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**LOK SABHA SECRETARIAT
NEW DELHI.**

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N. B.—The sign + above a name of a Member on Questions, which were orally answered, indicates that the Question was actually asked on the floor of the House by that Member.

10371

10372

LOK SABHA

Wednesday, 28th August, 1957.

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Industrial Estates in Punjab

*1243. **Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that some Industrial Estates are going to be set up in border districts of Punjab during the Second Five Year Plan period;

(b) if so, whether their location has been finalised.

(c) whether any of these will be set up in Gurdaspur District; and

(d) if so, the details thereof?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) & (c) Yes, Sir. One Industrial Estate at Batala in Gurdaspur District.

(d) A statement is laid on the Table of the House. [See Appendix III, annexure No. 117].

Also schemes of Industrial Estates for Patiala, Ludhiana, Malerkotla and Bahadurgarh have also been approved.

Shri D. C. Sharma: May I know what type of industries will be established at Batala, and if any scheme for that has been formulated?

Shri Manubhai Shah: The scheme has been completely formulated. The whole description is given in the statement. It will be workshops of two types and some engineering industries.

Shri Ranga: What is the special reason why these border districts have been selected for this purpose?

Shri Manubhai Shah: No, it was not a selection in that way. The Punjab Government selected five places in the Punjab. Batala happens to be on the border.

Shri Thimmalah: May I know whether the proposed 25 industrial estates have also been set up?

Shri Manubhai Shah: About 50 big and small estates have been approved, and it is our endeavour to see that by the end of this year at least 25 are set up.

Shri Yajnik: Has the estate to be started at Udhna in Surat been dropped?

Shri Manubhai Shah: It is not dropped; it is under consideration.

Bettiah Refugee Camp

*1244. **Shri Bibhuti Mishra:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) the number of refugees who had deserted earlier and who later returned to Bettiah (Distt. Champaran, Bihar) camp from May to 15th July, 1957; and

(b) the steps taken so far by Government for their rehabilitation?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) Out of 11,478 persons

who had deserted, 9,291 persons have already returned to Betnah

(b) The deserter families will be rehabilitated along with the other inmates of the camp in the schemes already sanctioned or likely to be sanctioned in the near future

श्री विभूति मिश्र मैं जानना चाहता हूँ कि इन रिफयुजियों को काम देने के लिये क्या सरकार बेतिया में कोई कपड़े की मिल खोल रही है ?

श्री मेहरचन्द खन्ना हमारे पास दो किस्म की आबादी है। एक तो वह हैं जो देहात हैं, दूसरे वह हैं जो शहरी हैं। देहात वालों का तो इरादा है जमीन पर बसाने का, और शहर वालों के लिये कोई न कोई काम निकालना पड़ेगा, चाहे स्माल स्केल इंडस्ट्रीज हो चाहे कार्टेज इंडस्ट्रीज हो कुछ न कुछ चीज खोलनी पड़ेगी।

श्री विभूति मिश्र मैं जानना चाहता हूँ कि बेतिया में जो रिफ्यूजी हैं जिन को बंगाल के कम्युनिस्ट वगैरह भडकाते हैं, उनको सात्वना देने के लिये सरकार ने क्या किया है ?

श्री मेहरचन्द खन्ना यह तो आप बिहार सरकार से पूछिये या कम्युनिस्ट पार्टी से, मैं इसका क्या जवाब दे सकता हूँ ?

Shri A C Guha May I know what has happened to the remaining 2000 who have not yet returned to Betnah?

Shri Mehr Chand Khanna: I have said that most of them have already returned. A small trickle is still going on.

Muslim Evacuees in Assam

*1247. **Shri Amjad Ali:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state

(a) whether it was decided by the Nehru-Liaquat Ali Pact that the 1950

riot-affected Muslims who went over to East Pakistan from Assam would obtain compensation on their return for the lands occupied by persons other than rightful owners at the instance of Government, and

(b) if so, the total amount of compensation paid upto-date and the areas in Assam where such compensations were paid?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) No. According to the Prime Ministers' Agreement of April 1950, (i) rights of ownership in or occupancy of immovable property of a migrant were not to be disturbed and (ii) such property was to be returned to the returning migrant if he had returned to his native place before 31st March, 1951.

(b) Does not arise.

Shri Amjad Ali: According to the answer given to (a), are there many who are struggling to get back their lands in Assam?

Shri Mehr Chand Khanna: According to my information, practically everyone who had left Assam has returned. Possibly there may be about 80 cases out of 2000 and odd in which the land may not have been restored as yet. Practically, everyone has been restored his holding.

Shri Amjad Ali: Were they paid anything by way of compensation or solatium or anything on their return to Assam to rehabilitate themselves?

Shri Mehr Chand Khanna: Yes. The Government of India gave them both grants and loans. In the case of grants, the figure is round about Rs 24 lakhs, and in the case of loans, it is round about Rs 38 lakhs. This applies to Assam, Tripura and West Bengal.

Shri A. C. Guha. May I know what has happened to the other part of the Nehru-Liaquat Ali Pact, that is, the provision regarding properties to be

restored to any Hindu migrants who might have returned to East Bengal?

Shri Mehr Chand Khanna: Not many have returned to East Bengal, as far as I know. In this connection, the attitude of the Government of Pakistan has neither been very helpful nor sympathetic.

Shri Amjad Ali: In what condition are the cases of the 80 persons referred to by the hon. Minister, struggling to get their lands back?

Shri Mehr Chand Khanna: There is no question of struggling. We have done our level best to implement the Pact entered into by our Prime Minister. I said only a very few cases are left. I can assure the hon. Member that I will take up the matter with the State Government and see that whatever possible can be done shall be done.

Shri A. C. Guha: Is it true that in 1950-1951, quite a number of East Bengal migrants actually returned to East Bengal, and they were not restored their properties so they have had to come back here again?

Shri Mehr Chand Khanna: I have no information at the moment. If notice is given, I will certainly collect the information.

Shri Raghunath Singh: It is a fact

Sardarnagar Colony

*1248. **Shri Yajnik:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether it is a fact that the 1200 tenements built for displaced persons at Sardarnagar Colonies near Ahmedabad were overvalued at Rs. 4,200/- each and the said sum and rent arrears charged for the same tenements were deducted from the compensation due to them;

(b) whether it is a fact that an auction of tenements held on the 8th January, 1957 brought the highest bid of Rs. 1,000 per tenement which was deemed unacceptable by Government and a later auction held on the 18th

May, 1957 did not bring any bidders at all; and

(c) whether Government propose to take any action in these circumstances?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) No. The valuation of all tenements is done by a special engineering staff on the basis of expenditure incurred on the construction of houses and the development and acquisition of land. It is the normal practice to deduct the actual cost of the tenements as calculated by that technical staff and the arrears of rent, from the compensation due to the allottees concerned.

(b) No. The highest bid received in the auctions held from the 8th to the 14th January, 1957 was Rs. 3,500/-. In the auctions held in May, 1957, the highest bid received was Rs. 3,835/-.

(c) No.

Shri Yajnik: May I know if these refugees have been staying in these very houses allotted to them, and the rents charged to them for a long time past have not been deducted from the amount now to be recovered from them?

Shri Mehr Chand Khanna: That is not possible under our compensation rules. All dues have to be adjusted, including both loans and cost of houses and rent, before any compensation is given. If any particular case is brought to my notice, I shall be glad to look into it.

Shri Yajnik: I am asking why the rent that has already been paid on the same houses for a long time past has not been deducted from the amount to be recovered?

Shri Mehr Chand Khanna: The rent is remitted according to applications received at different times. The last date is, I think, October 1955. After that we are not charging any rent for an allotable property which is going to be adjusted under the compensation scheme.

Shri Yajnik: Have any electric light and sewage facilities been accorded to the refugees?

Shri Mehr Chaud Khanna: As regards development, the following amenities are provided Roads, water supply, electric street lighting, open storm water drains and arboriculture

Oil-Seeds

*1249. **Shri M. B. Thakore:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total output of our oil-seeds during 1956-57;

(b) which State produces more;

(c) how many factories were opened in the First Five Year Plan to refine Castor and other oils in the country, and

(d) whether Government have any proposal to open new factories in Gujarat?

The Minister of Industry (Shri Manubhai Shah): (a) The output of major oilseeds, namely, groundnut, mustard sesamum, castor and linseed in 1956-57 was estimated at 60.3 lakh tons;

(b) A statement giving the state-wise production of major oilseeds is placed on the Table of the House [See Appendix III, Annexure No 118]

(c) and (d) Two in the First Plan Six factories have been licensed in the Second Plan period upto-date of which one is in Gujarat?

Shri M. B. Thakore: May I know whether the productivity of oilseeds is decreasing year to year?

Mr. Speaker: In a particular State or all over India?

Shri M. B. Thakore: All over India

Shri Manubhai Shah: It varies from year to year Last year it was 5.7

million tons and this year it is 6 million tons It has increased. It is true that year before last it was 6.2 million tons It has always been our endeavour to see that more and more is produced in the country

Shri M. B. Thakore: Is it a fact that the prices paid to the agriculturists are less compared to the previous years?

Shri Mannbhai Shah: No, Sir The present prices are quite reasonable and favourable.

Shri P. R. Patel: May I know whether oilseeds are not produced in North Gujarat because the market reading is not given in North Gujarat but the markets are given only in Ahmedabad and Bombay?

Shri Manubhai Shah: The oilseeds are produced all over the country The hon Member seems to be referring to the forward market Forward market centres are not given for each district but given to a major oil-producing area only Ahmedabad being the main market area for all the neighbouring oilseeds areas in Gujarat, that has been selected for the forward market and not the normal markets which are prevalent everywhere

Pandit K. C. Sharma: What is the value of the exports of oilseeds?

Shri Manubhai Shah: Oilseeds are many If the hon Member indicates the particular oilseed like groundnut or castor, I will answer

Pandit K. C. Sharma: Mustard

Shri Manubhai Shah: Mustard oil, it was 819 tons in 1955 and 286 tons in 1956

Shri R. Ramanathan Chettiar: May I know what is the output of groundnut and how much of it was exported?

Shri Mannbhai Shah: As the House is aware, we are not allowing the export of groundnut oil because it is an edible oil requirement for the country The production has been

steadily increasing from 2 million tons to 2.4 million tons of groundnut seeds.

Shri Mohiuddin: With reference to part (c) of the question, may I ask that in view of the increasing number of jet planes whether Government is taking any action for producing refined castor oil of that grade and quality which is required for jet planes?

Shri Manubhai Shah: That stage has not yet come. We are certainly producing castor oil and the refined oil of our refineries are being used for what is called the chemical and plastic industry based on castor oil as well as the castor oil required for lubricating motor vehicles and vehicular parts.

Jute Goods

*1250. **Shri Bishwanath Roy:** Will the Minister of Commerce and Industry be pleased to state whether India has got a demand of jute goods from any country where these were not supplied before?

The Minister of Commerce (Shri Kanungo): Since 1954 there has been demand for jute goods from four countries which did not take any such goods before, namely, British Cameroons, Faroe Islands, South Korea and the U.S.S.R.

Shri Bishwanath Roy: May I know the value of the goods exported to these countries till now?

Shri Kanungo: It was not very much in 1956. I suppose, to British Cameroons, it was 8 tons, to Faroe Islands, 15 tons, to South Korea, 19 tons and to USSR 13,708 tons.

Shri Bishwanath Roy: May I know the value?

Shri Kanungo: I have not got the value.

Shri E. Ramanathan Chettiar: How much of jute goods earn foreign exchange and out of that how much do we earn by way of dollars?

Shri Kanungo: The total exports of jute goods was 868,400 tons to all destinations. I have not got the break-up for various currencies. I will answer if a specific question is put.

Shri S. M. Banerjee: May I know whether production of jute goods in India has fallen down with the closure of certain jute mills and, if so, what action is being taken to step up production?

Shri Kanungo: The total export demand has dropped a little bit and, therefore, the production has also dropped. There have been closures of 4 mills and the Government of Bengal is investigating into the matter.

Shri Ranga: What is the latest position of our exports to USSR and at what price do we sell; whether it is at foreign parity price, or a bit higher or lower?

Shri Kanungo: The USSR have just come into the market, only in 1956. Their demands have increased in 1957. I have not got the prices with me.

श्री मिश्री मिश्र : मैं जानना चाहता हूँ कि किस देश गुड़्स जो बाहर भेजा जाता है उसकी भारतीय रुपये में कितनी कीमत है ?

Shri Kanungo: I said in reply to an earlier question. I have not got it.

Central Aid to States

*1251. **Shri Sarju Pandey:** Will the Minister of Planning be pleased to state:

(a) the amount of money to be provided to each State during five years by the Centre for implementation of the schemes under the Second Five Year Plan;

(b) whether the Government of Uttar Pradesh have demanded more money to implement the schemes; and

(c) if so, the amount asked for?

The Parliamentary Secretary to the Minister of Labour Employment and Planning (Shri L. N. Mishra): (a) The amount of Central assistance towards State Plans is determined from year to year and not for the five year period as a whole,

(b) and (c) It is not possible to give this information as on details of central assistance for implementing various programmes there is great deal of correspondence between the Central Government and the States. Wherever necessary, outstanding questions are settled by discussion.

श्री सूरज ठि श्री सम्पूर्णानन्द का स्टेटमट माननीय मंत्री ने देखा है या नहीं जिसमें उन्होंने यह कहा था कि सेंटर को सरकार पूरा पैसा नहीं दे रही है इस लिये हम दूसरा पंचवर्षीय योजना का कार्यक्रम पूरा नहीं कर सकते ?

श्री ला० ना० मिश्र हमने उस बयान का कुछ दिन पहले देखा था। उसमें यह तो नहीं कहा गया है कि सेंट्रल सरकार मदद नहीं दे रही है। सन् १९५७-५८ की उ० प्रदश की योजना ५२८ करोड़ की है और उमम केंद्र को ३२५ करोड़ देना है और उसे देना जो वचन दिया गया है वह पूरा किया जायगा।

Shri Nagi Reddy. May I know whether it is a fact that the allotment to the Andhra for industries and transport is less than 2 per cent of the total estimated expenditure of the Five Year Plan?

Shri L. N. Mishra: How does it arise from this question?

Shrimati Tarkeshwari Sinha: May I know how much aid was given in the shape of grants and loans to different State Governments and how much of that amount was not spent by the State Governments?

Shri L. N. Mishra That is a general question and I am not in a position to

state about State Governments at this moment

Shrimati Tarkeshwari Sinha: The hon Minister said that the amounts are determined from year to year. One year of the Second Plan Period has passed. May I know what amount was given in the shape of loans and grants and what amount has not been spent?

Shri Nagi Reddy: Just now the Parliamentary Secretary said that my question does not arise out of this. The first part of the question is about the money to be provided to each State under the Five Year Plan. Therefore, my question

Mr Speaker. So, what has not been provided for can be asked? The hon Member is going to what has not been provided

Shrimati Tarkeshwari Sinha: My question has been answered

Shri Nagi Reddy It comes out of the amount of allotment. I want to know whether it is a fact that 2 per cent and less than 2 per cent is allotted to a large and important State

Mr Speaker The hon Member must read both parts of the question. One hon Member tabled a question asking for what amount has been allotted, and not why less than a certain amount has been allotted. The hon Member instead of putting a question himself catches hold of a question which some other Member has put and puts a supplementary. If he is interested let him come forward with a question of his own and get the proper reply.

Shrimati Tarkeshwari Sinha: My question has not been replied

Shri Feroze Gandhi. Has the attention of the Minister for Planning been drawn to a statement issued by Dr Sampurnanand, Chief Minister of Uttar Pradesh, wherein he has stated—he has repeated that statement twice—that the grant to Uttar Pradesh

has been substantially deducted or the Central Government intend to deduct it? The hon. Parliamentary Secretary has just now answered that there is no intention of deducting any amount from the original amount of Rs. 32.8 crores. Is that the position?

The Deputy Minister of Planning (Shri S. N. Mishra): Since there is so much of anxiety on the part of hon. Members, I would like to give some relevant figures. In this case the total Plan for U.P. in the year 1957-58 came to Rs. 52.8 crores, and the Planning Commission gave an indication in discussing with the State Government that the central assistance to be made available to the State Government would come up to about Rs. 32.8 crores, so that the balance resources to be made available by the State would come up to Rs. 20 crores. Later on the Finance Ministry indicated a certain figure which was of the order of about Rs. 24 crores. After some discussion here we came to a figure of Rs. 26 crores or so. That is the figure which is probably understood in the present context, but we want to stand by our assurances of going up to Rs. 32 crores if the expenditure in Uttar Pradesh justifies any increase in this amount of Rs. 26 crores.

Shrimati Tarkeshwari Sinha: Sir, I asked one question and the hon. Minister was about to reply. Meanwhile another hon. Member got up and asked some other question and my question still remains unanswered. Will you kindly request the Minister to reply my question?

Mr. Speaker: Let her repeat the question.

Shrimati Tarkeshwari Sinha: One year of the Second Five Year Plan has passed. The question is about the aid to be provided to the State Governments. I wanted to know what amount was provided for and how much of that amount was not spent in the first year of the Second Plan.

Mr. Speaker: I thought that it does not arise out of this question.

Shri S. N. Mishra: Since the report is coming very soon, I would ask the hon. Member to await it.

Shri C. D. Pande: The Parliamentary Secretary just now said that grants are made from year to year. Because the grants are made in relation to certain plans or schemes in the States, if those schemes are sanctioned, may I know where is the question of granting money from year to year? The money should be granted in relation to certain schemes and not from year to year.

Mr. Speaker: The hon. Member is referring to a matter of policy. This matter was discussed. The Plan as a whole is for five years and from year to year allotments are made.

Shri Nagi Reddy: May I ask one question?

Mr. Speaker: Order, order. Let hon. Members first of all dispose of the question that has already been put. Does the hon. Minister desire to answer that question?

The Minister of Labour and Employment and Planning (Shri Nanda): The schemes are for a five year period, but they make progress at different rates in the course of the five years. Therefore, the expenditure on a scheme in a particular year is related to the central assistance also. Therefore, that also is spread over a period of five years.

Vinay Nagar Colony

*1252. **Shri Sanganna:** Will the Minister of Works, Housing and Supply be pleased to refer to the reply given to Starred Question No. 645 on the 30th May, 1957, in respect of the Vinay Nagar Colony and state:

(a) whether the investigation has been completed; and

(b) if so, the result thereof?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) Yes, Sir.

(b) A Statement is laid on the Table of the House. [See Appendix III, annexure No. 119].

Shri Sanganna: What are the financial implications involved in removing the defects pointed out by the Chief Technical Examiner in the various categories of houses?

Shri Anil K. Chanda: In most cases the work of repairs to the quarters is being done by the contractors themselves.

Shri Sanganna: In the statement it has been mentioned that a departmental enquiry is going on in the matter. May I know the authority to which this enquiry has been entrusted?

Shri Anil K. Chanda: In view of the report submitted by the Chief Technical Adviser attached to the Ministry, a certain number of officers have been suspended. The departmental enquiry is going on in the matter.

Mr. Speaker: He wants to know what is the authority?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): May I add that by departmental enquiry is meant an enquiry by the department concerned, by the Chief Engineer and others under him.

Shri S. M. Banerjee: May I know whether some new quarters are being constructed for the Central Government employees and, if so, the number of such quarters.

Mr. Speaker: That is a different question altogether.

Shri Anil K. Chanda: A large number of quarters are under construction. If a separate question is put I will be able to answer.

Shri T. B. Vittal Rao: The hon. Deputy Minister said that some officers have been suspended. May I know when they were suspended and whether any subsistence allowance is paid to those officers?

Shri Anil K. Chanda: There are Government rules about suspension of officers. They will be entitled to subsistence allowance permitted under the rules.

Shri T. B. Vittal Rao: When were they suspended?

Shri Anil K. Chanda: About a month ago, after the report was received from the Chief Technical Adviser.

Chief Technical Examiner's Cell

1256. { **Shri Shree Narayan Das:**
Shri Bishwanath Roy:
Shri N. B. Munisamy:

Will the Minister of Works, Housing and Supply be pleased to state:

(a) the nature and extent of work so far done by the Chief Technical Examiner's cell;

(b) the method of selection of officers to man this cell; and

(c) whether any serious irregularities in the works constructed by the Central Public Works Department have so far been discovered by this cell?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) During the short period since its inception, the Chief Technical Examiner's Cell has inspected a number of Bills, Contracts, Muster Rolls and Works—apart from investigation of some allegations of irregularities. The details of Bills, Contracts, Muster Rolls examined and works site-checked are as under:—

Bills	..	46
Contracts	..	12
Muster Rolls	..	5
Works site-examined	..	61

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The over-payments discovered and provisionally assessed amount to about Rs. 1 lakh.

(b) The Officers for the Cell have been selected from amongst the senior officers of the Central Public Works Department on consideration of their ability and aptitude for technical examination of works.

(c) Yes, some irregularities have been noticed in certain works investigated by the Chief Technical Examiner's Cell in the Ministry.

Shri Shree Narayan Das: Arising out of answer to part (c) of the question, may I know the nature of irregularities that have been found and in what places?

Shri Anil K. Chanda: One of the cases was Vinay Nagar flats about which we have submitted a detailed note to the House. There was another case with regard to Lady Hardinge Medical College, and there are some other minor cases.

Shri Shree Narayan Das: In view of the fact that this Chief Technical Examiner's Cell has been created on the recommendation of the Public Accounts Committee to do technical audit, I would like to know whether this Cell is functioning subordinate to the Chief Engineer, Central P.W.D., or independent of him?

