then they say: "This is the Finance Bill. We cannot consider it. Wait till the Taxation Enquiry Commission". The report of the Taxation Enquiry Commission is in our favour, and it is not accepted. The Commission also does not finally settle the question. It was said in the previous commission's report also that the matter would be taken up by the next commission. From 1886 onwards this injustice is being perpetrated and nobody is here to understand or to see the justice of our case.

Whenever I spoke, the previous Finance Minister used to say about this Hindu undivided family that it was a huff (HUF). He used to say he could not consider it because it was the time of the Finance Bill. The present Finance Minister has also taken up that attitude. If he takes up that attitude and brushes aside all this, let him do so, but let him give me the assurance, the guarantee, that he will appoint a committee to go into the entire question now since those laws relating to Hindu family customs have been finalised. The Hindu Succession Bill and the other Bills have been finalised, and he must go into the matter. It is no use merely brushing it aside because it is the Hindu joint family and they can afford to behave as they like. It is not fair. If he gives that assurance that a committee will go into the matter and if it is found that we ought to be treated just like ordinary individuals, I will not have a word to say. My humble submission is that a great injustice is done in the name of justice on the Hindu joint family. The Hindu joint family is not a taxable unit, it is a social unit.

17.26 hrs.

Shri Prabhat Kar: My amendment is:

Page 14, line 9; for "Rs. 3,000" substitute "Rs. 4,200".

[**Shri Prabhat Kar**]

My amendment is to increase the limit from Rs. 3,000 to Rs. 4,200.

When the hon. Finance Minister was replying in the Rajya Sabha, he said:

"It is not that I have thought of inflicting this penalty of Rs. 36 on the person who gets between Rs. 3,000 and Rs. 4,200, but it is because I think that this is the way in which we can broaden the tax structure and rope in a number of people who will not be in the area we are thinking of."

He said that he does not want to inflict a penalty of Rs. 36 on the lower income group. Now, these persons with an annual income between Rs. 3,000 and Rs. 4,200 will automatically belong to the lower middle class whose monthly income will be to the tune of Rs. 250 to Rs. 300. Even if the hon. Finance Minister does not agree that they do not belong to the lower middle class or the common people, I think he cannot deny that today with a paltry amount of round about Rs. 300 it is extremely difficult to meet the family commitments. The amount of Rs. 36 which he wants to slice off from the income...

Shri T. T. Krishnamachari: Rupees eighteen.

Shri Prabhat Kar: For the married he means, but still there are unmarried persons with family commitments. It is not only married people that have family commitments. Today the structure of our families is such that unmarried people also have got family commitments. This Rs. 36 is really a penalty.

It is amusing to note that while a person who was getting Rs. 24,700 yearly as salary and was paying 3,038 as income-tax will, as a result of this decision, pay Rs. 1,842 and a person who was getting Rs. 24,200 and was

paying Rs. 2,725 will now pay Rs. 1,756, while a person who was not paying any income-tax at all and is, I must say, on the starvation level with an emolument of Rs. 300 a month, will have to pay Rs. 36, and yet the hon. Finance Minister says he has no desire to inflict a penalty on these persons. When the limit was raised from Rs. 3,600 to Rs. 4,200, the then Finance Minister said:

"The change proposed will have the effect of taking away a little over 70,000 assessments out of a total of nearly 8 lakhs. The loss in revenue is estimated at Rs. 82 lakhs, of which the Central share will be about Rs. 40 lakhs. I feel that in the long run, this loss to the exchequer would be more than offset by the improvement of the income-tax collections."

Today, as a result of the Rs. 3,000 limit, the additional number of assessee for the year, as it is estimated, is to the tune of 4 lakhs. The number will increase by about one lakh in each subsequent year. Apart from the administrative difficulty, if these four lakhs of assessee are to submit returns of their income, then 24 lakhs of foolscap size of paper would be required, and four sheaves of cover leaves, one for the income-tax officer and three for the other officers, would be required. This would mean a colossal wastage of stationery and postage and human labour which could easily be utilised for recovering the amount of tax that is being evaded. The estimated maximum revenue will be to the tune of Rs. 1.4 crores. It is not known what exactly will be the net position. But yet it will have a psychological effect on the common people, if the limit is raised to Rs. 4,200.

Whether the Finance Minister agrees or not, the prices of the daily necessities of life are very high today.

Mr. Deputy-Speaker: These arguments have been advanced already.

Shri Prabhat Kar: I am talking about people at the lower middle class level.

Mr. Deputy-Speaker: All the same, those arguments have been advanced already.

Shri Prabhat Kar: I would only point out that it will have a very great psychological effect, if the Finance Minister, instead of reducing the limit to Rs. 3,000 raises it to Rs. 4,200 and utilise the energy required to recover these Rs. 1.4 crores of revenue to pursue the big tax evaders. If that is done, I am quite sure that the revenue of Rs. 1.4 crores which the exchequer will lose will be offset by the increased revenue from the big tax evaders.

I would, therefore, request the Minister to think in terms of raising this limit to Rs. 4,200 in view of the existing price structure today.

Mr. Deputy-Speaker: Is it the pleasure of the House that we should sit a little while longer and finish the First Schedule?

Some Hon. Members: No.

Shri C. D. Pande: We can finish all the amendments now.

Mr. Deputy-Speaker: We have exhausted all the time that we had even for the third reading. We are just encroaching upon the time.