Shri Anil K. Chanda: This organisation is entirely independent of the Chief Engineer and is directly under the Ministry.

Shri Shree Narayan Das: May I know whether it is stipulated that on the creation of this Cell a certain percentage of works will be audited by this section?

Shri Anil K. Chanda: Yes, Sir; 10 per cent of the works is to be audited by this section.

Shri N. B. Munisamy: May I know whether the creation of this Cell will reduce the responsibility of the Central P.W.D. Officers?

Shri Anil K. Chanda: No, Sir; it does only technical examination of the works.

Recovery of Abducted Women

*1257. **Shri Raghunath Singh:** Will the Prime Minister be pleased to state whether it is a fact that the Chairman of West Pakistan Committee for Abducted Women has suggested an Indo-Pakistan Ministerial Conference and has also alleged that 50 thousand abducted Muslim Women are still in India?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): Such reports have appeared in the Pakistan Press, emanating from the Chairman of the West Pakistan Committee for Abducted Women—a non-official body. Such reports are factually incorrect.

श्री रघुनाथ सिंह : इस बात को देखते हुए कि पाकिस्तान ने कहा कि वेस्ट पाकिस्तान की पचास हजार औरतें अभी तक हिन्दुस्तान में एबडक्टेड हैं, मैं य जानना चाहता हूँ कि कितनी हिन्दुस्तानी औरत इस वक़्त वेस्ट पाकिस्तान में एबडक्टेड हैं ?

सरदार स्वर्ण सिंह : यह कहना कि पाकिस्तान ने ऐसा कहा है, वाकिफ नहीं होगा । पाकिस्तान के एक शहरो ने ऐसा कहा कि अगर हम ऐसी बात का हम पाकिस्तान सरकार को कहें तो वे जानना चाहते । इन बात का अन्तर्ज्ञा लगाना कि कितनी हिन्दु औरतें सिख बहने वहाँ रह गई हैं या इस वक़्त वहाँ मौजूद हैं, बहुत मुश्किल बात है ?

Pandit K. C. Sharma: In view of the long period and the reconciliation of the women to the situation, how long does the Government propose to continue the recovery of them?

Sardar Swaran Singh: The life of the present Act expires on 30th November, 1957, and at present there is no proposal to give it a fresh lease.

Shri Ranga: Is it not a fact that many more such unfortunate women were returned by us to Pakistan than what we were able to recover from Pakistan, and the percentage from our side of those people who had been returned to Pakistan is much greater

than the percentage that we could have claimed and we were not able to get?

Sardar Swaran Singh: It is very difficult to give firm percentages. But factually it is correct that over 20,000 women were recovered in India and sent across to Pakistan whereas the number of Hindu and Sikh abducted women and persons who were brought from Pakistan to India is roughly a little less than 10,000. These are the figures but to give them in terms of percentages bearing on the total persons involved is difficult. It is very difficult to give any firm percentage.

Shri A. C. Guha: Is it true that during the last three or four years persons are recovered only from this side and almost none has come from that side?

Sardar Swaran Singh: No, Sir. That will not be quite correct. Hindu and Sikh women have, during the last two or three years, been recovered from Pakistan also. Some of them have come over to India.

Shri A. C. Guha: May I know the number, for the last two or three years, on both sides?

Sardar Swaran Singh: These may be given, but at the moment I have not got those figures with me.

Shri D. C. Sharma: It was suggested that a fact-finding committee should be appointed to go into the whole question at the ministerial level or at the secretariat level. May I know if that committee was appointed and, if so, what work it has done?

Sardar Swaran Singh: Yes, Sir. Two high-powered officers who were entrusted with this work by the two Governments were asked to go into the question and to submit a report. They have not yet been able to submit a report.

हिमाचल प्रदेश में सीमेन्ट का कारखाना

*१२५८. श्री पद्म देव : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि हिमाचल प्रदेश में राजव. (पण्टा साहिब) में सीमेन्ट के लिये कच्चा माल प्रचुर मात्रा में उपलब्ध है और राज्य सरकार ने सघ सरकार से वहाँ सीमेन्ट का एक कारखाना खोलने का अनुरोध किया है ,

(ख) यदि हाँ, तो क्या सरकार का इस विषय में काइ कार्यवाही करने का विचार है; और

(ग) यदि उपरोक्त भाग (ख) का उत्तर नकारात्मक हो, तो इस के क्या कारण हैं ?

The Minister of Industry (Shri Manubhai Shah): (a) to (c) Adequate limestone deposits are reported to be available in Paonta Sahib, but they are very far from any Railway Communication. In December, 1955 an application from a party was received under the Industries (Development and Regulation) Act, 1951, for setting up a cement factory there. This was recommended by the State Government. As the Scheme involved construction of a railway link from Jagadhari to the proposed site, it is not within the range of immediate possibility. However efforts are continuing to find out whether a small sized cement factory using road transport for the movement of raw materials could become economic at that place.

Shri P. C. Bose: May I know whether limestone alone will be the raw material for cement or whether there are other minerals or materials necessary for cement production?

Shri Manubhai Shah: Gypsum and coal are also required but lime is the major component.

श्री हेम राज : मैं जानना चाहता हूँ कि क्या गवर्नमेंट की यह पालिसी नहीं है कि जो बैकवर्ड एरियाज हैं उनको उनके डिप्लेमेंट में तरजीह दी जाए, उनको प्रफ़ेस दिया जाए और इस वास्ते अगर किसी इंडस्ट्री को लगान के लिये किसी जगह पर रेल लाइन की जरूरत हो तो वह जल्दी से बना दी जाए ? मैं जानना चाहता हूँ, कि इस रेलवे लाइन को बनाने में क्या जल्दी की जायेगी ?

श्री मनुभाई शाह : गवर्नमेंट की यह पालिसी तो है कि जो बैकवर्ड एरियाज हैं उनके डिप्लेमेंट का प्रफ़ेस दिया जाए लेकिन उस कीम को हाथ में लेने के लिये बहुत ज़ादा पैसा खर्च करके रेल लाइन बनाना ज़रा मुश्किल है और उसको फ़िलहाल हाथ में नहीं लिया जा सकता है ।

Shrimati Tarkeshwari Sinha: May I know whether this scheme will be on a Government to Government basis or whether some private firms have approached the Government to open a cement factory there?

Shri Manubhai Shah: As I have indicated, a scheme was received from a private party and we considered it, but because of the railway communication we had to turn it down.

Shri T. B. Vittal Rao: May I know whether the limestone deposits there have been assessed and, if so, what is the quantity available?

Shri Manubhai Shah: There has not been a general assessment, but what I can say is, pocket assessments in different areas have been carried out and as a result of that, 31 new cement factories have been licensed all over the country.

Journalists' Wage Board

Dr. Ram Subhag Singh:
Shri Palaniyandy:
Shri Narayanankutty Menon:
Shri Prabhat Kar:
Shrimati Parvathi Krishnan:
Shri Yajnik:

Will the Minister of Labour and Employment be pleased to state:

(a) the position regarding the implementation of the recommendations of the Working Journalists' Wage Board by the newspaper proprietors;

(b) whether it is a fact that the interim stay granted by Supreme Court to the Express Newspapers (Private) Limited against enforcement of wage board decisions apply only to the employees of the above concern; and

(c) the action Government propose to take to ensure the implementation of the decisions by other newspapers which have not questioned the Act before the Supreme Court?

The Deputy Minister of Labour (Shri Abid Ali): (a) Our information is that while a few newspapers are implementing the decisions of the Wage Board, there are several which have not done so. We have no detailed information because the State Governments are primarily responsible for the administration of the Act.

(b) Yes.

(c) The State Governments and Union Territories have been requested to take steps to ensure that the newspaper establishments implement the decisions of the Wage Board, except those who may have obtained stay order from the Court.

I may add that amicable settlement has been reached between the parties at the instance of the Supreme Court during the course of the hearing of the petitions on 26th August, 1957 with regard to the payment of the current dues, as per the decision of

the Wage Board. It is hoped that this part of the decision of the Wage Board will now be speedily implemented.

Dr. Ram Subhag Singh: Is it true that the absence of finality for non-implementation of the decision of the Wage Board is slowing the process of implementation of that decision and, if so, may I know whether the Government propose to take any measure to cover that lacuna and set up an enforcing machinery for implementing that decision in consultation with the State Governments?

Shri Abid Ali: No, Sir. This is not the position.

Dr. Ram Subhag Singh: May I know whether the Government will make another effort to have a direct talk between the proprietors of the newspapers and the working journalists regarding the implementation of this decision?

Shri Abid Ali: As I have already submitted, the situation has now taken a favourable turn, and we hope that this part of the decision will be implemented, and whatever may be necessary in this regard we will do and also request the State Governments to take the necessary steps.

Shri Prabhat Kar: May I know whether, in view of the longstanding dispute, the Government is prepared to use its good offices to see that now, after the Supreme Court has vacated the interim stay on the Wage Board, this part of the decision is implemented?

Shri Abid Ali: Always.

Shri T. B. Vittal Rao and Shri Yagnik rose—

Mr. Speaker: Shri Yagnik. The hon. Members will look at the Order Paper and whenever an hon. Member who has tabled a question rises, the other hon. Members will kindly resume their seats.

Shri T. B. Vittal Rao: One name has been added later.

Shri Bimal Ghose: We looked at the Order Paper.

Shri Yagnik: May I know whether the Government will fix a time-limit of one month within which all the State Governments should be required to implement the compromise, so to say, that has been arrived at on the 26th August?

Shri Abid Ali: The State Governments could not implement this decision. It is for the employers to implement it, and the State Governments will be helpful wherever necessary.

Shri Narayanankutty Menon: In view of the fact that the penal provisions in the Wage Board decision are so inadequate to compel the implementation of the award by the newspaper owners, may I know whether the Government will consider the question of revising the main provisions of the Bill so that much more authority is made available and the decisions put through quickly?

Shri Abid Ali: This question was in dispute, and therefore, the parties went to court. A stay order was obtained. Now, as I have submitted, the situation is much hopeful for the employees. All those assumptions do not arise at this stage.

Shri T. B. Vittal Rao: May I know with regard to the payment of arrears, whether the Ministry has given up its effort to bring an out-of-court settlement?

Shri Abid Ali: These parties have now arrived at a settlement in the court itself, and the case is fixed for the 29th October.

Shri T. B. Vittal Rao: With regard to the arrears.

Shri Abid Ali: With regard to the arrears, the parties have come to a settlement that they will not claim at present, and the employers have agreed to pay the current dues.

श्री अश्वत्थ वर्मान : श्री माननीय मंत्री जी ने बताया कि वेज बोर्ड के निणयों को कार्यान्वित करने का भार प्रांतीय सरकारों को दिया गया है। मैं जानना चाहता हूँ कि क्या प्रांतीय सरकारों से अनुरोध किया गया है कि प्रतिमास या प्रत्येक दो मास में इसकी प्रगति के बारे में एक रिपोर्ट केन्द्रीय सरकार को दिया करें ताकि स्थिति मालूम होती रहे ?

श्री आशिष घनी : यह मुनासिब नहीं कि उनसे कहा जाए कि वे हर महीने रिपोर्ट दिया करें। उनसे अर्ज कर दिया गया है कि इस बारे में मुनासिब कार्रवाई वे करे और जल्दी इस कार्रवाई को करें। जब कभी जरूरत महसूस होगी तो रिपोर्ट मंगाई जायेगी।

Dr. Ram Subhag Singh: May I know whether there is any proposal before the Government to put the decisions of such a Wage Board and tribunals beyond the jurisdiction of the Supreme Court?

Shri Abid Ali: That is amending the Constitution. At present, there is no such proposal.

Indian Delegation to Western Countries

*1259. **Shri J. R. Mehta:** Will the Minister of Commerce and Industry be pleased to state whether the delegation of Indian Industrialists visiting Western Countries in September next in order to stimulate foreign collaboration in India's industrial development through capital participation as well as supply of machinery on deferred payment, have been given an indication of the Government's mind as to the terms on which this capital participation and supply of machinery might be secured?

The Minister of Industry (Shri Manubhai Shah): They have been generally briefed on various points including those referred to by the Hon'ble Member, though any concrete proposals which may emerge will naturally have to be considered on merits.

Shri J. R. Mehta: May I know whether this delegation is expected to promote the interests of the public sector along with those of the private sector?

Shri Manubhai Shah: This delegation is composed of all the leading industrialists of the country and they have nothing to do with the public sector, development in which is proceeded with by the Government on a Governmental basis.

Shri J. R. Mehta: May I know what precautions, if any, have the Government taken to see that the efforts of this delegation, laudable as they may be, should not prejudice the interests of the public sector?

Shri Manubhai Shah: No, Sir. That really does not arise, because, under the industrial policy, schedules I, II and III have been clearly defined, and there cannot be an impingement of one sector on the other.

Shri Heda: May I know whether the delegation is keeping the Government in touch from time to time when it moves from one country to another?

Shri Manubhai Shah: It is purely a non-official delegation. There is neither necessity nor direction for the delegation to keep the Government informed from time to time. The delegation will give a report on the completion of its tour.

Shri Gajendra Prasad Sinha: May I know whether there is any representative of the small-scale industries included in this delegation and if not, why?

Shri Manubhai Shah: As the House is aware, this is a high-level delegation for large-scale industries. We are also sending many delegations for small-scale industries. For instance, another delegation has gone to West Germany specifically for the study and collaboration of small industries.

Shri B. S. Murthy: May I know whether our ambassadors are sending

any reports as to the activities of this delegation as and when the delegation goes to those countries?

Shri Manubhai Shah: It is purely a good-will mission going from country to country and if there is anything of importance and profitable to the country, the embassies do keep the Government informed.

नेता जी के भाषण

*१२६०, श्री भवन दर्शन : क्या सूचना और प्रसारण मंत्री १६ नवम्बर, १९५६ के तादित प्रश्न मर्यादा १६६ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) नेताजी सुभाष चन्द्र बोस के युद्धकालीन भाषणों के रिकार्ड जापान जर्मनी व भारत में प्राप्त करने का जो प्रयत्न किया जा रहा था, उस में आगे क्या प्रगति हुई है ; और

(ख) क्या ये भाषण उपयुक्त अवसरों पर प्रसारित किये जाते हैं ?

सूचना और प्रसारण मंत्री (डॉ. कनकर) (क) विवरण सभा की मेज पर रखा जा रहा है । [बिलिये पारेशिष्ट ३, अनुबन्ध संख्या १२०]

(ख) नेता जी सुभाष चन्द्र बोस के सम्बन्ध में जो प्रोग्राम बनेंगे उनमें उन रिकार्डों का इस्तेमाल किया जायेगा । जो भाषण पहले मिल चुके हैं उन में से कई एक का प्रयोग इसी प्रकार किया गया है ।

Shri B. S. Murthy: We want the English answer

Dr. Keskar (a) A statement is laid on the Table of the Sabha [See Appendix III annexure No 120]

(b) These records of Netaji will be used for broadcast in special programmes connected with him. Some of these speeches received earlier have already been so used.

श्री भवन दर्शन : इस विवरण के अनुसार जापान से उनके दो भाषण और भारत से पिछले भाषणों के ग्रंथ प्राप्त कर लिये गये हैं । मैं जानना चाहता हूँ कि क्या हम बात का पता लगा लिया गया है कि अब कोई ऐसा भाषण शेष नहीं है जिसको कि उपलब्ध न कर लिया गया हो ?

डॉ० कनकर : यह कहना तो बहुत मुश्किल है कि कोई ऐसा भाषण है या नहीं । पिछले कई साल से इस बारे में कोशिश की जा रही है और हाल ही में जो नेता जी के बारे में एक एनक्वायरी कमेटी गवर्नमेंट आफ इंडिया की तरफ से टोकियो गई थी, उसने तीन और छोटे छोटे रेकार्ड्स जापानी गवर्नमेंट की तरफ से हमें दिलवाये हैं और अब शायद ऐसा कोई रेकार्ड बाकी नहीं है ।

श्री भवन दर्शन : चूँकि नेता जी के त्याग और उनके साहसपूर्ण व्यक्तित्व की छाप अभी तक देश की करोड़ों जनता के ऊपर है, इस लिये क्या गवर्नमेंट यह व्यवस्था कर रही है कि उनके जन्म दिवस और मृत्यु-दिवस के अवसरों पर विशेष तौर से ऐसे भाषणों के सुनवाने की व्यवस्था की जाय ?

डॉ० कनकर : हा, यह जरूर किया जायगा ।

Shri Ansar Harvani: The Government of India have published a number of speeches of various leaders of this country, the Government of India propose to publish a collection of the speeches of Netaji?

Dr. Keskar: We will take note of the suggestion

Dr. Ram Subhag Singh: During the centenary celebrations of the freedom movement since 1857, tributes were paid to several leaders connected with that movement of Independence from 1857 to 1947. May I know whether any tribute was paid to Netaji on that occasion anywhere in the country?

Mr. Speaker: It does not arise out of this question.

Shri A. C. Guha: May I know if the broadcast speeches from Burma and Singapore also have been collected.

Dr. Keskar: We have got only 5 things on our record....

Mr. Speaker: Next question.

Green Tea

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*1261. { **Shri Hem Raj:**
 Shri Padam Dev:

Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of green tea produced in the Kangra District and Himachal Pradesh during the years 1953 to 1956 (year-wise);

(b) the quantity that has been sold and the quantity lying unsold with the growers, (year-wise);

(c) the reasons for the accumulation of these stocks; and

(d) the steps taken by Government for its disposal and export to outside countries?

The Minister of Commerce (Shri Kanungo): (a) A statement is laid on the Table of the House. [See Appendix III, annexure No. 121.]

(b) Precise information is not available

(c) A decrease in exports to Afghanistan which is our principal market for Green tea.

(d) Green tea has been included in the list of items to be exported in an increasing measure from India to Afghanistan under the Indo-Afghan Trade Agreement concluded recently. It is also proposed to send a tea delegation from India to Afghanistan for making personal contacts.

Shri Hem Raj: What is the quantity that will be exported to Afghanistan under the agreement that has been

entered into between India and Afghanistan?

Shri Kanungo: Any quantity that they are prepared to buy.

Shri Hem Raj: May I know whether it is a fact that most of the stocks are lying unsold with the Kangra tea growers. Do the Government propose to give them any subsidies, so that they might keep their industry running?

Shri Kanungo: There is no proposal of granting subsidies. Steps are being taken to dispose of the product. It has got to be realised that the tea habit in Afghanistan is being changed from green tea to manufactured tea. Also, there is competition from Japan offering green tea at cheaper price. We are taking steps to see that the cost of production in Kangra and Himachal Pradesh is reduced.

Shri R. Ramanathan Chettiar: In view of the appalling conditions in the tea plantations in Kangra Valley, as mentioned in the report of the Plantation Enquiry Commission, would Government take adequate steps to improve the living conditions of the labourers in the tea plantations in Kangra Valley?

Shri Kanungo: There are not many huge plantations in Kangra; it is mostly small-growers. The condition has deteriorated because the tea habit has changed in India as well as in neighbouring countries. The habits having changed, efforts are being made to switch on from green tea to manufactured tea; to that end the Punjab Government and the Tea Board are taking steps.

Mr. Speaker: Shri Balarama Krishnaiah—Absent; in spite of the change of name, he is still absent.

Labour Officers

*1266. **Shri S. M. Banerjee:** Will the Minister of Labour and Employment be pleased to state whether the Labour Officer employed in Defence Establishments are being brought

under the administrative Control of the Ministry of Labour and Employment?

The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra): The Labour Officers attached to the Defence Establishments already belong to the "Central Pool" of Labour Officers, which is administered by the Ministry of Labour and Employment.

Shri S. M. Banerjee: May I know whether it is within the knowledge of the hon Minister that the confidential reports of labour officers are being supplied by the Officer-in-command of the defence establishment and if so, how are these labour officers expected to hold an impartial view in the matter of labour disputes?

Shri L. N. Mishra: I am not in a position to give any information. They are governed and administered by the service rules of 1951, the hon Member may look into these rules.

Shri S. M. Banerjee: May I know whether a Director of Personnel has been appointed in the Ministry of Defence and if so, what are his qualifications and whether any consultation was made with the Ministry of Labour?

Shri L. N. Mishra: I am not aware of that, I require notice.

Shri B. S. Murthy: May I know if the labour officers' posts are being regularised by the UPSC, as and when required?

Shri L. N. Mishra: They are selected by the UPSC.

Labour and Welfare Officers

*1267. **Shri Matin:** Will the Minister of Labour and Employment be pleased to state

(a) the total number of graduates eligible at present to act as Labour and Welfare Officers under the Mines Rules 1955;

(b) the number of trainees who will receive training during the Second Five Year Plan, and

(c) whether Government consider the proposed training arrangements adequate in view of the expansion of the Mining Industry?

The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra): (a) This information is not available.

(b) For candidates seeking appointment as Welfare Officers in mines, training arrangements exist in the courses for degree and diploma in Social Science or Labour Welfare conducted by Universities and other recognised institutions. It is not possible to say how many may be under training at present.

(c) Yes.

Shri S. M. Banerjee: May I know whether the labour welfare officers trained in the Kasi Vidya Pith have been appointed in the various mines and other undertakings?

Shri L. N. Mishra: It is one of the recognised institutions, but I am not in a position to say whether any product of this institution has been appointed.

Manufacture of Pylons

*1268. **Shri Warior:** Will the Minister of Commerce and Industry be pleased to state

(a) whether a proposal to start a factory to manufacture pylons for electric transmitting wires in Kerala has been received by Government either from any private enterprises or the State Government concerned,

(b) if so, the nature of the undertaking;

(c) how many workers will get employment, and

(d) the action Government propose to take to get the factory started as soon as possible?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). An application from a party for a licence under the Industries (Development and Regulation) Act, 1951, to effect a substantial expansion, for increasing their capacity to manufacture steel structural has been received. This scheme of expansion includes the manufacture of pylons also. The expansion scheme provides for the employment of 20 persons. Government have approved the scheme and it is proposed to issue a licence to them, on completion of all necessary formalities.

Shri Warior: May I know when it will be possible for the factory to start this expansion schemes for this manufacture?

Shri Manubhai Shah: Very soon.

Industrial Training Centres

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*1269. { **Shri Vasudevan Nair:**
 Shri Kunhan:

Will the Minister of Labour and Employment be pleased to state:

(a) whether Government are aware that many who have qualified from the industrial training centres are unemployed; and

(b) if so, steps taken in the matter?

The Deputy Minister of Labour (Shri Abid Ali): (a) No, generally most of them are employed.

(b) Does not arise.

Shri Vasudevan Nair: If I point out the names of those who are unemployed for the last so many years after getting training with stipend from the Government, will the Government take the necessary action?

Shri Abid Ali: Certainly, if the persons are registered with the Employment Exchanges and the names are communicated to us also, we will do all that is possible to help them.

Shri Vasudevan Nair: Is it not proper, as they are given Government

stipend during training, that the Government should have some responsibility to get them employment? Should they not get some preference?

Shri Abid Ali: The Employment Exchanges render them necessary help. If these men are not registered with the Employment Exchanges, they may have remained out of employment.

Shri Thimmalah: May I know whether there is any co-ordination between industrial factories and the training centres in recruiting these trained candidates whenever there are vacancies in these factories?

Shri Abid Ali: Selection for training is made with the help of a committee in which the industries are also represented. Also an Advisory committee consisting of employers visit these training centres and give their guidance and help.

Mr. Speaker: Hon. Members evidently want to know, inasmuch as training centres have been established by the Government, whether preference is given to them and whenever any employer wants a particular kind of technician, the Employment Exchanges will write to these centres to give names and whether such kind of encouragement is given to them.

Shri Abid Ali: The fact is that out of about 65,000 persons trained, a very large number have been employed so far as our information goes. Very few who were trained this year have been registered with the Employment Exchanges and necessary help is rendered to them. With regard to the suggestion made, certainly, if their names and qualifications are made aware to the employing establishments, they are employed. Preference, again, is on the basis of persons who have applied. According to the qualifications of the candidates, they are given preference.

Shri Thimmalah: My question was whether there is co-ordination. There are Government industries. These are Government training institutions. When the candidates are trained and

they are ready to accept jobs, will the factory authorities recruit candidates from the training centres? Is there co-ordination between Government factories and training centres? That is what I wanted to know

Shri Abid Ali: In fact, a large number of them get employment offers before they complete their training period. There is co-ordination.

Shri P. C. Bose: May I know whether the training is given in such a way that it meets the requirements of the factories roundabout that centre?

Shri Abid Ali: Exactly, that is the position. It is being reviewed and revised from time to time.

Shri B. S. Murthy: May I know whether these industrial training centres maintain any register and see whether all the trainees are appointed or not?

Shri Abid Ali: We introduced a scheme by which, postcards were given to these trainees so that they may inform us whether they are employed and when they are employed. Very unfortunately, they did not oblige us even by returning these postcards filled in.

Shri Punnoose: On a point of order Sir, the hon. Minister said that almost all of them are employed and there is no one unemployed. Now he says that they have not informed. The fact is that the Government has not got the information. He was telling the House that they are already employed.

Mr. Speaker: They are different and distinct. After undergoing training, they indicate to them whether they are employed; that is one thing. Another thing is whether all of them have got employment or not. Once they get employment, they do not care to write. That is another thing. **Shri Thummaiah:** wanted a Register. After being employed they may cease to be employed. The question was whether throughout their life, whether you

maintain a register to know how exactly they are employed. That is how I understood the question. Next question.

Leather Industry

***1270. Shri B. S. Murthy:** Will the Minister of Commerce and Industry be pleased to state:

(a) the steps taken to develop superior varieties of leather in India to discourage the present imports therefor, and

(b) the place where the pilot projects of this are at work?

The Minister of Industry (Shri Manubhai Shah): (a) and (b) A statement is laid on the Table of the House [See Appendix III, annexure No 122].

Shri B. S. Murthy: May I know what is meant by import of suitable raw hides and what are the countries which are supplying these suitable raw hides?

Shri Manubhai Shah: That is a very small portion of the total requirements. They are special skins and hides without which some spare parts and some adjuncts of the manufactured goods cannot be made. Most of them come from Australia and some from Argentina. The value of them is hardly Rs 6 lakhs.

Shri B. S. Murthy: May I know

Mr. Speaker: The value is only Rs 6 lakhs. Next question.

Shri B. S. Murthy: This is something else. Six lakhs, I have left long ago.

Four Regional Small Industries Service Institutes are supposed to have been established. May I know whether the technical guidance given by these institutes to the artisans engaged in the industry is quite efficacious because the regions are too large to cater to the needs of each artisan?

Shri Manubhai Shah: Each of these Institutes send annual reports and they are placed on the Table of the

House. They are really doing very satisfactory work. If the evidence that we get from Small Industries is of any consideration, most of the people who are engaged by these institutes go about the small industries giving them technical guidance. Mostly they are information centres and they are highly appreciated.

Development of Small Scale Industries and Handicrafts

*1271. Shri Bibhuti Mishra: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that a meeting of representatives of member countries of the Economic Commissions for Asia and the Far East was held in Madras in June, 1957 to consider problems in regard to the development of small scale industries and handicrafts in Asian Countries; and

(b) if so, their main decisions and to what extent India is benefited by it?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) A statement is laid on the Table of the House. [See Appendix III, annexure No. 123]

श्री बिभूति मिश्र : इस स्टेटमेंट में व तरह की बातें रखी गई हैं। मैं जानना चाहता हूँ कि जो हमारे गांवों के छोटे छोटे चर्मकार भाई हैं, उन के छोटे छोटे रोजगार को चलाने के लिये, उन में किस तरह को बात का सुझाव सरकार उनको देना चाहती है ?

श्री मनुभाई शाह : जब माननीय सदस्य ने यह सवाल रक्खा था तो मैंने समझा था कि उनका इंटरेस्ट स्माल स्केल इंडस्ट्रीज में है लेकिन उन के इस सवाल में मानूम होता है कि गांवों के जो कुटीर उद्योग हैं उन में उन का रस है। जहां तक इन व प्वाइंड्स का सवाल है एकाफे का तालुक खाली स्माल स्केल इंडस्ट्रीज से है। विलेज इंडस्ट्रीज को तो जो हिन्दुस्तान में खाली एंड विलेज इंडस्ट्रीज कमिशन है वह देखता

है, और कुटीर उद्योगों को हर किस्म की इमदाद देता है।

श्री बिभूति मिश्र : मैं जानना चाहता हूँ कि स्माल स्केल इंडस्ट्रीज और विलेज इंडस्ट्रीज में कोई फर्क है ?

कुछ माननीय सदस्य : बहुत फर्क है।

श्री मनुभाई शाह : हाउस को पता है कि उन में बहुत फर्क है। हालांकि दोनों छोटे पैमाने पर चलने वाले उद्योग हैं।

There is a distinct difference between village industries and small scale industries. The Ecafe deals with small-scale industries generally.

श्री बिभूति मिश्र : मैं जानना चाहता हूँ कि इस स्माल स्केल इंडस्ट्री में जो हमारे गांवों के चर्मकार भाई हैं उन से किस हद तक सहयोग हो सकता है।

श्री मनुभाई शाह : उन से बहुत हद तक सहयोग हो सकता है। उन की ट्रेनिंग के लिये प्रोग्राम रक्खा गया है, उन को इमदाद देने के लिए मर्चैंडो और लोन्स का भी अरेंजमेंट किया गया है। जहां वहां वह काम करते हैं, उन के लिये मार्केटिंग सेन्टर्स भी कायम किये गये हैं।

गांधी-समाधि

*१२७२. श्री भक्त वर्मान : क्या निर्माण आवास और संभरण मंत्री १८ जुलाई, १९५७ के अतारंकित प्रश्न संख्या ६५ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि दिल्ली में गांधी-समाधि के निर्माण में इस बीच और क्या प्रगति हुई है ?

निर्माण, आवास तथा संभरण मंत्री (श्री क० ब० रेड्डी) : निर्धारक बोर्ड ने नकशों की जाच की और उनकी उतमता के क्रमानुसार इनाम देने के लिये सब से अच्छे चार नकशे चुन लिये हैं। अन्तिम निर्णय पर पहुँचने के लिये सब से उत्तम नकशे के अनुसार इमारत का नमूना बनाने का विचार है।

Some Hon. Members: English answer

Shri K. C. Reddy: The Board of Assessors have assessed the various designs and selected the best four in order of merit for the award of prizes. It is now intended to have a model made of the design selected as No 1 to enable a final decision to be taken.

श्री भूषा वर्धन चक्र ग्रन्थ डिजाइन स्वीकार किया जा चुका है और यह प्रश्न पिछले लगभग सात सालों से रका पड़ा है, मैं जानना चाहता हूँ कि इस में तेजी लाने के लिये कौन से खास कदम उठाये जा रहे हैं।

Shri K. C. Reddy: This is a very important matter. We have to take several aspects into account before we venture upon re-modelling or changing the design which is already there. We have taken several steps on various occasions to find out how best we can go about this matter. We set up a committee. We invited designs from various people. They wanted extension of time from time to time. Then, about one hundred designs were received in response to the notification that we issued. They had to be adjudged. There were several technical hurdles. At one stage of the matter objections were raised by the Architects' Association and so on and so forth. We want to do the best thing. In our anxiety to do the best thing and not to do something in a hurry, we have given thought to it. We have taken all possible precautions and now we have reached a final stage. The simplicity of the design will have to be ensured and so many other factors will have to be borne in mind and now, as I have said, we have selected the best design and we want to have a bigger model thereof. Then we will have to go into the financial aspect of the matter. We are examining the financial aspects also now and I hope it will be possible for them to arrive at a final decision in about a month's time.

WRITTEN ANSWERS TO QUESTIONS

National Small Industries Corporation

*1245. **Shri Panigrahi:** Will the Minister of Commerce and Industry be pleased to state:

(a) the amount of loan granted to the Small Industrial Units through the National Small Industries Corporation during 1956-57, (State-wise),

(b) the number of applications received from the small industrial units in Orissa for the supply of machinery on hire-purchase basis; and

(c) the number of sewing machines supplied on hire-purchase system to women in the lower income group in community project areas in Orissa through the Corporation?

The Minister of Industry (Shri Manubhai Shah): (a) and (b) The National Small Industries Corporation finances small industrial units only by supplying to them machinery on easy hire-purchase basis. A statement showing state-wise break-up of the number of applications received and accepted by the Corporation from the commencement of the scheme in March 1956 upto 15th July 1957 is laid on the Table of the House. [See Appendix III annexure No 124]

(c) Thirty-six upto 15th July, 1957

Khadi Production Centre at Srikakulam

*1253. { **Shri Viswanatha Reddy:**
Shri Rajagopala Rao:

Will the Minister of Commerce and Industry be pleased to state

(a) the total production of the Khadi Production Centre situated in Srikakulam district and working under the Khadi and Village Industries Board during the years 1955-56 and 1956-57 and the expenditure incurred by this Centre,

(b) whether there has been a request for the constitution of a local

advisory board to guide the working of this Centre; and

(c) if so, what action has been taken thereon?

The Minister of Commerce (Shri Kanungo): (a)

Value of khadi produced		Expenditure incurred.
1955-56	Rs. 3,96,019	Rs. 41,036
1956-57	Rs. 4,28,702	Rs. 54,770

(b) Yes, Sir.

(c) The suggestion was referred to the All India Khadi and Village Industries Board, which was of opinion that a local advisory committee would not serve the purpose for which it was proposed to be constituted. The Board has its own Deputy Zonal Director in Andhra, who has received no complaints from the spinners or weavers of Srikakulam district. However, the Board was requested to reconsider the suggestion. The Khadi and Village Industries Commission, which has succeeded the Board, has recently stated that the matter is still under its consideration

Convention of I.L.O.

***1254. Shrimati Renu Chakravarty:** Will the Minister of Labour and Employment be pleased to state:

(a) whether Convention No. 100 of I.L.O. guaranteeing equal pay for equal work has been ratified by the Government of India; and

(b) if not, whether Government propose to do so in the near future?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). The Convention has not been ratified because it was not considered possible to do so in the absence of adequate job appraisal machinery to ensure its immediate application in full to all workers in the country. The I.L.O. Committee of Experts on Conventions has since expressed the view that a Government ratifying the Convention must ensure the application of the

principle only in so far as it has control over the methods of determining rates of remuneration and in other cases its obligation is restricted to promoting the application of the principle by appropriate measures. In the light of this interpretation of the Convention, the question of its ratification is being reconsidered.

Hindustan Machine Tools (Private) Ltd., Bangalore

***1255. Shri Rajagopala Rao:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total investment made so far in the Hindustan Machine Tools (Private) Limited, Bangalore;

(b) whether the balance sheet or Report is available for the year 1956-57 and if so, whether a copy of the same will be laid on the Table of the Sabha;

(c) the value of the parts required by the Hindustan Machine Tools (Private) Limited for production purposes imported in knocked down condition during the years 1955-56 and 1956-57;

(d) whether it is a fact that the entire work in the factory has come to a standstill since parts could not be imported for want of foreign exchange; and

(e) if so, whether the necessary foreign exchange has been made available for the purpose?

The Minister of Industry (Shri Manubhai Shah): (a) Rs. 3.9 crores in the form of share capital and Rs. 2.1 crores as loans.

(b) Yes, Sir. Five copies of the balance sheet for 1956-57 are being made available in the library of the Lok Sabha.

(c) For production in 1955-56 and 1956-57, the value of parts imported in knocked down condition was Rs. 3.85 lakhs and about Rs. 2 lakhs respectively.

(d) No, Sir

(e) Does not arise.

Kaimaichara and Dalu-chara Refugee Colonies

*1264. **Shri Dasaratha Deb:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether it is a fact that drinking water, education and medical facilities have not yet been provided in the Kaimaichara and Dalu-chara refugee colonies;

(b) the number of people at present staying in each of these two colonies; and

(c) whether any steps are being taken to provide these facilities?

The Minister of Rehabilitation and Minority Affairs (**Shri Mehr Chand Khanna**): (a) and (c). No. Some facilities already exist and arrangements to provide more are in hand.

(b) 72 families in Kaimaichara colony.

142 families in Michhora colony, Dalu-chara is a part of Michhora colony.

Radio Station at Vijayawada

*1265. **Shri Balarama Krishnalal:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether the Government of India have under consideration a proposal to construct a building to house the Radio Station at Vijayawada; and

(b) if so, the steps the Government of India have taken so far in this connection?

The Minister of Information and Broadcasting (**Dr. Keskar**): (a) No Sir.

(b) Does not arise.

Karve Committee

*1273. **Shri Sanganna:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether all the recommendations made by the Karve Committee

on the village and small scale industries have been implemented; and

(b) if not which of the recommendations have so far been implemented?

The Minister of Commerce (**Shri Kanungo**): (a) No, Sir.

(b) A statement showing the recommendations of the Village and Small-Scale Industries (Second Five Year Plan) Committee, also known as the Karve Committee, which have been accepted by Government and are in the process of being implemented, is laid on the Table of the Sabha. [See Appendix III, annexure No. 125.]

Indians in South Africa

*1274. { **Shri Shree Narayan Das:**
Shri Mahanty:

Will the Prime Minister be pleased to state whether the issue of treatment of persons of Indian origin in South Africa will be raised and discussed in the next meeting of the assembly of the U.N.O.?

The Deputy Minister of External Affairs (**Shrimati Lakshmi Menon**): A request for a debate on this issue has already been made to the Secretary General of the U.N and it is hoped that the matter will be discussed in the next session of the General Assembly.

Radio-Active Minerals

*1275. **Shri Damani:** Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 677 on the 30th May, 1957 and state the results of the investigations carried out at Bhilwara (Rajasthan) where radio-active minerals were discovered about three months back?

The Prime Minister and Minister of External Affairs (**Shri Jawaharlal Nehru**): So far 10 tons of radioactive ore have been collected from the Bhilwara deposit from two cross-cuts driven in the mine, the uranium content of which is reported to be not as

rich as was anticipated. The greater part of this material is of a refractory nature, the extraction of uranium from which will be costlier than from ore which can be more easily treated. More ore is being excavated by opening up the deposits at various points, samples from which have been taken for beneficiation and leaching tests. The work on these samples, as also further work to develop the mine scientifically and systematically, is in progress.

Length of Films

*1276. **Shri Raghunath Singh:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that Government are considering a proposal to reduce the length of films to eight thousand feet only?

The Minister of Commerce (Shri Kanungo): A suggestion regarding the length of Indian Films being reduced suitably has been made to the Indian Film Industry as one of the possible measures for bringing down foreign exchange expenditure on the import of raw films.

Licences for Coal Mining Equipment

*1277. **Shri Matin:** Will the Minister of Commerce and Industry be pleased to state:

(a) what steps have been taken for issuing licences for spare parts relating to colliery equipment which are now of the "Banned Type";

(b) what steps are proposed to be taken to ensure stocks of spare parts being readily available for existing colliery equipments; and

(c) whether he is aware that production in many old establishments suffers due to non-availability of spare parts?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) Licences for import of all types of spare parts for Colliery equipments are granted fairly liberally to actual

users provided the demand is certified by the Coal Commissioner and the item applied for is not readily available from indigenous sources.

(b) The licencing is on a sufficient scale to enable Collieries to build up stocks.

(c) No, Sir.

Kashmir

*1278. **Shri Shree Narayan Das:** Will the Prime Minister be pleased to state:

(a) whether any date has been fixed to discuss Jarring Report on Kashmir by the Security Council; and

(b) if so, when?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) and (b). Government have no information.

सिक्किम को सहायता

*१२७६. श्री भवत दर्शन : क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) सिक्किम की सप्तवर्षीय विकास योजना के निष्पादन के लिये सिक्किम दरबार को अब तक कुल कितनी सहायता दी जा चुकी है ;

(ख) वह धन किन किन कार्यों पर व्यय किया गया है ; और

(ग) प्रविधिक सहायता के लिये कितने पदाधिकारियों व विशेषज्ञों की सेवायें वहाँ की सरकार को दी गई हैं ?

वंदे.शेक कार्य उपमन्त्री (श्रीमती लक्ष्मी मेनन) : (क) भारत सरकार ने सिक्किम की सप्तवर्षीय विकास योजना का खर्च उठाने का वादा किया है। अनुमान किया जाता है कि उस पर कुल खर्च २ करोड़ २३ लाख रुपये बँटेगा। इन २ करोड़ २३ लाख रुपये में से २ करोड़ १ लाख रुपये अनुदान (ग्रांट) के रूप में, और २२ लाख

रुपये हवाई रज्जुमार्ग (एरियल रोपवे) बनाने के लिये कर्ज के रूप में दिये जायेंगे। अनुदान के मद में १ करोड़ सवा लाख रुपये और कर्ज के मद में ११ लाख रुपये दिये जा चुके हैं।

(ख) मोटे तौर पर, रकम निम्नलिखित मदों पर खर्च की गई है :—

- (१) कृषि और ग्रामीय विकास
- (२) बिजली
- (३) उद्योग
- (४) परिवहन
- (५) शिक्षा और जन-स्वास्थ्य

- (ग) (१) कृषि—१ अधिकारी
 (२) वन—१ अधिकारी
 (३) खाता—१ अधिकारी
 (४) चिकित्सा—१ अधिकारी और साढ़े चार महीने के लिये बी० सी० जी० टीके लगाने वाली एक टोली।

- (५) गोशाला—१ अधिकारी
- (६) सहकारिता—१ अधिकारी
- (७) पन-बिजली (हाईड्रो इलेक्ट्रिक) योजना—४ अधिकारी
- (८) शिक्षा—१ अधिकारी
- (९) परिवहन—१ अधिकारी
- (१०) उद्योग और दस्तकारी—२ सलाहकार, थोड़े समय के लिये।

Pensions to Displaced Persons

966. **Shri Onkar Lal:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) how many displaced Government Servants from Sind and North West Frontier Province, who migrated to India, have been given their provisional pensions so far;

(b) how many applications are still pending with Government; and

(c) the reasons therefor?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) to (c). A statement is laid on the Table of the House. [See Appendix III, annexure No. 126.]

Indian Standards Institution

967. **Shri Nagi Reddy:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether a conference of representatives of Central and State Governments, was convened by the Indian Standards Institution during the month of July, 1957;

(b) if so, the proposals that were discussed and agreed upon at that Conference; and

(c) the measures taken and proposed to be taken to implement the decisions?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) Questions relating to implementation of Indian Standards and recognition of the Indian Standards Certification Mark were discussed. A list of the recommendations made by the Conference is laid on the Table. [See Appendix III, annexure No. 127.]

(c) The recommendations made by the Conference have been brought by the Indian Standards Institution to the notice of the Central and State Governments and other bodies for compliance.

Castor-Oil Exports

968. **Shri Dharmalingam:** Will the Minister of Commerce and Industry be pleased to state the quantity and value of Castor-Oil exported to the U.S.A. during 1956?

The Minister of Industry (Shri Manubhai Shah): 20,900 tons valued at Rs. 299 lakhs.