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): The House must be informed that there are only 14 minutes left. Either they sit for 14 minutes more today, or they sit for 14 minutes tomorrow.

Mr. Deputy-Speaker: All right. If the House so desires that it will finish it in 15 minutes tomorrow, then I adjourned the House till 11 A.M tomorrow.

Shri C. D. Pande: The third reading should be a formal thing.

17.34 hrs.

The Lok Sabha then adjourned till Eleven of the clock on Wednesday, the 28th August, 1957.

[Tuesday, 27th August, 1957]

ORAL ANSWERS QUESTIONS	TO 10145-82	S.Q. No.	Subject	COLUMNS
S.Q. No.	Subject	COLUMNS		
1208 National Institute of Basic Education	10145-47	1218	Hire-Purchase Sales Corporation	10184
1209 Rupkund Remains	10147-49	1225	Public Service Commission for Tripura	10184-85
1210 Bye-Elections	10149-51	1233	Allocation of Iron and Steel	10185
1212 Private Schools in Delhi	10151-52	1234	West German Technical Mission	10185-86
1215 Income-tax	10152-55	1235	State Social Welfare Advisory Boards	10186
1216 Ex-Rulers of Indian States	10155-57	1239	Employment Office for the Blind at Madras	10186-87
1219 Egyptian Air Force Personnel	10157-58	1240	Committee on Indian Companies Act	10187
1220 Southern Zonal Council	10158-60	1241	Re-employment of Ex-convicts	10187-88
1221 Caltex Oil Refinery	10160-62	1242	Defence Stores	10188
1222 Jerricans	10162-63	U.S.Q. No.		
1223 Coal Production in Singapore Collieries	10163-65	926	Writ Petitions	10189
1224 Engineering College at Durgapur	10164-67	927	Gold Smuggling	10189
1226 Indian Music in Defence Services	10167-68	928	Development of Science and Technical Education	10189
1227 Grants to Rural Colleges in West Bengal	10168-70	929	Excise Duty	10189-90
1228 Institutions for the Handicapped	10171	930	Birth Anniversary of Shakespeare	10190
1229 National Savings Advisory Committee	10171-73	931	Income Tax Evasion	10190-91
1231 Primary Education in Cantonments	10173-75	932	English at University Stage	10191
1232 Offer to Indian Youths to Study in Denmark	10175-76	933	Admission of Territorial Army Personnel to Military College	10191
1236 Boot Manufacturing Plant	10176-74	934	Enrolment in Territorial Army	10192
1237 Participation of Indian Teams in Foreign Sports Meets	10179-81	935	Grants for Secondary Education	10192
1238 Strike at Air Force Department Jamnagar	10181-82	936	Poppy Cultivation in Punjab	10192-93
WRITTEN ANSWERS TO QUESTIONS—		937	Institute of Armament Studies Kirkee	10193-94
S.Q. No.	10182-210	938	Octroi Duties	10194
1211 Bangalore Aerodrome	10182	939	Delhi Police	10194
1213 Political Sufferers	10182-83	940	Manipur Conspiracy Case	10195
1214 West German Technical Scholarships	10183	941	Central Special Staff	10195
1217 Central Committee on Prohibition	10183-84	942	Youth Camps	10195-96
		943	New Collieries in Bihar	10196

[DAILY DIGEST]

WRITTEN ANSWERS TO
QUESTIONS—(contd.)

COLUMNS

U.S.Q. No.	Subject	COLUMNS	
944	Import of Steel	10196	CALLING ATTENTION TO MATTER OF UR- GENT PUBLIC IMPOR- TANCE— 10211—14
945	Merit Scholarships in Public Schools	10197	Shri S. V. Ramaswamy called the attention of the Mi- nister of Railways to the explosion of a wagon loaded with crackers at Kadapadi Junction Southern Railway on the 21st August, 1957. The Deputy Minister of Railways (Shri Shah Nawaz Khan made a statement in regard thereto) .
946	Solicitor to the Govern- ment of India	10197-98	
947	State Bank of India	10198-99	
948	Soft Coke Prices	10199—10201	
949	Catering Arrangements in Central Government Office	10201-02	BILL UNDER CONSI- DERATION— 10216—366
950	Muslim Soldiers of of U.N.E.F.	10202	Further discussion on the motion to consider the Finance (No. 2) Bill, continued. The motion was adopted and the clause by clause consi- deration was taken up. Clauses 2, to 5, 7, 9 to 11 and 14 were adopted as amended.
951	Grants to State fo Scheduled Castes	10202-03	Clauses 6, 8, 12, 15 and new clause 16 were adopted.
952	Income Tax Arrears	10203-04	Consideration of the First Schedule was taken up and not concluded
953	Assistant Superintendent among Scheduled Cas- tes	10203-04	AGENDA FOR WEDNES- DAY 28th AUGUST 1957
955	Political Sufferers	10204	
956	Colombo Plan	10205	
957	Central Man Power Directorate	10205-06	
958	Aid to Madras for Em- ployment Schemes	10206-07	
959	Achal Trust, Agra	10207-08	
960	Union Catalogue of Books and Journals	10208-09	
961	Gold Smuggling	10209	Further consideration and passing of the Finance (No. 2) Bill and the consi- deration of the Wealth Tax Bill as reported by Select Committee
963	Mine Managers	10209-10	
965	Deposits for Electron Petitions	10210	