Displaced Persons in West Bengal

969. **Shri H. N. Mukerjee:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether he had promised a deputation of the West Bengal Municipal Association that financial assistance would be rendered to municipalities with concentration of refugee population; and

(b) whether such assistance has actually been given?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) A deputation of the Association met the Union Minister Rehabilitation in June, 1955. No specific promise was given to the deputation, but it was told that if any Municipalities which have had a heavy influx of displaced persons from East Pakistan needed financial assistance they should approach the Government of West Bengal and the recommendations if any, of that Government would be sympathetically considered.

(b) Loans have accordingly been sanctioned for Raigunj Municipality and Balurghat Municipality for development of the areas in which there is a heavy concentration of displaced persons from East Pakistan as follows:—

- (1) Raigunj Municipality Rs. 4,80,000/-
- (2) Balurghat Municipality Rs. 2,35,500/-

Proposals for loans to some other Municipalities also are under consideration.

Industrial Development of Punjab

976. { **Shri D. C. Sharma:**
Shri Ram Krishan:

Will the Minister of Commerce and Industry be pleased to lay a statement on the Table of the Sabha indicating the schemes for industrial development proposed to be undertaken during the Second Five Year

Plan period in the Punjab State under Central, State and private auspices?

The Minister of Industry (Shri Manubhai Shah): A statement giving the information is laid on the Table. [See Appendix III, annexure No. 128.]

Central Government Schemes in Kerala

971. **Shri Maniyangadan:** Will the Minister of Planning be pleased to state:

(a) how many Central Schemes are progressing in Kerala; and

(b) the total amount entirely financed by the Centre for those schemes in Kerala?

The Deputy Minister of Planning (Shri S. N. Mishra): Information is being collected from the various Ministries and a statement will be laid on the table of the House in due course.

Explosives

972. **Shri Keshava:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) how many explosion samples and bombs have been received by the Department of Explosives from the State of Mysore for examination and opinion during 1956-57; and

(b) with what result?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) 25 articles (bombs, other explosive substances and remnants thereof) pertaining to six cases were received from the State of Mysore by the Department of Explosives for examination and opinion during the year 1956-57.

(b) Out of the 25 articles only five were found to be live explosive. Of the remaining 20 a few were chemicals used in the manufacture of fireworks and the rest were remnants of exploded substances found near the sites of explosions.

Radio Play Competitions

973. Pandit D. N. Tiwary: Will the Minister of Information and Broadcasting be pleased to state:

(a) whether any reward was given to students who participated in Radio play competitions (writing of Radio plays) in Hindi and other regional languages in 1956-57; and

(b) the number of plays approved?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Yes, Sir.

(b) Thirty-seven.

Evacuee Property

976. Shri Vishwanatha Reddy: Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether the Ali Oil Mills, in Srikakulam district in Andhra has been declared an evacuee property;

(b) whether it was in working condition at the time of taking over and what is its present condition;

(c) the attempts made to dispose of this property;

(d) whether a co-operative society for the betterment of Burma Evacuees has made an offer; and

(e) if so, what action has been taken?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) to (e). The information is being collected and will be laid on the Table of the Lok Sabha.

Closure of Labour Forwarding Stations

976. Shri Sanganna: Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that some of the labour forwarding stations of the Tea Districts Labour Association in Orissa have been closed; and

(b) if so, the reasons therefor?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) Reduced demand for outside labour in Assam tea gardens and consequent decline in recruitment.

Jute Mill Workers

977. Shrimati Renu Chakravarty: Will the Minister of Labour and Employment be pleased to state:

(a) how many of the jute mill workers recently retrenched from mills in West Bengal have been given alternative employment;

(b) how many have been dismissed with only retrenchment compensation; and

(c) whether these are all women workers?

The Deputy Minister of Labour (Shri Abid Ali): (a) According to the State Government, the number of workers provided with alternative employment is 5,180. This number does not include workmen who might have been affected by the closure of Kamarhatti jute mills on the 8th July, 1957.

(b) 2,051. In addition, 1,600 workmen have claimed retrenchment compensation.

(c) Separate figures for men and women workers are not available but figure 2051 mentioned at (b) includes 300 women workers of one jute mill.

Khadi

978. Shri Jadhav: Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of Khadi produced during the year 1956-57;

(b) how much of it was purchased by the Central Government;

(c) the quantity that was exported; and

(d) what was the amount of subsidy paid?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) 38,154,157 yards of the value of Rs. 7,25,95,645.

(b) 2,869,707 yards 810, 223 Nos. of the value of Rs. 69 lakhs.

(c) Separate statistics of the export of Khadi cloth are not maintained.

(d) Rs. 49,78,741.

Indians in U.K.

979. Shri M. B. Thakore: Will the Prime Minister be pleased to state the total number of Indian nationals residing in the United Kingdom?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): The latest figures of Indian nationals residing in the United Kingdom are not available. The Indian High Commission in London has been asked to send the information which, when received, will be placed on the table of the House.

A. I. R., Cuttack

980. Shri Sanganna: Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that provision has been made in the programme of the All India Radio, Cuttack for broadcasting tribal dramas and stories in the original language;

(b) whether the Programme Advisory Committee has been reconstituted;

(c) if so, who are the non-official members;

(d) whether any Adivasi member is represented on this Committee; and

(e) if not, the reasons therefor?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Cuttack radio has been broadcasting feature programmes relating to the

life, music and culture of the Adivasis of Orissa. The present weak transmitter of 1 kilowatt is not easily heard in the predominantly tribal districts. Regular language programmes will be included when the 20 kilowatt transmitter goes into operation.

(b) Yes, Sir.

(c) 1. Shri Kali Charan Patnaik

2. Dr. P. Parija

3. Shri Lakshminarayan Sahu

4. Prof. A. M. Mohanty

5. Shri Krishna Prasad Bose

6. Shrimati Latika Ray

7. Shrimati Nirmala Nayak

8. Shri Lokanath Patnaik

9. Shri Samuel Das

(d) No, Sir.

(e) Members of Programme Advisory Committees are not nominated community-wise. They are selected from amongst persons who are considered eminent in various walks of life, more especially those connected with cultural activities, and who are known to be interested in broadcasting and are considered capable of making useful suggestions for the improvement of various types of programmes broadcast by the Stations.

शक्ति-बालित करघों का लगाया जाना

६८१. श्री राम शंकर लाल : क्या वाणिज्य तथा उद्योग मंत्री उत्तर प्रदेश में शक्ति-बालित करघों (Power looms) के लगाने का जो योजना मंजूर की गई है उसका ब्योरा बताने की कृपा करेंगे ?

वाणिज्य और उद्योग उपायंत्री (श्री सतीश चन्द्र) : एक विवरण पटल पर रखा जाता है ।
[दृष्टि परीक्षा ३, अनुबन्ध संख्या १२६]

Local Development Centres

982. Shri Shree Narayan Das: Will the Minister of Planning be pleased to state the number of local development works approved during the

Second Five Year Plan in each State and the number of such works as have been taken up so far?

The Deputy Minister of Planning (Shri S. N. Mishra): Information is being collected and will be laid on the Table of the House in due course.

Road Construction in Manipur

983. Shri L. Achaw Singh: Will the Minister of Works, Housing and Supply be pleased to state:

(a) what amount of gelignites, detonators and safety fuse was given to the Union territory of Manipur for blasting purposes in road construction; and

(b) whether any contractor is allowed to stock these explosives?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) A licence was granted in February 1955 to the Executive Engineer, Kohima Division, for the possession at any one time of the following explosives in connection with the construction of Imphal-Tamenglong Road:

Gunpowder	500 lbs.
Gelignite	200 lbs.
Safety fuse	500 coils
Detonators	500 Nos.

(b) No.

कालीनों का निर्यात

९८४. श्री सूरज पाण्डे: क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) उत्तर प्रदेश के मिर्जापुर तथा बंदोही नगरों से वर्ष १९३९, १९४१ और १९४६ में कुल कितने रुपये के कालीन भारत से बाहर भेजे गये ;

(ख) क्या सरकार इस उद्योग को सहकारी समितियों द्वारा चलाने का विचार कर रही है ; और

(ग) यदि हा, तो इस संबंध में क्या कदम उठाये गये हैं ?

वाणिज्य तथा उद्योग उभयंत्री (श्री सतीश चन्म): (क) पूछी गयी जानकारी उपलब्ध नहीं है क्योंकि कालीनों के निर्यात के राज्यवार आंकड़े नहीं रखे जाते। फिर भी मोटे तौर पर अन्दाज लगाया गया है, जिससे स्थिति इस तरह प्रकट होती है :—

मिर्जापुर और
बंदोही में बने
कालीनों के
निर्यात का
मूल्य

१९३९-४०	२६ लाख रु०
१९४१-४२	५०४ लाख रु०
१९४६-४७ (अप्रैल- दिसम्बर)	२७५ लाख रु०

(ख) और (ग) : दस्तकारी के सभी उद्योगों में जिनमें कालीन बनाना भी शामिल है, कोआपरेटिव सोसाइटियाँ बनाने का बढ़ावा देने की धाम नीति बरती जाती है। श्रृणों और आंटों के रूप में वित्तीय सहायता देकर यह बढ़ावा दिया जाता है।

कुटीर तथा लघु उद्योग

९८५. श्री म० ना० सिंह : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने विभिन्न राज्यों में पाये जाने वाले कच्चे माल के कुटीर तथा लघु उद्योगों में प्रयोग करने की सम्भावनाओं का पता लगाने की दृष्टि में कोई सर्वेक्षण कराया है ;

(ख) क्या इन क्षेत्रों में ऐसे व्यक्तियों को काम दिलाने के लिये कोई कार्यवाही की गई है जो उक्त उद्योगों में काम करना चाहते हैं ;

(ग) क्या इन क्षेत्रों के बेकार तथा आंशिक रूप से काम में लगे हुये व्यक्तियों

को इन व्यवसायों का प्रशिक्षण देने के लिये कोई प्रबन्ध किया गया है ; और

(घ) क्या वहां पाये जाने वाले कच्चे माल जैसे आलू और शकरकन्दी से मांड (Starch) तैयार करने के लिये कोई कुटीरोद्योग चलाया जाता है और यदि हां, तो कहाँ ?

ब.शि.उ. तथा उद्योग उपनग्री (श्री सतीश चन्द्र) : (क) से (घ). ऐसे सर्वे किये जाने मुमकिन नहीं हैं। बड़े पैमाने, मध्यम, पैमाने, छोटे पैमाने और कुटीर उद्योगों, के जरिये औद्योगिक विकास को बढ़ावा देने की पूरी पूरी कोशिशें की जा रही हैं। यदि माननीय सदस्य किसी राज्य के किसी खास उद्योग का जिक्र करें, तो मैं बड़ी खुशी से उसका जवाब दूंगा।

Housing for Industrial Workers

986. **Shri Ghosal:** Will the Minister of Labour and Employment be pleased to state:

(a) whether the Central Government have granted under the subsidized Industrial Housing Scheme any money to the West Bengal Government for building the industrial workers' houses in Kadamtolla in the district of Howrah; and

(b) if so, what is the amount and on what conditions?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) and (b). A sum of Rs. 5.76 lakhs (Rs. 2.88 lakhs as loan and Rs. 2.88 lakhs as subsidy) was sanctioned to the West Bengal Government for construction of 128 houses at Kadamtolla for Industrial workers on the conditions prescribed in the Subsidised Industrial Housing Scheme. A sum of Rs. 5.18 lakhs (Rs. 2.88 lakhs as loan and Rs. 2.30 lakhs as subsidy) has since been disbursed to the State Government.

Visas for Federal Republic of Germany

987. **Shri Manabendra Shah:** Will the Prime Minister be pleased to state whether it is a fact that Indian Nationals visiting Federal Republic of Germany are not required to obtain visas excepting those who intend taking up a job or practical training?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Among Indian nationals visiting the Federal Republic of Germany only those require visas who intend to take up employment, practise a profession or establish a business within the confines of that State.

Indian Foreign Service

988. { **Shri Vasudevan Nair:**
Shri Kunhan:

Will the Prime Minister be pleased to state:

(a) how many Indian Foreign Service personnel were sent on probation to U.K. in 1955-56 and 1956-57; and

(b) whether any one was sent to any other country?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) During 1955-56 four and during 1956-57 eight.

(b) During 1955-56—Indian Foreign Service Officers still on probation were posted to the following countries:—

1. Germany	1
2. Thailand	1
3. France	1
4. Pakistan	1
5. Russia	1
6. Switzerland	1
7. Egypt	1
8. Turkey	1
9. U.S.A.	1
10. Czechoslovakia	1

During 1956-57 as follows:—

1. Ceylon	2
2. Nepal	1
3. Switzerland	2
4. China	1
5. Pakistan	1
6. Japan	1
7. Thailand	1
8. Cambodia	1
9. Damascus	1
10. Burma	1
11. Russia	1

Small Scale Industries

989. **Shri Damani:** Will the Minister of Commerce and Industry be pleased to state what progress has been made to start an Institute to provide technical assistance to the small scale industries in Rajasthan?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Government have sanctioned the establishment of a Major Institute at Jaipur and created the following posts therefor:—

Director....1—with Mech. Engg. Qualification
Dy. Director....1—Leather
Asst. Director....2—One for Toolmaking and the other for Chemical.

Efforts are being made to recruit the personnel through the UPSC and to find a suitable accommodation for the Institute. It is hoped that the institute will start functioning very soon.

Textile Mills

990. **Shri Damani:** Will the Minister of Commerce and Industry be pleased to state the amount paid by Government to the Textile Mills as a rebate of excise duty at the rate of 6 pies per yard on the production in excess of their average production during the eight months of 1956?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Out of the total amount of Rs. 39,19,765. 74 N.P. of rebate to be

granted to Textile Mills, for the period from 1st September, 1956 to 31st March, 1957, Rs. 16,89,571. 28 N.P. have so far been sanctioned. Collectors are taking necessary action to sanction the remaining amount.

सरकारी मुद्रणालय, अजीगढ़

६६१. श्री सरजू पांडे: क्या निर्वाह, आवास और सभरख मंत्री यह बताने की कृपा करेंगे कि:

(क) अलीगढ़ के सरकारी मुद्रणालय में कितने मजदूर काम करते हैं;

(ख) क्या यह सच है कि अलीगढ़ के सरकारी मुद्रणालय के कर्मचारियों को प्रतिमास का वेतन मास की ३ या ४ तारीख को बांटा जाता है; और

(ग) यदि हां, तो विलम्ब के क्या कारण हैं?

निर्वाह, आवास और सभरख मंत्री (श्री क० ल० रेड्डी): (क) गवर्नमेंट आफ इंडिया फार्मर्स प्रेस अजीगढ़ में काम करने वाले कर्मचारियों की संख्या (क्लर्कों के अलावा) लगभग ६०० है।

(ख) हां।

(ग) औद्योगिक कर्मचारियों की मजदूरी का हिसाब महीने के अन्तिम तारीख तक लगाना पड़ता है। इसलिये उनकी मजदूरी के विवरण (Pay Bills) अगले महीने की दूसरी तारीख से पहले निर्धारित कर सकना संभव नहीं है। इसलिये उनकी मजदूरी अगले महीने की तीसरी या चौथी तारीख को दी जाती है।

12 hrs.

MOTION FOR ADJOURNMENT

DETERIORATION IN THE FOOD SITUATION IN U.P.

Mr. Speaker: I have received notice of an Adjournment Motion in the following terms from Shri Mohan Swarup:

"The deterioration in the food situation in the Eastern districts

of Uttar Pradesh, comprising a population of 82 lakhs of people, which has resulted in the death of more than 100 people on account of starvation and which has culminated in the fast unto death undertaken by Shri Genda Singh."

The Minister of Food and Agriculture (Shri A. P. Jain): This matter has been the subject matter of an adjournment motion in the Uttar Pradesh Assembly yesterday. The Chief Minister of the Uttar Pradesh Government has made the position of the State Government very clear in regard to certain matters raised by Shri Genda Singh. Shri Genda Singh has been asserting rather emphatically for some time that 100 people have died of starvation in the eastern Uttar Pradesh and the U.P. Government has equally emphatically denied those deaths. In fact, the other day I saw a report in the papers that Shri Genda Singh had asserted that a certain person has died by starvation. The Food Minister of U.P. investigated into the matter and stated that the man was more than 60 years of age and has died a natural death.

Shri Genda Singh's demands, so far as I have been able to ascertain, are the appointment of a committee to investigate into the economic condition and development of the eastern U.P., remission of the recoveries of the State Government dues and the refund of the recoveries already made and an all-party committee to supervise relief. These are all matters that relate to the State Government and the Chief Minister of U.P. has already made the position of the State Government quite clear in all these matters.

So far as the fast of Shri Genda Singh is concerned, I share the anxiety of the members of the opposition and of others; but, nonetheless, it is a matter for consideration whether a fast is a suitable remedy for a matter of this kind. To me it appears that a

fast on a matter of this kind is a coercion by the individual upon the rest of the society. So far as the Centre is concerned, I had a telephone talk with the Chief Minister of U.P. He is taking due care of the food situation and of the economic situation in eastern U.P. We have supplied foodgrains to the U.P. Government according to our original programme and so this matter has no relevance so far as this House is concerned.

Mr. Speaker: All that we are concerned here is with the responsibility of the Central Government. We are not concerned here with the fast undertaken by Mr. Genda Singh. So far as the responsibility of the Central Government is concerned, all the quantities of grains that the U.P. Government wanted have been supplied. There stops the responsibility of the Central Government. The hon. Minister has also informed us that a similar adjournment motion was brought up before the U.P. Assembly yesterday, wherein this matter was there. The fact that Mr. Genda Singh has undertaken a fast seems to be entirely within the scope and jurisdiction of that Assembly and that Government. I wanted to bring it up lest people may say whoever died and whoever might be responsible, the Centre did not try to go to their help and provide sufficient food. In some cases, people are not able to purchase. We can do whatever is possible and we have to ascertain what exactly is the position. The allegation on one side is not that food is not available. Shri Genda Singh wants the rate to be reduced because if it is not reduced, people will not be able to buy. The fast does not appear to have any relation to the want of food there or to the starvation deaths. Under the circumstances, there is absolutely no meaning in allowing this. So, I am not going to allow this adjournment motion.

DEATH OF SHRI RANG BIHARI LAL

Mr. Speaker: I have to inform the House of the sad demise of Shri Rang Bihari Lal who passed away in Delhi on the 23rd August, 1957 at the age of 70. He was a Member of the old Central Legislative Assembly.

The House will join with me in conveying our condolences to the members of his family. The House may kindly stand in silence for a minute to express its sorrow.

The Members then stood in silence for a minute.

PAPERS LAID ON THE TABLE

REPORT OF PUBLIC SERVICES (QUALIFICATION FOR RECRUITMENT) COMMITTEE

The Minister of State in the Ministry of Home Affairs (Shri Datar): I beg to lay on the Table a copy of the Report of the Public Services (Qualifications for Recruitment) Committee. [Placed in Library. See No. S-229/57.]

ANNUAL REPORT OF THE HINDUSTAN MACHINE TOOLS (PRIVATE) LTD.

The Minister of Industry (Shri Manubhai Shah): I beg to lay on the Table, under sub-section (1) of section 639 of the Companies Act, 1956, a copy of the Annual Report of the Hindustan Machine Tools (Private) Limited for the year 1956-57. [Placed in Library. See No. S-230/57.]

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

PRESENTATION OF SIXTH REPORT

Sardar Hukam Singh (Bhatinda): I beg to present the Sixth Report of the Committee on Private Members' Bills and Resolutions.

RE: CIRCULATION OF PAPERS LAID ON THE TABLE

Shri Harish Chandra Mathur (Pali): Just now the hon. Minister for Industry laid a copy of the Annual Report of the Hindustan Machine Tools (Private) Limited on the Table of the House. But this report has already been circulated to the Members of Parliament much earlier. So, reports are circulated to Members even before they are laid on the Table. I have got the report with me.

Mr. Speaker: I understand from office that sometimes these copies are circulated to members in advance, even before they are laid on the Table. I agree with the view of the hon. Member. Hereafter, I shall see to it that the members will not have the advantage of reading these papers earlier, i.e., before they are laid on the Table. It is only proper that they must be laid on the Table first and then circulated to hon. Members, however convenient the other course may be.

Shri Harish Chandra Mathur: I do think that the right of the House is bigger than my right.

Mr. Speaker: The right of the House is superior to the individual rights.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

FLOOD SITUATION IN BIHAR AND U.P.

Shri Bibhuti Mishra (Bagaha): Under rule 197, I beg to call the attention of the Minister of Home Affairs to the following matter of urgent public importance and I request that he may make a statement thereon:—

“The flood situation in Bihar and U.P.”

The Minister of State in the Ministry of Home Affairs (Shri Datar): Uttar Pradesh: As a result of continual rains in the second half of July, 1957, there were floods in the rivers Ghagra, Rapti, Bari Gandak, Chhoti

Gandak, Bansi, Juano, Sarju and Rohin. Ganga and Ram Ganga also received more than the usual quantity of supplies. In no case, however, did the floods reach the highest point. In fact, the position this year, so far, has been of far less magnitude than in the last two years. The districts affected are Bahraich, Barabanki, Gonda, Hardoi, Sitapur, Deoria, Basti, Azamgarh, Gorakhpur, Kheri, Tehri-Garhwal and Almora. It is yet too soon to assess the acreage of different crops destroyed or damaged. Loss of human lives is, however, considerable and is in the region of 50, including 42 in Almora District alone. These deaths are attributed to landslides resulting from heavy rains. In addition, 45 heads of cattle are reported to have been lost and 2,500 houses destroyed or damaged.

The floods have since receded everywhere and the State Government are taking vigorous steps towards affording speedy relief and rehabilitation to the affected people. A total sum of Rs. 1.45 lakhs has been sanctioned for the purpose. This does not include two separate sums of Rs. 10,000 and Rs. 25,000 respectively specially earmarked for disbursement as Taccavi loans in Tehri-Garhwal and Bahraich districts. Large quantities of foodgrains, particularly wheat, are also being distributed in the affected areas. Measures against epidemics have been taken in hand. In Almora district, arrangements have been made for distribution of cloth donated by the Indian Red Cross Society.

Bihar. Towards the end of July last, as a result of heavy rains, the river Kosi in the district of Darbhanga and the rivers Mahananda, Kankai and others in the district of Purnea were in spate. Between the 2nd and 5th August, the rivers Bagmati and Sikraha overflowed their banks in the Dhaka, Sugauli, Patahi, Pipra, Madhuban and Sadar Thanas of the Champaran district, while the river Gandak flooded the Dhanaha police station in the same district. On the

9th August, the river Bagmati breached a portion of the embankment in the Khageria sub-division of the district of Monghyr, while the river Kosi flooded some other Thanas in the same district, as also considerable portions of the districts of Saharsa and Darbhanga.

On the whole, an area of about 1,200 sq. miles has been affected and three lakhs acres of crops have been either destroyed or damaged. There has been, however, no loss of human life. The number of houses damaged is nearly 3,000.

The State Government are fully alive to the situation and are taking vigorous steps to give relief to the flood-stricken population. Gratuitous relief is reported to have been given already to about 2,67,000 persons. In addition, 9,500 maunds and 280 maunds of foodgrains are being distributed free in the districts of Darbhanga and Purnea respectively, through fair price shops, wherever necessary. During the floods, 2,800 boats were pressed into service for the evacuation of stranded people. Precautions against epidemics have been taken. Employment opportunities are also being provided through test works which have been started, wherever necessary.

No request for Central assistance has been received so far either from the U.P. Government or the Bihar Government. The State Governments are, however, eligible to a grant from the Centre of half the expenditure incurred by them on gratuitous relief up to Rs. 2 crores and three-fourth of the expenditure in excess thereof. A sum of Rs. 50,000 has been sent to Bihar from the Prime Minister's National Relief Fund.

Shri B. S. Murthy (Kakinada—Reserved—Sch. Castes): Nothing is said about the loss of cattle.

Shri Datar: All the information that we have got has been given here.

FINANCE (NO. 2) BILL—contd.

Mr. Speaker: The House will now resume further clause by clause consideration of the Finance (No. 2) Bill.

Out of eleven hours allotted for the general discussion and clause-by-clause consideration, 10 hours and 48 minutes have already been availed of and 12 minutes now remain for clause-by-clause consideration. After the clause-by-clause consideration is over, the third reading of the Bill will be taken up, for which one hour has been allotted.

Hon. Members must be aware that at the end of 12 minutes I will guillotine the whole thing. Schedule I was under consideration.

Shri Naushir Bharucha (East Khandesh): Schedule I cannot be put to vote as amendment 16 of the Government has not yet been moved.

The Minister of Finance (Shri T. T. Krishnamachari): Yes, it has to be moved. That is for Part II. If you are putting the Schedule as a whole, I have to move the amendment.

Mr. Speaker: Schedule I, Part I is over. Let that also be moved. I will put the whole Schedule.

Shri T. T. Krishnamachari: I beg to move:

Page 17, for lines 16 to 32 substitute—

“Sur-charges on super-tax

“The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:

(a) A sur-charge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of super-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 super-tax which would 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 super-tax payable on a total income of Rs. 1,00,000;

(b) A special sur-charge on un-earned income at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income has been the total income.”

The amendment seeks to make available to the divisible pool the sur-charge of 15 per cent on unearned income of individuals and Hindu undivided families about which I mentioned both in my opening remarks and subsequently.

Mr. Speaker: The question is:

Page 17,—

for lines 16 to 32 substitute—

“Sur-charges on super-tax

“The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:

(a) A sur-charge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of super-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 super-tax which would 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 super-tax payable on a total income of Rs. 1,00,000;

(b) A special sur-charge on un-earned income at fifteen per cent. of the difference between the amount of

super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income has been the total income."

The motion was adopted.

Mr. Speaker: Amendment 15 has been discussed. I will put amendment 15 also to the vote of the House. It has been already moved and discussed.

The question is:

Pages 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.

Rates 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.	
1. On the first . . .	Rs. 3,000 of total income	Rs. 3,300 of total income	Rs. 3,600 of total income	Nil.
2. On the next . . .	Rs. 2,000 "	Rs. 1,700 "	Rs. 1,400 "	3%
3. On the next . . .	Rs. 2,500 "	Rs. 2,500 "	Rs. 2,500 "	6%
4. On the next . . .	Rs. 2,500 "	Rs. 2,500 "	Rs. 2,500 "	9%
5. On the next . . .	Rs. 2,500 "	Rs. 2,500 "	Rs. 2,500 "	11%
6. On the next . . .	Rs. 2,500 "	Rs. 2,500 "	Rs. 2,500 "	14%
7. On the next . . .	Rs. 5,000 "	Rs. 5,000 "	Rs. 5,000 "	18%

(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:

	Rs.	of total income	
(1) On the first	1,000	Do.	Nil.
(2) On the next	4,000	Do.	3%
(3) On the next	2,500	Do.	6%
(4) On the next	2,500	Do.	9%
(5) On the next	2,500	Do.	11%
(6) On the next	2,500	Do.	14%
(7) On the next	5,000	Do.	18%
(8) On the balance of total income			25%

Provided that for the purposes of this Paragraph—

undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(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 by which the total income exceeds the said limit;

(iii) the income-tax payable by an individual who is married or a Hindu

(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.

[Mr. Speaker]

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the 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; 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 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 would 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 income 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 from any other living member of the family;

(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 motion was adopted.

Mr. Speaker: Now I will put amendment 57. The exemption limit

has been reduced to Rs. 3,000 and they want it to be Rs. 4,200. That is, the tax will be reduced. It does not require any recommendation from the President.

The question is:

Page 14, line 9, for "Rs. 3,000" substitute "Rs. 4,200".

*The Lok Sabha divided: Ayes 57;
Noes 171.*

Division No. 24]

AYES

[12.23 hr 9.

Awasthi, Shri
Benerjee, Shri S.M.
Beck, Shri Ignace
Bhanja Deo, Shri
Bharucha, Shri Naushir
Chandramani Kalo, Shri
Daulta, Ch. P.S.
Deo, Shri P.K.
Dharmalingam, Shri
Dwivedi, Shri M.L.,
Elias, Shri M.
Gaikwad, Shri B.K.
Ghodasar, Shri Fatehsinh
Ghose, Shri Bimal
Godara, Shri S.C.
Gopalan, Shri A.K.
Goray, Shri
Gupta, Shri Sadhan
Imam, Shri Mohamed

Jadhav, Shri
Kar, Shri Prabhat
Karni Singhji, Shri
Kattu, Shri D.A.
Kodiyan, Shri
Kumaran, Shri
Kumbhar, Shri
Kunhan, Shri
Matin, Shri
Menon, Dr. K. B.
Menon, Shri Narayanankutty
Mohan Swarup, Shri
Mukerjee, Shri H.N.
Mulluck, Shri B.C.
Nair, Shri Vasudevan
Nayar, Shri V.P.
Pandey, Shri Sarju
Patil, Shri Nana
Patil, Shri U.L.
Prodhan, Shri B.C.

Punnoose, Shri
Raghunath Singhji, Shri
Rai, Shri Kushwaqt
Rao, Shri D.V.
Rao, Shri T.B. Vittal
Reddy, Shri Nagi
Singh, Shri Kamal
Siva, Dr. Gangadhara
Sonulc, Shri H.N.
Soren, Shri
Sugandhi, Shri
Supakar, Shri
Thakore, Shri M.B.
Vajpayee, Shri
Valvi, Shri
Verma, Shri Ramji
Warrior, Shri
Vasnik, Shri

NOES

Achar, Shri
Achint Ram, Lala
Ajit Singh, Shri
Ambalam, Shri Subbiah
Anjanappa, Shri
Ashanna, Shri
Atchamamba, Dr.
Bahadur Singh, Shri
Bakliwal, Shri
Balmiki, Shri
Benerjee, Shri S.K.
Banerji, Shri P.B.
Banerji, Dr. R.
Bangshi Thakur, Shri
Berman, Shri
Barrow, Shri
Barua, Shri Hem
Barupal, Shri P.L.
Basappa, Shri
Basumatari, Shri
Bhagat, Shri B.R.
Bhakt Darshan, Shri

Bhargava, Pandit M.B.
Bhargava, Pandit Thakur Das
Burbal Singh, Shri
Bose, Shri P.C.
Brahm Perkaab, Ch.
Brajeshwar Prasad, Shri
Chanda, Shri Anil K.
Chandak, Shri
Chaturvedi, Shri
Chettiar, Shri R. Ramanathan
Chuni Lal, Shri
Daljit Singh, Shri
Dasappa, Shri
Das, Shri N.T.
Das, Shri Ramdhan
Das, Shri Shree Narayan
Datar, Shri
Dunesh Singh, Shri
Dube, Shri Mulchand
Dubhash, Shri
Blayaperumal, Shri
Gaekwad, Shri Fatesingh Rao

Gandhi, Shri Peroze
Gandhi, Shri M.M.
Gohain, Shri
Guha, Shri A.C.
Gupta, Shri C.L.
Hajarnava, Shri
Harvani, Shri Ansar
Hathi, Shri
Hazarka, Shri J.N.
Heda, Shri
Hem Raj, Shri
Hukam Singh Sardar
Jagvan Ram, Shri
Jain, Shri A.P.
Jain, Shri M.C.
Jena, Shri K.C.
Jhunjhunwala, Shri
Jogendra Singh, Sardar
Jogendra Sen, Shri
Joshi, Shrimati Subhadra
Kanakasabai, Shri
Kanungo, Shri

Karmakar, Shri
 Khan, Shri Osman Ali
 Khimji, Shri
 Khwaja, Shri Jamal
 Khataya, Shri
 Krishnamachari, Shri T T
 Kureel, Shri B N
 Lachhi Ram, Shri
 Lahiri, Shri
 Lal Shri R S
 Laxmi Bai, Shrimati
 Mafida Ahmed, Shrimati
 Majithia, Sardar
 Malliah, Shri U S
 Malaviya, Shri K D
 Mandal, Shri J
 Mathur, Shri Harish Chandra
 Mehdi, Shri S A
 Mehta, Shri B G
 Mehta, Shri J R
 Mishra, Shri B D
 Mishra, Shri Bibhuti
 Mishra, Shri L N
 Mishra, Shri M P
 Misra, Shri R R
 Mohiuddin, Shri
 Muniasamy, Shri N R
 Morarka, Shri
 Murthy, Shri B S
 Nadar, Shri P T
 Nair, Shri Kuttukrishnan
 Nallakoya, Shri
 Narayanasamy, Shri R
 Nathavani, Shri
 Nehru, Shri Jawaharlal
 Nehru, Shrimati Uma
 Nek Ram, Shri

Onkar Lal, Shri
 Oza, Shri
 Padalu, Shri K V
 Palaniyandy, Shri
 Pande, Shri C D
 Pangarkar, Shri
 Patel, Shrimati Maniben
 Radha Raman, Shri
 Raghubir Sahai, Shri
 Raghunath Singh, Shri
 Rahman, Shri M H
 Rajiah, Shri
 Ramaswami, Shri S V
 Ramaswamy, Shri K S
 Rampure, Shri M
 Ram Saran, Shri
 Rani Subhag Singh, J J
 Rane, Shri
 Ranga, Shri
 Rangarao, Shri
 Rao, Shri R J
 Ray, Shrimati Renuka
 Reddy, Shri K C
 Reddy, Shri R
 Reddy, Shri Viswanatha
 Roy, Shri Bishwanath
 Rungtong Suissa, Shri
 Sadhu Ram, Shri
 Sahu, Shri Bhagabat
 Saigal Sardar, A S
 Samanta, Shri S C
 Sanganna, Shri
 Sankarapandian, Shri
 Sarhadi, Shri Ajit Singh
 Satish Chandra, Shri
 Sen, Shri P G
 Shah, Shrimati Jayaben

Sharma, Shri D C
 Sharma, Pandit K C
 Sharma, Shri R C
 Shastri, Shri Lal Bahadur
 Shivananjappa, Shri
 hukla, Shri V C
 id dananjappa, Shri
 Singh, Shri Babunath
 Singh, Shri D N
 Singh, Shri D P
 Singh, Shri H P
 Singh, Shri T N
 Sinha, Shri Anurudh
 Sinha, Shri Gejendra Prasad
 Sinha, Shri K P
 Sinha, Shri Satyendra Nath
 Sinha, Shri Satya Narayan
 Sinha, Shrimati Tarkeshwar
 Siva, Dr Gangadhara
 Somani, Shri
 Subbarayan, Dr P
 Sumat Prasad, Shri
 Suryanarayanamurthy, Shri
 Swaran Singh, Sardar
 Thimmaiah, Shri
 Thomas, Shri A M
 Tula Ram, Shri
 Uike, Shri
 Upadhyaya, Shri Shiva Datt
 Venkatasubbaiah, Shri
 Vyas, Shri Radhela
 Wadiwa, Shri
 Wasnik, Shri
 Wilson, Shri J N
 Wodeyar, Shri

The motion was negatived

Pandit Thakur Das Bhargava (His-sar) There are other amendments which have not been replied to by the hon Minister I do not want it to be said that we have withdrawn them. We have placed them before the House with all the force at our command. The amendments are Nos 77 and 87 to 99.

Mr Speaker. I shall now put these amendments to the vote of the House.

The question is

Page 14, lines 6 and 7,—

omit "and every Hindu undivided family"

The motion was negatived

Mr. Speaker: The question is

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 7500 of total income Nil"

The motion was negatived

Mr. Speaker: The question is

Pages 14 and 15,—

(1) 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.

The motion was negatived.

Mr. Speaker: The question is:

Pages 14 and 15,—

omit lines 35 to 39 and 1 to 4 respectively."

The motion was negatived.

Mr. Speaker: The question is:

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 satisfies 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."

The motion was negatived.

Mr. Speaker: The question is:

Page 15,—

for line 5 substitute—

"(ii) Rs. 3,600 in every other case."

The motion was negatived.

Mr. Speaker: The question is:

Page 15,—

omit lines 28 to 39.

The motion was negatived.

Mr. Speaker: The question is:

Page 15,—

after line 38 add—

"The limit aforesaid 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 and who are not lineally descended from any other living member of the family."

The motion was negatived.

Mr. Speaker: The question is:

Page 17, line 4,—

omit "Hindu undivided family".

The motion was negatived.

Mr. Speaker: The question is:

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".

The motion was negatived.

Mr. Speaker: The question is:

Page 17,—

for line 8 substitute—

"(1) On the first 25,000 of total income Nil".

The motion was negatived.

Mr. Speaker: The question is:

Page 17,—

after line 15 add—

"If the Hindu undivided family consists of two persons entitled

[Mr. Speaker]

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."

The motion was negatived.

Mr. Speaker: The question is:

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."

The motion was negatived.

Mr. Speaker: The question is:

Page 17, line 39,—

for "12½%" substitute "10%".

The motion was negatived.

Mr. Speaker: The question is:

"That the First Schedule (both parts inclusive) as amended, stand part of the Bill".

The motion was adopted.

The First Schedule, as amended, was added to the Bill.

The Second Schedule

Mr. Speaker: I must apply the guillotine now.....

Shri T. T. Krishnamachari: I have an amendment to the Schedule.

Mr. Speaker: .. subject always to Government amendments.

Amendment made: Page 26,—for lines 17 to 19 substitute—

"(xxxvii) in Items Nos. 27(4)(a) and 27(4)(b), for the existing entry against each of them in the fourth column, the entry '1875 naye paise per Imperial gallon' and '20 naye paise per Imperial gallon' shall respectively be substituted".

—[Shri T. T. Krishnamachari]

Shri T. T. Krishnamachari: The intention of the amendment is that the import duty on kerosene which was raised in the Finance Bill as a countervailing duty against the excise duty, is also sought to be removed. It has been done by means of executive direction, but we want statutory sanction for it.

Mr. Speaker: The question is:

"That the Second Schedule, as amended, stand part of the Bill".

The motion was adopted.

The Second Schedule, as amended, was added to the Bill.

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

Shri T. T. Krishnamachari: I move:

"That the Bill, as amended, be passed".

In moving this motion, I would like to take this opportunity of making an announcement regarding some small concession which we have been able to give in the matter of excise duties.

The House will recall that while imposing the excise duty on vegetable non-essential oils, my predecessor had reduced by executive Notification, the duty on cotton seed oil by half. When I had proposed the enhancement of duty on these oils from Rs. 70 to Rs. 112 per ton, the rate on this particular vegetable oil was similarly reduced to half of the standard rate. We have since examined the report of the Oilseeds Crushing Industry Enquiry Committee. In pursuance of

their recommendation and in order to encourage the crushing of this seed for oil and in the hope that this would enable some groundnut oil to be released for export, the Government have decided to remove the excise duty on this commodity altogether. Effect to this decision would, as in the past, be given by Notification under Rule 8 of the Central Excise Rules.

This concession is estimated to cost the exchequer Rs. 2½ lakhs for the remainder of the current financial year.

Shri Goray (Poona): What a concession!

Shri H. N. Mukerjee (Calcutta—Central): Mr. Speaker, Sir, we are nearing the end of an annual drama, but this time it is more than usually poignant on account of the multitudinous imposts which the Finance Minister has inflicted on the people. We shall not be true to the trust reposed in us by the people if we do not strenuously oppose the passage of this Bill.

The Finance Minister wants an additional revenue to the extent of some Rs. 100 crores this year which, he says, is the barest minimum necessary to carry out the Demands already granted by the House in regard to the Plan, to defence and to other services. I do not deny that money is needed, though we all know very well that moneys in the hands of Government are too often woefully mis-spent. I do not deny also that to finance development, a large measure of reliance on taxation is essential. But I object very strongly when the Finance Minister swears by a new and integrated pattern of taxation while, if we look at the Wealth and the Expenditure Tax Bills, it seems largely to be a fake, and with that as his moral alibi, he plays havoc with the life of the people.

The Finance Minister sees that the Members of the Opposition—perhaps also on this occasion we might say that it is not only the Members of the Opposition but Members of the Congress Party—have been vehement in

their opposition to the many imposts which he has brought forward. But he says that Members who do not agree with his point of view are generally unable to suggest alternative methods of raising money for the Plan and for Defence. I submit that this is just not true. I submit that if he holds his nose in the air, indifferent towards the suggestions and ideas thrown up by Members from different parts of the House, and rejects those proposals which go counter to his own and throws them into the waste-paper basket, then, it is just not fair. And, what is worse, it lands the country in a mess and that is exactly what has happened.

Sir, that the Finance Minister must have a very large share of the responsibility for the mess we find ourselves in today goes without saying. Our foreign exchange position, about which so much has been said but more requires to be said later on, is bad. Our import policy has been short-sighted, almost criminally so, and in spite of the Finance Minister saying that he is willing to stand any scrutiny in regard to that matter, I do hope that ways and means are found in order to examine our import policy, in order to examine the implications of the mess in which we find ourselves today in regard to foreign exchange position.

From the Finance Minister also we have heard for the first time, from a Member of the Cabinet of his distinction, we have heard the term, some kind of pruning of the Plan. I note from the debates which I studied fairly carefully that soon afterwards a Congress Member—I think Shri Mathur—when he got up to speak, he objected to the very use of the expression, 'pruning of the Plan', because it went against the grain.

Only the other day when a question was asked, when the Prime Minister was here, in regard to the defeatist mentality which prevails in certain sectors of the Administration, then, he came forward to say things in a manner which suggested that at least 'pruning of the Plan' is an expression which we should avoid. There might

[Shri H. N. Mukerjee]

be some kind of flexibility attached to the Plan; there might be some kind of readjustment. But 'pruning of the Plan' is a phrase which is being propagated in this country by certain people from whom the Finance Minister tries to demarcate himself, sometimes a little too protestingly. But that expression has come from him in the course of this debate and that is a very bad portent. I say it is a very bad portent because I have noticed and the House has noticed very frequently that Members of the Cabinet speak with different voices. The Food Minister speaks, for example, in one kind of voice but the Prime Minister, on the contrary, takes a very different point of view.

Apart from grossly indiscriminating imports which we have had till very recently, our continued extravagance over foreign purchases is a matter which causes a great deal of worry. In regard to this question of import, it is really fantastic that in the year 1956 we imported tinned fish and tinned fruits to the extent of Rs. 830 lakhs, while the year before we were content with tinned fruit and tinned fish to the extent of Rs. 567 lakhs. But this kind of thing happened, and I do not know why. I do not understand why in 1956-57, we have got such things as knives, scissors and electric washers, electrical contrivances to wash your crockery after you have had your sumptuous meal. This kind of thing has gone on for too long and something has got to be done. I am not in a position at this late stage to go all over it, but I refer to the question of foreign purchases.

Some time ago, in answer to a question in this House, as a matter of fact on 24th February, 1956, the Government said that the stores purchased abroad under the auspices of the Ministry of Works, Housing and Supply amounted in 9 months April to December, 1955, to Rs. 74,52,11,000, that is about Rs. 74 crores and a half. That was the nine-month import of foreign purchases by the Works, Housing and Supply Ministry. The

other day, on 5th August, Shri Reddy replied that during 1956-57, a 12 month period, Rs. 198 crores of stores were purchased abroad. This is fantastic. We are supposed to be trying to ensure that only stores which we essentially need to purchase from other countries should be brought from there. But, as a result of this kind of screening of foreign purchases, we find that we are getting more from foreign countries in 1956-57 than we did in 1955.

In regard to this, I do not see my hon. friend Shri K. D. Malaviya here. But the oil mess which has happened is something which has got to be cleared up. We are losing a lot of foreign exchange and it has been estimated that foreign exchange worth Rs. 25 crores is being lost because we are sitting on the proved oil resources in Assam. We just refuse to move a finger to pump up this oil and use it. In December last year, the Minister said that all arrangements were complete with the Assam Oil Company. Then something went wrong and only the other day, he came before the House and said that nothing had been done. It seems, therefore, that Government cannot make up its mind. Government cannot go ahead with the scheme which is ripe and ready because oil is there. It is not a matter of speculation and we can go ahead with schemes which can save foreign exchange to the tune of Rs. 25 crores. In the meantime we import lubricating oils from abroad and the amount of money we are spending from year to year is increasing. I have got the figures here but I do not have the time to refer to all that in any kind of detail.

I do not understand also why the Finance Minister does not give any serious attention to the question of income-tax evasion which has been mentioned over and over again. He said yesterday that Members of the Opposition and members also perhaps of his own party were content to send him only anonymous correspondence alleging certain instances of so-called

corruption or something inside the income-tax administration or evasions on a large scale. But I say that it is not only anonymous letters which we sometimes have to send to the Ministry because we have not any means of verifying the contents of those communications. It is not only anonymous communications but communications with names given. I have here a communication which the Finance Minister must have got because this is a copy of that sent to him with names and addresses of the informants, with actual details in regard to alleged evasion to a very large extent of income-tax. Now, this kind of thing is done. I know even earlier—I have been in this House for nearly 6 years now and I have noticed that whenever these kinds of cases are brought to the attention of Government, they are, perhaps, sent to the waste-paper basket.

Only the other day, there was a question in the House and the Minister answered that Government is not going to have any public association with the income-tax administration. A question was asked by somebody, not a Member of the Opposition as far as I remember, who said that it is a good idea to associate the Commissioner of Income-tax in particular regions with a committee of public-minded persons, and the answer was that Government has decided not to do so. We are having a socialist pattern of society.

The Finance Minister comes forward and poses as a wonderful exponent of the idea of socialisation. But what kind of a plan are we going to have if we refuse to associate the people with every layer of the administration? My friend, the Minister of Communications, Shri Shastri is there, and **I hope that when he comes forward to reconstruct his department, then, he would see that it is absolutely essential to associate the representatives of the workers as well as, if possible, representatives of the public in every layer of the administration.** But, that is not done. Evasion amounts

to so much. Arrears amount to nearly Rs. 180 crores. Arrears in regard to Estate Duty amounts here and now to Rs. 1.15 crores. I do not say that these arrears can be collected straightaway. I do not say that all the money that is evaded can be collected straightaway. But, where is a serious effort being made? Where does the Finance Minister give this House and the country an inkling as to what exactly he is going to do to stop this kind of evasion?

We know very well this game has been going on, and going on with the assistance of all kinds of people, of leading lawyers who are leaders of society. About them the Income Tax Investigation Commission has made the most damning comments. They have said about people who sell their talents, legal and otherwise, in order to protect those who are guilty of something which in the present context of things in our country is treason. If today, while the Plan is in jeopardy, we do not punish those who cheat the country of its legitimate dues then, surely, we have no right to talk about fondling the Plan. We have no right to talk as if the Plan is nearest to the heart of the Finance Minister. If it was so, I would have been very happy. Sir, I have found no reason to believe that the Finance Minister really thinks that the Plan ought to be proceeded within that spirit which is absolutely necessary if it is going to be a success.

Then, what about the food muddle? This food muddle is illustrated in the fact that by 1956 the idea was that food imports will not be necessary and now we find that we will have to wait till the Greek Calends if we are to have a cessation of food imports. This kind of thing is what bedevils our entire financial position. This will make it impossible for any Finance Minister, whatever his talents, whatever his dialectical ability, whatever his capacity of countering arguments of other people by making all kinds of facetious observations, to bring about a success of the Plan.

[Shri H. N. Mukerjee]

In regard to iron and steel we have got information in answer to a question that we are paying Rs. 198 crores by way of foreign exchange. I was told only the other day by Sardar Swaran Singh that 20,000 tons were refused last year by Government departments which had indented for the iron and steel, and that iron and steel costing about Rs. 3 crores to Rs. 4 crores was sent out into the black-market. We know for what very wonderful purpose this is done, and the Government says we are not particularly perturbed. Actually, in that reply where the Minister for Steel, Mines and Fuel agreed that 20,000 tons were refused by Government departments after having indented that quantity, he said that Government has incurred no loss whatever. What a wonderful integrated view of the economic life of the country in a period when the Plan is in operation! The first year of the Second Five Year Plan is the most crucial period when all kinds of dangers and difficulties have attacked our social and economic structure. That is the time when the Minister says that 20,000 tons of iron and steel, for which we pay even Rs. 3 crores to Rs. 4 crores, was refused by Government departments, and Government has incurred no loss as a result of that particular proceeding.

And, the Government goes on wasting this iron and steel in Churchgate Station, Bombay. They build a six-storeyed structure unnecessarily. In the Perambur Factory foreign observers have told the Government that they are wasting steel which could easily be substituted by some other kind of material. We are wasting this kind of thing.

But, at the same time, we do not try to remedy the defect which has got, so to speak, organically into our economic and political thinking. That thinking has got to be altered entirely altered, really and properly changed. But the Finance Minister

does not seem to do so. The Finance Minister takes up attitudinising poses. The Finance Minister refers to other people in terms which suggest his unassailable superiority in regard to economic matters. He may very well be a very superior person. But the Finance Minister will not be able to tackle the problems of our country until he sheds this kind of thing. The Finance Minister should remember, for example, that today the whole world is watching this country, the future of the experiment which India is making to have a Plan in an economy which is largely capitalist controlled. This is something very much worthwhile, whether one likes it or not. This is a tremendous experiment, and how we deal with it is a matter not only of concern to the people here—it is of the deepest concern to us, of course—but it is of concern to the people abroad also. They are scrutinising everything that is said in the course of the proceedings in this House.

But, what do I find the Finance Minister behaving like? He says, you people don't seem to like the Plan as much as I do. He says, I am making certain impositions on the people certainly but you have to make sacrifices. I say, we are ready to make sacrifices. We are much more ready than you are to make sacrifices. We are ready here and now to go to the working people of our country and to tell them to undertake real sacrifices. But, when and how can our people make those sacrifices. They can only make those sacrifices when there are social services at least of an elementary character in our country.

We have the directive principles of state policy, but the directive principles of state policy in regard to education, in regard to health, in regard to employment are with impunity given a go-by. But, when it comes to a question of safeguarding the interests of certain people who have been enjoying for generations the property

bequeathed by their ancestors, then the articles of the Constitution are invoked.

What is this kind of demand for sacrifice? We are ready for sacrifices, but provide social services first, provide a minimum standard of living for our people first. And, we do not ask for the moon. Shri Lal Bahadur Shastri over there knows very well what the demand of the people working under him in his department is. Why can't we try to provide for our people the basic minimum of living? Why can't we take away from the minds of our people the worry in regard to health of their children and the education of their children?

The Finance Minister today comes and imposes income tax on people who have an income of Rs. 250 a month. So, we know what is what. We know how we people have been educated. We know how our people, our parents had to stint in order to give education to us. I know somebody might get up and say, you went abroad and therefore you cannot say that. I went abroad because I happened to get a scholarship. I know very well how it is for middle class people to somehow manage to live. We know very well how it is a terrific problem for our people to give education to their children. Provide facilities for education, for health, to our people and then you will find them coming forward to offer all the sacrifice in the world that you want. Till you have provided social services you have no right to expect sacrifices. Till you have lit the glow of enthusiasm in the heart of your people, you have no right to talk about everybody being mobilised for the sake of the Plan.

We are only too ready to be mobilised for the sake of the Plan, but what are Government going to do about it? What has Government done so far about mobilising the enthusiasm of the people? Why do we find this stupendous contradiction in the life of our people, that everywhere we want our people to go ahead, our people want to share in the tasks of going ahead but,

at the same time, our people can't go ahead. They have not got the wherewithal, they can't make both ends meet, they can't somehow manage to carry on from day to day. That is the dilemma which we have to solve.

But, the Finance Minister thinks that by bandying some kind of ridicule at the Opposition he can get away with it. Of course, he can get away with it in this House where he has got his own majority, but if there is a free vote I am not very certain whether the Finance Minister would get his Budget passed in the way that he expects to do.

The Finance Minister is a very superior person. He refers to things like Marxism. He refers to a colleague of ours like Shri Prabhat Kar and says that he is not a Marxist but he is a Communist of the Indian variety. I do not know what kind of facetiousness it is, but if somebody is a Communist of the Indian variety because he happened to be an Indian and happened to embrace the Communist ideology, I think it is a very good thing.

Of course, the Finance Minister talks about Marxism. I do not know, he may have delved deep in the springs of Marxism, but I fear, a little Marxism is a very dangerous thing, and it is very important that the Finance Minister guards against these unnecessary expeditions into realms of which he is completely unaware; he might very well confine himself to what he knows and his officials know. He might very well work on the basis of the advice which he gets and he might very well try to bring about what my friend Shri Masani used to say, a sort of welfare State, a middle,—middle State that you know of and all that kind of thing. He might very well do that. He might very well profess to be completely ignorant of the philosophy of Marxism or the practice of Marxism, but he says, "In the Soviet Union, these are the things done. I know all about that in Poland and a gentleman called Gomulka", about whom I know very little but Shri Masani knows a great deal, it seems.

[Shri H. N. Mukerjee]

He says he can deal with all that kind of thing. I am flabbergasted; I am astounded. I do not want to hear this kind of thing at all. I do not want to hear the Finance Minister referring to the Soviet Union and saying, "Oh, look here, in the Soviet Union, people make these sacrifices and you chaps, Indian Communists, 'why don't you say hallelujah as the Soviet have shown and why don't you say, 'we shall also offer sacrifices to the Government of India' " of which the Finance Minister is such a very distinguished ornament?

How, in the name of mite, how in the name of all that you hold sacred, how are you going to compare our conditions in this country with conditions in the Soviet Union? After all, in the Soviet Union, they have had a stupendous revolution—the 1917 revolution—and there have been decades of a kind of history which we can hardly conceive. We have been brought up very differently. We have a very different kind of tradition. How can you expect the people of India, conditioned as they are, to go through the kind of sacrifice which the Soviet people have obviously undertaken—Rightly or wrongly, it is not for us here in this Parliament, to decide? But they have undertaken certain sacrifices; they have achieved certain tangible results. They did it because of the compulsions of the situation; because of a certain objective readiness for social development. But here, in this country, we have to deal with a particular situation. What are you going to do about it? The Finance Minister does not say a word. Only his colleague, the Prime Minister, occasionally tries to theorise about the whole matter; occasionally it is worth hearing, but then again, there is the philosophy of hesitation; there is a philosophy of the beauty of compromise; there is the philosophy of not tackling any of those vested interests which, like the interests of the scribes and the Pharisees of the age of Christ, have continued since the beginning of

time. Because of all that, our position gets bedevilled and we see dark shadows overhanging our country and the second Five Year Plan continues to be in jeopardy.

I want the Finance Minister to remember today that worries over food spread today all over the country. It is not only that. You hear from Andhra that it has got a surplus and will keep it. In Uttar Pradesh today, an agitation is going on because of starvation conditions there. I read in the Congress papers in West Bengal that in the district of Nadia, people are nearly dying of starvation.

Mr. Speaker: This is the third reading. The hon. Member has spoken for 25 minutes.

Shri H. N. Mukerjee: In one minute I shall close. There has been no emotional integration of our country. Otherwise, today, the Foodgrains Enquiry Committee, in its report—

Shri Shree Narayan Das (Darbhanga): May I know whether the hon. Member is supporting the Bill or opposing it?

Mr. Speaker: The hon. Member may draw his own inference.

Shri H. N. Mukerjee: I will tell the Finance Minister that today we are in a very difficult position not only in regard to food but also in regard to the lack of emotional integration among our people. In regard to rehabilitation, schemes like the Dandakaranya scheme are being put forward but it might turn ultimately to be a stupendous make-believe. In the South, there is a kind of feeling that the North is trying to dominate over the South. Crises are arising all over the place. The Plan itself is threatened. There is a creeping feeling of helplessness, a feeling of despair which is everywhere in the country, and today, because of that, it is very necessary for Government, as leader of the country, as the administrator of things, to come forward and enthuse the people, to offer them something

in return for which they can offer voluntarily their enthusiastic service for the successful implementation of the Plan. That has not been done at all. There has been a complete lack of imagination in regard to the tackling of these problems which are so important today. That is why I say that in spite of perhaps the good intentions of the Finance Minister, this Finance Bill will not produce the results that we all desire, and that is why I say that on account of the very heavy imposts upon the people who are already bearing such a very heavy burden, we cannot support the Bill as he has presented it before the House.

Shri Bimal Ghose (Barrackpore): I had desired to speak at the consideration stage but that was impossible and as we have already passed the taxation measures, I do not think I can say anything on the taxation proposals. But I believe that I can salvage some of the things that I wanted to say at the consideration stage and use them now without doing violence to the propriety of discussion at this stage.

The Finance Minister has himself conceded that the budget is of a formidable character and he has presented the nation with a heavy bill of fare in the shape of taxation measures. He has urged in extenuation that the Plan has run into difficulties. We would have had to impose very heavy taxation measures even if the Plan had not run into difficulties. But the question arises as to why the Plan should have run into difficulties. Even then, when so much taxation has been imposed, there are friends who say that the Plan must be pruned and even the Finance Minister probably, to a certain extent, agrees with that suggestion. The main reason why we have run into difficulties and why there is this demand for pruning the Plan is that apart from the defects and imperfections in the Plan such as internal imbalances or under-estimation of certain investment proposals, some of the assumptions in the Plan have gone wrong since the Plan was adopted, and they have gone wrong in three impor-

tant respects, namely, food, foreign exchange and development of inflationary process. We have to ask as to why is it that the assumptions that we had made in the Plan just about a year ago or just a little over a year ago have gone wrong.

Let us take them *seriatim*. Let us take food which, I believe, is a more difficult proposition than even foreign exchange. We do not know why the food situation is such as it is today. What has gone wrong? When we accepted the Plan we thought that we would have no difficulties. The Government have not enlightened us on that matter. The pronouncements that have come have been confusing. We do not know whether there is faulty understanding on the part of the Minister or the statistics are faulty or both are at fault.

Shri Ranga (Tenai): Whatever the climatic conditions.

Shri Bimal Ghose: The fact remains that there has been some bungling in the food situation and I think we can now examine it and say that, in retrospect, the Government could have done something in the past which would have, to a certain extent, improved the position today. For example, in 1955, when the price policy was announced, we could have bought sufficient food which we did not do then. Then, about bank advances, there was a relaxation in September, 1956 which should not have been done. Then, there was, in the initial stages, only instructions issued by the Reserve Bank. There should have been directives instead of those instructions which came much later.

Then there is foreign exchange. I shall not say anything about that because we have discussed that fully, but I want to make three observations. I remain unconvinced by what the Finance Minister has stated here as to the substance of the charges that we have brought in this House. Secondly, whatever comments have been made, either inside or outside, go to demonstrate that our fears were correct. Thirdly, the Finance Minister stated

[Shri Bimal Ghose]

that he took a calculated risk. I presume that the assumption that he took a calculated risk means that he wanted to achieve something. Then, either he has achieved that or he has not achieved. If he has achieved it, why is this outcry? There should be no difficulty. If he has not achieved what he wanted to achieve or what he set out to do, then, I would like to ask the Finance Minister "where have you gone, why have you gone wrong and what have you gone wrong in?" He has to explain as to why he thinks that having taken a calculated risk we are in a position in which we are today.

The next point is about the inflationary situation. Why is it that the inflationary situation has developed to such a serious extent? When we adopted the Plan and agreed to deficit financing of Rs. 1,200 crores, we knew the dangers of deficit financing. But still we adopted it on the ground that there would be no serious rise in prices, that there were sufficient indicators and we would know when to stop. Now there has been a serious rise in prices in 1956-57, in spite of the adventitious factor of very large imports. The Finance Minister was assisted by a surplus in the balance of payments to the extent of Rs. 292.5 crores. The rise in the supply of money was only Rs. 129 crores in 1956-57, as against Rs. 264 crores in 1955-56. But still prices have gone up. As the Finance Minister will realise it is not the general price index that is important; it is the cost of living index, because it affects the wage structure ultimately.

13 hrs.

Now the serious thing today is not that the prices have risen so much. The cost of living index had gone down in 1955-56 compared to 1954-55 from 99 to 96, in spite of the fact that there was an increase in money supply of Rs. 264 crores during 1955-56. In 1956-57 although the increase in money supply is only to the extent of Rs. 129 crores there is a rise in the cost of living index from 96 to 107.

There is a rise of more than 11 per cent., and that is a most serious thing. And it is due to this rise in the cost of living index that we find that it is in 1956-57, it was not in 1954-55 or 1955-56, that there is this threat of strikes, that there is labour unrest and other things.

I agree with my hon. friend Mr. Dange that he could not instigate the workers to strike. He has not that force, even if he wanted it unless he were assisted by the powerful cost of living index. It is the powerful assistance given by the cost of living index that has assisted Mr. Dange or it may be anybody else, to make the workers feel that they could not carry on with costs rising so rapidly. The cost of living has gone up so much that they were impelled to strike.

There is another reason why we have gone wrong. We had assumed when we adopted the Plan that because there will be heavy investment in heavy industries, naturally there will not be capital for investment in light industries and therefore consumer goods must be provided by small industries. There our calculations have gone wrong. There was considerable fear when the Plan was adopted that probably this sector will not be able to meet the demand for consumer goods.

Now I have two charges against the Government in that regard. The first is that having accepted that proposition, they did not set up the machinery to fulfil that assumption which was implicit in the Plan. Secondly, having taken no step in that direction they also did not take any step to extend productivity in the mill sector. We no doubt took certain risks, but when we adopted the Plan we knew that this was the position, and these were our assumptions. Those assumptions have gone wrong, as I shall show presently, because the Government failed to take steps in time.

Now I shall come to another question, and that is whether the situation

being what it is today, we can raise sufficient resources to implement the Plan. We have given the Finance Minister all the taxation measures that he wanted, but still there is doubt. I feel that if we can go about it in the right way, there is no reason why Indian economy should not be able to raise the resources necessary for the Plan.

I can compare things with China. One might say that the position in China is different, but I am coming to that. It is very interesting to find that in China in 1952 the proportion of per capita investment or proportion of national income going to saving was much higher. In India it was only 5·7 in 1952 or getting down to Chinese calculations 6·7 in 1952, and in China it was about 15·7 per cent. In 1956 in China it had gone up to 22·8 while in India it was only 8 per cent. or according to Chinese calculations 9·5 per cent. The reason why I say this is this. It is not difficult to raise even with our meagre resources the necessary revenues, because in 1952 there was not much difference in per capita income of the Chinese and the Indian. The per capita income in 1952 in China was 227; in India it was 235; as a matter of fact, it was higher in India. But still the saving there was 15·7 per cent., whereas in India, according to the Chinese calculations, it is 6·7 per cent. only.

Now, as the Finance Minister knows, very well, the problem of development is how to convert, in the words of Arthur Lewis an economy which was 5 to 7 per cent. saving into an economy with 11 to 12 per cent. saving, and if you can do that, the economy will take charge of itself and future progress will be ensured. Unless we can increase our savings which is not impossible, we shall not be able to fulfil the Plan.

To those who say that the taxes are very heavy on the rich classes, I would only say that in Japan taxation is much higher. Not only is taxation much higher, but Japan is more egalitarian, has more socialistic economy

today than India has. But still industry is progressing even under private enterprise.

Finally I want to say this. Although the Finance Minister may have all these taxation measures, unless certain other things are done in other fields, he will not be able to make a success of the Plan. The other things necessary are first he has also weapons at his command—the monetary and the financial policy must also be attuned to the requirements of the time. I think that we do not take measures in proper time. For example, in regard to bank credit and its restriction, as the Finance Minister will know, one-third of the money supply today comes from banks; about 800 crores out of 2,400 crores consist of bank money. The Reserve Bank Act was amended and powers were given to the Reserve Bank. Why did we not increase the statutory reserve requirements of banks much earlier? Why did we not impose higher margin requirements much earlier? Why did we not ask for the issue of directive much earlier? So, it is necessary that we should have a better financial policy in this situation. It is necessary that we must do something about increasing the consumer goods. We must resolve the bottle-necks. What is our attitude towards small and cottage industries? If we think that we can do something, then we must start machinery for that purpose, because unless we have the machinery, mere financial institutions or marketing institutions will not help them. We have to buy the whole commodity from them; give them commission to produce the thing. Only in that way can the small scale industries thrive.

Thirdly we must check non-development expenditure, that is increasing. The Finance Minister must do something about it. Fourthly, we must see to it that the State Governments fulfil their part of the obligation. They are increasing their non-development expenditure. They are not raising the portion of the funds which they should raise. Unless something is done about it I do not think the Centre by itself

[Shri Bimal Ghose]

will be able to carry through their obligations. It is a peculiar situation. Having adopted the Plan, the Centre feels that they have to find all the resources; although there is a commitment on the part of the States to raise a part of the expenditure, the States do not do it. The Centre, because the whole world is looking at it, feels that it is its obligation to find the resources.

There must be economy in expenditure, about which I shall say nothing more. Finally, I think there should be some more coherence in ministerial pronouncements. I find different Ministers saying different things. We found the other day a Minister saying that there is going to be a Rs. 1,000 crore housing project. I do not know where the money is to come from. Then one of the Ministers of State in the Ministry of Transport and Communications stated in this House that he would encourage, or at least countenance enterprise to develop civil aviation. But that is not permitted under the Industrial Policy Resolution, because civil transport is in Schedule A. Then, some Minister says, there will be new railway lines. But the Plan provided only railway lines to serve the steel areas. Ministers make pronouncements which have no connection with the Plan. For example, there was the controversy between our Information Minister and the Irrigation Minister. So, one is astounded as to how a chaotic team like the one we have today can effectively implement a Plan of this magnitude.

We are prepared to give the Finance Minister all the resources, but the question of internal resources is not a simple one. Yet, mere taxation will not help him in seeing the Plan through. We speak of the Plan not being fulfilled, but we need not shout so much, because we claimed that the first Plan was fulfilled, although (a) we did not reach the target of production and (b) we did not reach the target of expenditure. We did not reach the target of production in most of the things; except two items in agriculture and three or four items in industrial production, we did not reach

the targets in many of the other items.

In pig iron, we reached only 17 per cent.; finished steel 45 per cent., aluminium 47 per cent., superphosphate 13 per cent., mill cloth 72 per cent., handloom 61 per cent. and power alcohol 11 per cent. But still we claim that the Plan has been successful. Even a 15 to 20 per cent. short-fall in the second Plan would mean Rs. 750 to Rs. 1,000 crores. We might have kept quiet and the Plan would have been successful. We did not keep quiet, because some of the schemes requiring foreign exchange came into the picture. I can only say...

Mr. Speaker: The hon. Member must resume his seat now. I have already given him 18 minutes.

Shri Bimal Ghose: I will finish in 20 seconds. If these big schemes which require foreign exchange have to be made successful, all that I can say is that I wish the Finance Minister luck in his unofficial mission to America.

Shri T. T. Krishnamachari: Mr. Speaker, the battle is over and the skirmishes have begun. The Opposition has let loose on the House its light artillery, because my hon. friend, who today chose to make a personal attack aided by that inexhaustible vocabulary which he has picked up in Oxford, when he was not able to command the language, made up for it by involuted gesticulations. But probably it is his method of getting into a fury, because he is in private life a very charming person and would not hurt a fly. Even when he writes a letter to me, he is very apologetic and says, "I am very sorry I am taking up your time". Why should that man work himself up to a fury?

Apart from that, I do not want to be hard on my hon. friend, because he has to play a part and I think it is that of a good dramatist; he has played a dramatist. I do not take what he says very seriously, but I am sure he credits me with an ordinary amount of common sense and a little amount of honesty, so far as my intellectual pretensions are concerned. He was just more or less talking in a spree in order

to amuse the people sitting behind him, who had a good laugh at the expense of the Finance Minister. I do not grudge them that, because I do not think they get many chances of laughing. If my hon. friend, Mr. Mukerjee, would provide the material for them to laugh, I do not grudge them that.

But what did he say? Words, words and more words! English is a nice language. Probably if I had the privilege of going to Oxford myself, I might have been able to speak better, but unfortunately, my father was a very orthodox man and he would not send his son abroad. I envy Mr. Mukerjee's command of vocabulary, but, of course, I do not envy the various other things that he has to do in order to get himself up to a mood when he can speak with a facility which is not facetious. Characterisation of whatever I have said as being facetious, of my not being serious, of my thinking that I have got a monopoly of intelligence, if it amuses people, I do not grudge them that. But nobody says today that we are infallible. In fact, that is an attitude that we never take on anything. I do not think anything that we do, we do because we feel, with an attitude of self-righteousness that what we are doing is the correct thing.

Mr. Mukerjee says, for the first time the cat is out of the bag. What a cat? It is not even a rat; it is a tiny little mouse. We speak of the core of the Plan. Naturally when we speak of the core of the Plan, the core must be reached by some scraping off. One might say, I have scrapped it; I have pruned it. I have not said that the Plan must be pruned, so that the objectives of the Plan are in any way taken away from it. If such language has been used, he might have warned me. But I do not think he should take advantage of it, because pruning by itself in the context of my speech does not mean that the Plan is going to be watered down.

He mentioned about his party's own work for the Plan. Actions of his party belie his statement.

Shri Nagi Reddy (Anantapur): Not at all.

Shri T. T. Krishnamachari: A denial will not help. Everything that that party does is to subvert the economy of this country.

Shri Nagi Reddy: Certainly not.

Shri T. T. Krishnamachari: I say, denial will not help. On every occasion that you take, every meeting that you address, every crowd that you gather, you only want to subvert not only the economy of this country, but the Constitution of this country.

Shri Nagi Reddy: We gather a different crowd from the one you gather.

Shri T. T. Krishnamachari: There is no point; I think better be honest about it. You want me to be fed, but you won't give me food. Yes; I want you to be fed, but I won't give you food. This is a thing which, I am afraid, if it is an intellectual effort, is childish; if it is intended to cover the real intentions of the party, I think it is futile. Where does this question of infallibility come? You think you are acting in a manner by which everybody else is lured into a sense of security. I do not feel so. In fact, the threat to the Plan comes from you primarily.

Shri Nagi Reddy: It comes primarily from the Government.

Shri T. T. Krishnamachari: By the propaganda that hon. Members here and their party make, it is they who make it difficult for us to implement the Plan. Otherwise, we think it is possible.

It is true; Mr. Mukerjee said, what about social services? Yes; I would like to provide social services. If my Plan is cut down in one side where foreign exchange component is needed, because we can raise internal resources if we have the will to do so, we have to spend it in such a way so that the expenditure goes into social overhead capital in order to provide the people with a little hope.

[Shri T. T. Krishnamachari]

My hon. friend mentioned something about my colleague, the Minister of Works, Housing and Supply speaking about a 1,000 rupee plan. If you want to take advantage of a slip of the tongue, you can. You can make a mountain of it. What did he say? He was mentioning a figure mentioned in the Planning Commission's report where the private sector has been given a particular figure, near about Rs. 1,000 crores or slightly more for the purpose of housing. Housing investment by the private sector, that is, by the individual would be of that order and provision has been thought of in regard to supplies for that purpose. I do not think my hon. friend ever meant that he is going to spend Rs. 1,000 crores on housing during the Plan period. I do believe, if my hon. friends are honest about it, that if we are going to cut down the Plan in some way, we can extend it in some other direction. We can spend more money on slums; we can spend more on low income group housing. We can spend more money on rural housing. We can do that. It is possible to do that. If he really means what he says, I am with him. It is not being facetious. It is not making false promise. It is not even doubting your bonafides when there is every reason in the world to doubt your bonafides. It is because what you want to achieve is what we also want to achieve. It is never the intention of the Government, it is not the intention of any Member of the Government that the people in this country who are living in sub-marginal standards should suffer. If you want something in the future, if you want to build the economy of the country, some sacrifice is inevitable. If you say you are asking the poor people to make sacrifices, the point really is, there are not enough rich men from whom I can get sacrifice.

Then comes the question of tax evasion. What is it that I have said that makes my hon friend excited? He occasionally sends me a note about

something. Whatever he sends, we make enquiry. We go into it. But, it is not this way that we can put down evasion. I realise there is evasion. He says, sometimes I dissociate myself from that class of evaders and sometimes I get near, that is, actually I am not with them. No. No Finance Minister can be with the evaders. But, it is that I hate them as you hate. So far as I am concerned, it is not a question of black and white. You say, don't stray into communist ideology, it is my particular privilege, I have studied communism in Oxford, I am the man that can expound communism for platform purposes whereas my other friends will work underground.

Shri Nagi Reddy: Even by accident, you won't stray.

Shri T. T. Krishnamachari: I am neither speaking for communist ideology nor for communist ethics which is non-existent. I am telling you, there is no point in saying don't do this so that social services can improve. We can do it. We can accept even your bona fides for the time being. But, what is it that you want to say? Do you want to co-operate? If I say Dandakaranya scheme, you say it is all smoke. It is not. I have no administrative responsibility except Finance. But, I am devoting my personal attention to this scheme. In fact, I am gathering together various secretariat people, talking to my colleagues, bringing all the Ministries interested in it to see that the scheme might succeed. It is not easy; it is a very difficult, extremely difficult proposition. But, it does bring us a solution, some hope that we might be able partly to solve this problem of Bengal refugees. Hon. Members need not think that they alone have the heart which they have surrendered somewhere else. We also have got a heart. We go and see the people in Bengal and other places. We see their suffering. We are not out here just because we are Ministers enjoying palatial residences, huge cars, an amount of leisure and all the parties that go with it I do not know whom my hon.

friend means I do not have it and I do not think my colleagues are people who are ease-loving or leisure-loving. So far as I am concerned, the day begins with 5-30 a.m. and ends at 11-30 p.m. But, I am not doing all this for the sake of pleasing Shri H N Mukerjee or his party. I am doing it because there is a responsibility on us, on this generation—I am not even speaking of the Congress party—on this generation to see that we do something to alleviate the sufferings of our people.

I do not think Shri H N Mukerjee needs anything more than that. He says that my approach is dialectical. I read dialectics from people whom he admires. He says that my approach is facetious. I try to imitate Shri H N Mukerjee, who in spite of the grimness with which he shakes hands and makes gesticulations, seems to me to be facetious. He does not mean what he says. The party itself puts him up as light fire, if there is anything in which they find nothing much serious. He cannot damage. He will say something which is more than he feels. That is enough for Shri H N Mukerjee.

Shri Bimal Ghose remains unconvinced. The trouble about it is, he was born at a time when the star that was ruling seems to be a star which carried no conviction about it. I have tried and taken the time of the House, prepared materials and I have shown—I think I have shown justly—that during the period of four or five years, we have kept the import and export policy on an even keel. He says, I remain unconvinced. If he remains unconvinced, one does credit my hon. friend Shri Bimal Ghose with, at any rate, a capacity for being obstinate, even though it is not a human virtue. But, I am afraid, we have to leave him at that. He will remain unconvinced. We cannot carry conviction to a man who remains unconvinced. I am afraid, Shri Bimal Ghose will remain unconvinced for a long time to come, not only in regard to the import policy, but in regard to many other matters. I hope he would not finally end up in

a stage of supreme Advaita where it makes no difference whether one exists or not. I hope this would not wound the religious susceptibilities of anybody here.

He has made certain points, particularly in regard to credit. Why did you take away the restrictions some time in September or October, why did you re-impose it later, why was it not effective? What about Rs. 880 crores of bank credit? The point really is this. This is the trouble about reading blue books and never understanding them. If I can revert to Shri H N Mukerjee, he suffers from rather, may I say, if he will permit me, indifference. When he reads blue books, he mistakes lakhs for crores. It makes very good effect. When you say we have imported canned fish, canned meat and other things for Rs. 8 crores or 10 crores or Rs. 11 crores, it is very impressive. What has the Government been doing? It is only a matter of lakhs, because, figures of sea-borne trade are indicated in lakhs. They do not go into crores. We have got the figure here. It is easy to quote—slip of the tongue again. We can make very good use of it and show that we have been negligent.

My hon. friend Shri Bimal Ghose read figures. He was trying to show that in relation to foodgrains we did not take proper care. There is no intention on the part of Government to stifle credit in regard to other matters where undoubtedly some good is likely to come from an expansionist budget. There is no object in taking an overall picture of the bank advances and saying, you have not brought it down. I agree that so far as advances for foodgrains are concerned there are a lot of loopholes. When we took away the restriction on rice, we were told that prices were dropping. All State Governments telegraphed to us that prices are dropping and if you do not give any credit support, prices will drop further. Then, we took it up. Later on, things hardened. We have now found that apart from bank credit, agriculturists have got a holding power. We also find that the recent innovation made by us

[Shri T. T. Krishnamachari]

in regard to providing loans for the co-operative banking sector, which is not very well organised and which cannot be controlled, has been made use of in certain parts of India. He says that the directives have not been obeyed. Yes. They have not been obeyed to some extent. We find that not merely the Scheduled Banks did not obey, but the State Bank found it difficult. Because, it is easy to lend money; it is difficult to ask for money to come back. You can't put the screw suddenly. In that case, there would have been a spate of protests and adjournment motions in the House. You have to put the screw on gently. Still we insist that advances should be drawn down to 66 and 2/3 per cent. of what obtained in 1956. We are coming down. I think the figure on 18th of August was somewhere about 81 per cent. of the 1956 figures. I do not say that it is very efficient. We have to make our administration more efficient. Now we have a Reserve Bank with a fair amount of powers and we have a State Bank which can have a predominant voice in the monetary structure and the credit policy of the country. If the suggestion is that we have to make increasing use of them, I accept the suggestion very cheerfully. I will certainly say that we should try our best to see how we can control the inflationary pressures by using the credit policy, though it is not altogether possible in every case. I think my hon. friend Mr. Sadhan Gupta asked a question: how are you safeguarding the switching over of credit from one to the other? He might have got credit for iron and steel. He may switch it on to food-grains, for a person may own a number of companies. That is possible and we have no check on that now. We accept these suggestions, we accept these criticisms in good spirit because we cannot carry through a plan of this magnitude in an economy of this nature, which is not like China which gets co-operation from everywhere, without accepting the useful suggestions, examining them and trying to integrate them with our policy.

My hon. friend referred to China. He said the per capita income in India is slightly higher while the rate of savings is less. The only difference is: here is a democratic government, a federal government; not merely it is democratic and cannot make people obey immediately, but is also a federal government. We cannot even bring the States into line quickly. That is our difficulty. Democratic planning has a lot of pit-falls. That is where my hon. friends come in. If the country is organised on a communist basis, planning might be successful. Even if it is not successful, nobody dare complain, nobody dare strike, nobody dare go slow. That is why planning today has been made a success in the totalitarian countries and it cannot be engrafted to a democratic set-up. Nobody denies the fact that it is a very very difficult task and that is why I welcome the suggestions made by Mr. Bimal Ghose.

Now I come back to the point about iron and steel. He said that Rs. 190 crores is given. It is true we had planned for the import of four million tons. It was deliberately planned. For one reason, it was needed for the purpose of economy because today the engineering industries are in full swing and secondly because we have prepared a plan for the production of 6 million tons. The country has got to get used to it because if I start producing in October 1959, 5 million tons, the country cannot use it straightaway. It is a planned effort. But, maybe, in one or two cases Government had ordered and they had not taken delivery. Sometimes Government are not able to make use of what has come in. I remember, I had asked the railways at one time to go round to every dock, look into every dump and take what they can. But they say that those gauges won't suit them. Probably, it has gone to the blackmarket or the structure fabricating centre and has been made good use of. Today, well, maybe in some cases, there is blackmarketing. We are trying to avoid it by raising the prices. That is one of the reasons for raising the price

though people have often criticised us for raising the price. I am trying to protect the price of cement so that when the price increases the demand for cement may show down and we may have a cushion. My friend of the Forum of Free Enterprise has stated that we are allowing blackmarketing and Government are blackmarketing. These are matters which my hon. friend does not know fully and he can ask questions. I am quite prepared, even though it is a portfolio of my friend, Sardar Swaran Singh, to satisfy him. We shall certainly satisfy him in these matters. But if you think that by making a speech here and making "lakhs" into "crores"—you have made a great effect and you made your party laugh, you made others also laugh. I do not grudge that—you have achieved something. I may tell you, you have not scored any particular point.

Now I come back where I began. We have full faith in the Plan. Any amount of eloquence on the other side to say that we do not believe in the Plan and they only believe in the Plan, which they seek to sabotage, is a thing which nobody will believe. We have been, more or less, hitching our wagon to this Plan and we propose to go on hitching to it and, as I said the other day, we propose to try our best to do what we can do to implement it. It may be that one Minister speaks with one voice and my voice might be a piping little voice and another Minister might have a stentorian voice. We cannot speak with the same voice because we have no voice culture or voice training. So, there is nothing in it. So far as an individual is concerned, he sometimes expresses a personal opinion. I might have some views about agricultural income-tax or land tax. It does not mean that because I am the Finance Minister in the Centre, every State should accept it. I believe in diversity of views and unity of action and I do maintain that there is unity of action so far as the Government is concerned. I may be a very very minute

limb of this Government or, may I say, a lynch-pin? But still I will try my best to hold the whole thing together so that we may, God willing, be able to implement the Plan and whether it is the core of the Plan or whether it is pruned a little here and there, most of the targets that are to be fulfilled will be gone through.

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

WEALTH-TAX BILL, 1957

Mr. Speaker: The Wealth Tax Bill has been allotted 9 hours and it has to be allotted to the various stages. Now it is 1-30 and we can go up to 5-30. I think we will allot 5½ hours for the first reading, 3 hours for the clause by clause consideration and half an hour for the third reading. Now the hon. Minister.

The Minister of Finance (Shri T. T. Krishnamachari): I beg to move*:

"That the Bill to provide for the levy of wealth-tax as reported by the Select Committee, be taken into consideration".

As the House is aware, the Bill was referred to a Select Committee consisting of about 35 members on the 17th of July. The Committee submitted their report to the House on the 17th of August. They had 12 sittings in all, during which they deliberated upon not only the various provisions of the Bill, but also the general principles underlying the taxation of wealth in all its aspects, as envisaged in the Bill. The Committee considered the points raised by the hon. Members of this House, when the motion for reference to the Select Committee was under discussion.

*Moved with the recommendation of the President.

[Shri T. T. Krishnamachari]

13.38 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

The Committee also took evidence from associations representing various interests and shades of opinion, who voluntarily came to give oral evidence before them.

The Committee have recommended a number of amendments, both substantive and procedural, to the original provisions. On the whole, they have approved of the general principles of the tax, as set out in the Bill and, in particular, the levy of the tax on joint stock companies as well as on individuals and joint Hindu families. The changes that have been suggested by the Committee in regard to the substantive provisions are, generally speaking, in the nature of concessions in particular directions, designed to avoid undue hardship in cases where it is otherwise likely to arise in the view of the Committee. I shall refer to these changes presently.

The principles of the Bill and its provisions have been briefly set out in the memorandum and the pamphlet explaining the taxation proposals for the current financial year, which were circulated to the hon. Members soon after the presentation of the budget. The important provisions of the Bill were already discussed in some detail in the earlier session of the House on the motion for reference to the Select Committee. I do not, therefore, consider it necessary to take the time of the House at this stage for going in detail through the various clauses of the Bill. I shall confine myself to explaining the changes made by the Select Committee in the more important clauses of the Bill.

I believe it will be convenient if I deal with these changes under two broad categories, namely (a) changes relating to the taxation of companies and share-holders, and (b) changes relating to the taxation of other assesses, that is individuals and Hindu undivided families.

Under clause 3 of the Bill joint stock companies, whether public or private and whether Indian or foreign, are liable to pay tax as separate units. Generally speaking, in the case of an Indian or resident company all its wealth whether held within India or outside is chargeable to wealth tax. In the case of a foreign company, that is a company not resident in India, clause 6 provides that only its Indian wealth is liable to tax.

Clause 45 of the Bill excludes totally from the purview of the tax certain types of companies which have special characteristics of their own. These exceptions are banking companies, insurance companies and certain financial institutions sponsored by the Central Government. These features of the Bill have received full support from the Select Committee.

I shall now summarise the changes made by the Committee in regard to taxation of companies.

During the discussion of the motion for reference to the Select Committee, I had expressed my intention to provide for the following, by way of tax concessions :

- (i) the grant of a wealth-tax holiday to industrial companies for five successive assessment years immediately following the date of their incorporation;
- (ii) shares held by one company in any other company, i.e., inter-corporate holdings to be exempted from wealth tax in the hands of the holding company.

These concessions have been approved by the Select Committee and the necessary changes incorporated in the appropriate clauses of the Bill.

The Select Committee have considered it necessary to provide for further concessions on considerations of equity, of the need for giving stimulus to companies which genuinely require finance for their development, and of avoidance of undue

hardship. They have accordingly made the following changes :

- (1) Shipping companies are also to be totally excluded from the purview of the tax. These companies will thus be placed on the same footing as banking and insurance companies.
- (2) Charitable institutions and institutions for the promotion of art, culture, commerce, etc., which are not established for the purpose of making profit but which are registered as companies for the sake of convenient administration, are also to be totally excluded from the purview of the tax.
- (3) The wealth tax holiday for five successive assessment years should not be confined to industrial undertakings newly incorporated as companies, but extended also to new industrial units of existing companies which are created by way of substantial expansion of the existing undertaking.
- (4) Wealth tax is not to be levied on a company in a year in which it suffers a loss, and where a company makes only a small profit in any year, the wealth tax payable by it in that year should not exceed the amount of its profits. For this purpose, the loss or profit in such cases is to be computed without allowance for development rebate or special depreciation allowance or the set off of earlier years' losses. Further, the concession will not be given if the company declares any dividends on equity capital for the relevant year.
- (5) In order to provide a direct incentive for investment in productive enterprises and as a corollary to the wealth tax holiday for new industrial companies, shareholders in such companies are similarly to be exempted on the value of their shares for the same period of five successive assessment years in which the

companies themselves will be enjoying the wealth tax holiday.

- (6) Rule 2 of the Schedule as it stood originally provided a ceiling of wealth tax for shareholders of private companies only. The tax on the shareholders was to be limited to 1.5 per cent of the value of the shares, taking into account the wealth tax paid by the private company itself on its own wealth. This ceiling is now extended to shareholders of public companies also on the same basis.

The amendments incorporating these changes made by the Select Committee will be found in clauses 5 and 45 and the Schedule.

So far as I have dealt with the changes in regard to the taxation of companies and shareholders. I shall now summarise the other important modifications made by the Select Committee which relate mainly to individuals and Hindu undivided families.

Clause 6 as it originally stood provided that in the case of individuals who were citizens of India, their entire wealth including their foreign wealth, would be liable to wealth tax even if such individuals were residing outside India, and that in the case of individuals who were not citizens of India, only their Indian wealth would be liable to tax. The Select Committee felt that this distinction based on citizenship was not appropriate and that it should properly be based on residence in India. They have accordingly amended clause 6. The effect of the amendment is that in the case of all individuals, irrespective of nationality, who are not ordinarily resident in India or not resident in India, only their Indian wealth will be liable to wealth tax. Similarly for Hindu undivided families also. Residence in India for this purpose will be determined on the same principles as are at present applicable for purposes of income-tax.

In the case of individuals and Hindu undivided families resident in India, the foreign wealth also would be

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 liable to tax. The Select Committee have, however, provided that tax should be charged on the foreign wealth in such cases only at one half of the normal rates of tax. In order that foreigners should not be inclined to withdraw their Indian investments on account of the incidence of wealth tax, the Select Committee have provided that their Indian wealth will be taxed only at one half of the normal rates of tax. The Committee has also provided that in the case of foreign institutions or foreign residents, any assets represented by loans or deferred liabilities in India in respect of the *supply of capital goods on long-term credit basis*, will be exempted from tax.

No change has been made in regard to the exemption limit for individuals which remains at Rs. 2 lakhs. For Hindu undivided families, however, the Select Committee considered it necessary to raise it from Rs. 3 lakhs to Rs. 4 lakhs. This increase in the limit by Rs. 1 lakh is offset by the reduction of the next slab from Rs. 10 lakhs to Rs. 9 lakhs. No other change has been made in the rate schedule or the tax structure.

Clause 5 of the Bill provides for exemption from wealth tax in respect of a number of items of assets. These exemptions were carefully considered by the Select Committee, and while they have been substantially approved by them, they have made some important changes therein, and also made some additions to the list of exemptions.

Household articles, furniture etc., are now to be exempted fully without any monetary limit. For jewellery alone a separate monetary limit of Rs. 25,000 has been imposed. The limit for professional tools and implements has been raised from Rs. 2,500 as proposed in the Bill to Rs. 10,000.

In the case of Rulers of Indian States, their ancestral jewellery recognised as such by the Central Government, and which is not their personal property, is to be exempted. Also, one building for each Ruler,

which is declared by the Central Government as his official residence, is to be exempted. For others, exemption has been provided for one residential building in rural areas with a population of less than 10,000.

I shall now come to the important changes made by the Select Committee in regard to procedural matters. Clause 25 of the Bill, as it originally stood, conferred power on the Commissioner of Wealth Tax to revise assessments only in cases where such revision was advantageous to the revenue. Suggestions were made in the House during the discussion on the motion for reference to the Select Committee by my hon. friend Pandit Thakur Das Bhargava that the Commissioner should also be empowered to revise assessments in cases where such revision was in favour of the tax-payer. These suggestions have been accepted by the Committee and clause 25 has been recast accordingly.

The next important change is in regard to the composition of the Committee of Arbitration to settle disputes in regard to valuation at the stage of the appeals before the Tribunal. The Select Committee felt that it was most appropriate that the arbitration should come only at the Appellate Tribunal stage as proposed in the Bill, as it is only at that stage that all the issues in dispute between the tax-payer and the department will become crystallised. The Select Committee, however, felt that the following changes were necessary:

- (1) The Arbitration Committee should consist of two valuers only, and not a valuer and an adviser as proposed in the Bill.
- (2) The valuers on the Committee should be chosen one by the assessee and the other by the department.
- (3) The valuers should be empowered to settle disputes on valuation of not only immovable property but also movable property, if either party to the appeal so required.

The other changes made by the Select Committee relate to minor details of procedure and will become clear when the House takes up the relevant clauses for consideration.

Although I would have personally liked that the number and extent of the concessions had not been as large as they are, I cannot deny that the Committee had ample justification for the view that in an entirely new measure like this, it is desirable to proceed with caution. This measure of caution has been exercised in two respects—firstly, by granting concessions so as to avoid administrative harassment, a word that is often used; and secondly, by avoiding any imposition which may even by a remote chance affect development.

I myself do not share these fears. But I am prepared to agree that there is a possibility of having divergent views in a matter of this nature. I therefore would like to give this measure, as approved by the Select Committee, a fair trial and would claim the indulgence of the House in coming with suitable amendments, if experience shows that the law has to be tightened up.

Finally, I must refer to the estimates of receipts from this tax. These estimates are, at the present stage, very largely subjective. In fact, my department would not even take the responsibility of making these estimates. My original estimate was Rs. 15 crores made up of Rs. 9 crores from companies and Rs. 6 crores from individuals and Hindu Undivided Families. With the concessions now made for companies and for losing companies, the receipts from companies will come down to about Rs. 6½ crores. In regard to individuals and HUFs, it is possible that my original estimate is a conservative one. It will, however, take time to build up the revenue and for the current year I cannot take a figure higher than what I have previously mentioned. I expect, therefore, that for the current year the total revenue might be of the order of Rs. 12½ crores.

Shri Naushir Bharucha (East Khansdesh): The pattern of the Bill, as it has emerged from the Select Committee, has been maintained intact, though important concessions have been made by way of exemptions. It does appear that a stage has been reached when all feel reconciled to the imposition of a wealth tax.

As was stated before, this wealth tax is inevitable as part of an integrated system of personal taxation. The fact that money is required for the Plan is a stark reality and adds weight to the argument that there is no escape from a wealth tax, though it may be modified in some respect.

It was originally estimated that Rs. 15 crores would be the yield from this tax. The hon. Finance Minister now says that it is expected to yield a couple of crores less. I am of the opinion that notwithstanding the very reasonable exemptions given to companies, the yield from the tax will not be less than Rs. 15 crores, and as time passes with experience gained, as the machinery of collection is tightened up, there is great likelihood of expansion of the yield from this source.

There has been some minutes of dissent wherein considerable opposition has been expressed to the levy of a wealth tax on companies, but for reasons which I shall specify later, this course is inevitable. The major changes the Select Committee has made relate, in the first place, to inter-corporate investment, secondly on the question of new units, thirdly with regard to a wealth tax holiday for all new companies, fourthly, to the exemption of shipping companies and others, fifthly, concerning companies which make losses, and sixthly, in respect of foreign investments. The Select Committee has, on the whole, made reasonable concessions which would encourage investment of capital in new companies and will limit disincentives to capital formation and help those companies which are making losses.

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I was particularly happy that exemptions had been given to charitable and religious institutions. While there must remain some differences of opinion with regard to the residential accommodation exempted, the other exemptions are more than generous. I for one fail to see why any objection should be raised to exemption of Rs. 25,000 in respect of jewellery. There may be some point of view expressed with regard to the implements of trade where the exemption limit has been raised from Rs. 2,500 to Rs. 10,000. I am really of the opinion that all implements of trade, which may very well include instruments and apparatus used by surgeons and others, should have no limit whatsoever on them. For instance, where the limit is Rs. 10,000, you do not expect a modern X-ray apparatus to be purchased for less than Rs. 10,000. Surely when scientifically developed more costly instruments are being used by experts, I am of the opinion that all these should be exempted. It is undesirable to consider these things as part of one's wealth.

Concessions with regard to deposits and joint Hindu families have been made. I agree with the opinion voiced by Pandit Thakur Das Bhargava with regard to the joint Hindu families, that the concession is extremely meagre, and I am still of the view that though the Finance Minister has said that the concession has been raised from Rs. 3 lakhs to Rs. 4 lakhs, still it falls far short of expectations. It is not desirable that ad hoc concessions should be made in a matter of taxation by conceding a lakh of exemption here or there. I think my hon. friend, Pandit Thakur Bhargava, suggested that a committee should be appointed to go into the incidence of taxation as it operates on joint Hindu families, and some sort of rationalised scheme should be formulated and some of definite principles with regard to taxation of joint Hindu families should be evolved and in future the Finance Minister, in devis-

ing the tax pattern, should take those principles into consideration.

Shri B. S. Murthy (Kakinada—Reserved—Sch. Castes): Are not joint Hindu families fast disappearing?

Dr. Krishnaswami (Chingleput): Why future?

Shri Naushir Bharucha : One cannot ignore the fact that joint Hindu families exist. My hon. friend probably does not understand that.

Mr. Deputy-Speaker: Future Finance Minister will act in future.

Shri Naushir Bharucha: The point does remain that joint Hindu families are very much in existence, and it will be ridiculous to close one's eyes to facts as they stand.

The Committee has also gone very carefully into the question of tax evasion through transfers and conversion of taxable items into exempted investment near the valuation date-line. The Committee has considered the question of time-limit for reopening cases and made certain changes with regard to non-resident principles.

I have gone very carefully into the minutes of dissent appended to the Report. The one coming from my hon. friend, Shri M. R. Masani, refers to arguments against the imposition of wealth tax on companies. Briefly, the arguments are: first, that Prof. Kaldor does not recommend such a tax on companies; second, there must be need to promote savings; third, wealth tax means either double taxation in case of richer shareholders or taxation on the small investors; also company taxes plus other taxes would lead to over 100 per cent taxation which is undesirable; it amounts to capital levy—and my hon. friend expresses his dislike at a recurring capital levy, much less an annual capital levy. Levy of a wealth tax without providing adequate rebates, it is also argued, tends to be more oppressive. It has also been argued by some friends who have appended

minutes of dissent that one can object to concentration of wealth in the case of individuals, but concentration of wealth in the case of corporate companies stands on a totally different footing.

My hon. friend Shri Minoo Masani has also asked that if the shipping companies have been exempted, why the cement and steel industries of equal importance should not be exempted and encouraged. These arguments may be answered as follows:

Just because Mr. Kaldor opines one way, we cannot get away from the stark realities of the situation that the Five Year Plan needs money and the only source which is open to taxation is that section of society which is in more affluent circumstances. And, I fail to understand, after passing Rs. 106 crores of taxation in a full year in the Finance Bill, the bulk of which must fall on the middle classes and poor classes, why should capitalists grudge Rs. 15 crores of taxes. I shall show that in reality there will be burden on them whatsoever with regard to wealth tax. Therefore, Mr. Kaldor's views must not be taken in isolation but must be taken in the context of Rs. 106 crores of taxation which has been imposed on the middle and poor classes.

New companies have been exempted. Therefore, the argument that 'savings require to be promoted and that new investments should be encouraged' does not hold good. If new companies are exempted for five years that is sufficient encouragement for any enterprise.

It has been stated that Wealth Tax is double taxation. I concede that it is. But in cases of the richer classes I am prepared to say that even if it is double taxation, the rich must not grumble. But I do appeal that in the case of the small investor there should be some provision made in the Wealth Tax Bill for refund of the tax on the same principle as in the case of dividends of small shareholders for whom there is refund of income-tax.

May I point out one important point on which my hon. friend Shri Minoo Masani has dissented that if we analyse the shareholders of a company—and he has analysed the shareholders of the Associated Cement Co.—we will find that the bulk of the investment is held by small men. And, going earning-wise, we find that not less than 60 per cent. of the shareholders have been earning Rs. 666 per month. Rs. 666 per month in terms of commodity value means Rs. 150/-. Yet 59 to 60 per cent. of the shareholders are in that category. Therefore, what is the actual position? The actual position is that so far as companies are concerned, so far as Wealth Tax on companies is concerned,—the hon. Minister expects to get out of it Rs. 6½ crores and I expect it to be Rs. 9 crores—nearly Rs. 5 crores will be paid by the middle classes. Let this point be clearly understood that Wealth Tax is not imposed on the rich only; it is being imposed very heavily on the middle classes. The middle classes pay the Wealth Tax—60 per cent. of it—and, therefore, I say that there should be a provision for refund. I do not care if the richer classes are taxed doubly.

Coming to another argument that over 100 per cent tax is collected and it becomes a capital levy, I ask at what stage 100 per cent tax is collected? It is collected when the individual has got Rs. 80 lakhs. At that stage, 100 per cent. of the income is taxed. I say when an individual has got Rs. 80 lakhs as taxable wealth, he owes a duty to society to give all his earnings to society and to live on his capital. Therefore, this argument also does not hold good.

It has been stated that there are no adequate rebates given in the case of Wealth Tax. This is, to a certain extent, true. But, after experience of the working is gained, maybe at a later stage, some concession may be made in this direction.

It has also been said that you cannot object to accumulation of wealth

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by a company because wealth with a company is for investment and production purposes and so it stands on a totally different footing from the concentration of wealth in the hands of an individual. But if companies are exempted, any number of bogus companies can be formed for the evasion of Wealth Tax. What difference does it make whether as a rich man I am told that it is wrong to have so much of wealth or as a shareholder I am subjected to the same criticism? If it is inherently and morally wrong for an individual to have accumulated wealth, then, it is wrong for a shareholder also, who is an individual, to have that. Therefore, there is no case for taking companies out of the purview of the Wealth Tax.

It has been pointed out that if shipping has to be excluded, why not cement and other industries. Shipping stands on totally different footing. Today we have inadequate tonnage of shipping and shipping is one industry on which the lifeline of the nation is dependent. For the import of food we have to take to the ships of other nations and we would be deprived of it in the event of war. Therefore, shipping stands on a totally different footing.

Coming to other exemptions with regard to the Wealth Tax, I have already stated that the Select Committee has granted several exemptions. With regard to accommodation in case of urban houses, I would suggest that some concession should have been given, not of the entire house but that part of the premises of a house in which the assessee dwells. For instance, if I have a building in Bombay—I have not one—worth Rs. 10 lakhs, and if I occupy a portion of the house or flat, not the entire Rs. 10 lakhs should be exempted but the cost of constructing that part of my premises where I reside, should have been exempted. That much concession should have been given.

Sir, with regard to other matters I may say that there are provisions in

the Bill which raise some doubt as to how wealth can be valued. The question of assessing the value calls for vast experience. I have been appealing to the House and to the hon. Finance Minister in the earlier stages that in the collection of taxes the most important thing is not how much you collect but what is the machinery for evaluation. Rough and ready principles would have to be employed. As I said, in the case of companies and firms we have the balance-sheets. We know that they do not disclose the correct position of the company or the firm. But that will have to be the basis for making the assessment of the wealth and the property of such a company or firm.

Similarly, in the case of immovable property, some rough and ready calculation may be had by classifying the property into 3, 4, 5 or even 6 categories and fixing the value as so many rupees per sq. ft., for this class of property and so many rupees for that. Maybe that you get a little less. Does not matter. But, once the value of the property is fixed, unless there are vast fluctuations in the property market, that valuation should be allowed to continue for a number of years. This may not meet perfectly the expectations that we entertain and I have no doubt that we may have to bring in amending Bills to the Wealth Tax Act as we gain experience of the operation of the measure. But, this is a measure which is inevitable and I do hope the Members will recognise this.

One last thing. In the higher levels of income-tax, the richer classes have given relief nearly to the extent of Rs. 7 crores. In the Wealth Tax the middle classes pay as much as Rs. 5 crores. Therefore the rich people will have to pay only Rs. 2 or 3 crores. Why should they grudge it, I cannot understand. I wholeheartedly support the measure.

Pandit Thakur Das Bhargava (Hissar): In regard to this Wealth Tax, I had occasion to speak previous-

ly also. I stated then, and with your permission I repeat it, that to my mind the Wealth Tax is a misnomer in this country. This country is full of poverty and if the Bill were named the Poverty Removal Bill or Five Year Plan help bill, I would welcome the bill.

I find from the objections made in certain papers to this bill that if a person has had Wealth above a certain amount, some part of his property will also be taken away. He will have to part with the entire income and some part of his property will also be taken away. I am afraid we never contemplated a tax of this nature when we framed the Constitution. So far as the question of property is concerned, we have got a provision, a specific article in the Constitution, article 31, so that if we want to take away the property of any person we have to give compensation to him. So far as taxes are concerned, the main tax is the income-tax which leaves a margin for the assessee also.

There are other taxes also. But I can't think of any tax in which the entire money is taken away and yet the liability remains and the person has to pass on some of his property to wipe off that liability. I, therefore, think that this is not an annual tax like the income tax. It does take away some property and that is in the nature of capital levy.

I would not mind even so far as this aspect is concerned, if for the purposes of fulfilling the Plan and for the removal of inequality some persons are asked to part with their property for the time being. I will not resent it, if in the interest of the general public, in the interest of the State, in the interest of national economy, in the interest of crores of people who are suffering from grinding poverty, if any sacrifice even of this sort is called for from rich persons. I would not grudge it even if it calls for some sacrifice from the middle class, because after all it is in the nature of an investment and

posterity or we ourselves will enjoy the fruits of that sacrifice.

But, in India we start with the presumption that India is a poor country. If any person from outside comes and finds a Bill of this nature, he will feel that there is too much of wealth in India and that is why there is the Wealth Tax Bill.

Mr. Deputy-Speaker: Absence of poverty would be wealth here.

Pandit Thakur Das Bhargava: We hear that in other countries people pay tax to the tune of several crores. So far as riches are concerned, we find that rich people have even found universities and paid fabulous sums so far as public utilities are concerned that we stagger to hear of their donations in public works etc. The average income of a citizen in America is I think something like Rs. 2,000 a month. If we find here Rs. 2 lakhs as the capitalised value of an income, the income will amount to about Rs. 600 a month. Can anybody earning Rs. 600 a month be called wealthy? If this is the way in which our Government propose to think, that a person getting Rs. 600 a month for which the capitalised value is Rs. 2 lakhs is a person who can be called wealthy then I think, in spite of our parading every day that we are out to see that the standard of living is increased, the people are apt to think that the Government wants to decrease it.

So far as this Bill is concerned, not only as Shri Bharucha told us that out of Rs. 9 crores which have to be taken from the company at least Rs. 5 crores will be subscribed to by the middle class, I should think that even so far as individuals and Hindu undivided families are concerned much of it will be subscribed to by the middle class, and perhaps by the poor class also.

So far as the Hindu undivided family is concerned, what do we find? Previously the limit was Rs. 3 lakhs and now it is Rs. 4 lakhs. I thank

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the Select Committee for having made that change. But what is the change, I want to know. After all, in every Hindu undivided family, as I submitted yesterday, at least two persons must be there, and 2×2 does not make 3, it makes at least 4. Then what is the concession that the Hindu undivided family has got? I am sorry I used the word 'concession'. Supposing there are 6 or 8 persons, the limit is Rs. 4 lakhs and a man having a property of Rs. 50,000 shall be asked to pay towards this tax. In fairness and according to the principles which the Government had accepted for the last eight years in regard to income tax, this amount should have at least been raised to Rs. 6 lakhs.

Again, in regard to jewellery Rs. 25,000 is the limit for the individual as well as the family. Everybody who knows something about Hindu undivided families knows that the ladies in the family keep jewellery. If there are six ladies in a family even then the limit is Rs. 25,000, and for an individual also the limit is Rs. 25,000. There is absolutely no difference. I am rather astounded at the fact that there were 35 Members who knew much about Hindu undivided families and they did not take note of this fact, and allowed the same amount to remain applicable, so far as jewellery is concerned, to an individual as well as an undivided Hindu family.

My main difficulty in accepting this Bill is not that it is a wealth tax. I feel, especially after reading the dissenting notes of my friends who have written notes elaborately and in such a nice manner, so far as capital formation is concerned it will suffer a great deal. I do not know what we shall gain in tax, but I am perfectly certain that in so far as production of wealth is concerned there will be no capital formation and no companies will be formed. Rich people from whom something shall be taken from the capital also would be so minded,

that they will never go in for investment.

The hon. Finance Minister gave us four principles at the time he introduced the Finance Bill. One was that there must be incentive to investment and incentive to saving. I cannot think, so far as this Bill is concerned, that there will be any incentive left in any person for investment. Poor people or middle class people, if the companies are taxed, will have no incentive to invest. The richer people also will not invest. Then, who will invest? Am I to think that the Government shall make all the investments from the savings of the poor men which they hope to get?

In the first instance my fear is that they will not get the amount that they propose to get by taxes. They have taxed almost all the necessities of life. Secondly, in my opinion the psychological atmosphere will be such that there will be no capital formation and this, I think, is most unfortunate. What we want to see brought about in the country will not be brought as a result of this measure.

* The third objection that I have got is that there will be double taxation. If the hon. Minister had made a rule as in the income tax that all those people who are entitled to refund shall be given rebate, I would have thought that some sort of justice has been done. Now, a person who is not taxed even shall have to pay through his nose this tax on wealth. This is very unfair and, at the same time, unheard of, that a person should be taxed twice for the same amount, and even those who do not directly come under it should be made to pay.

There are many other things in this Bill which are new to the law of taxation. One of them especially strikes me and that is this. The persons who will pay this tax will be persons who will be owning large amounts of money or owners of large property. What is the meaning of putting an embargo on their power to dispose of their property? Clause

34 of this Bill is a new kind of provision. Perhaps, just after the war or during war-time there was a measure like this. When it was proved to be very harmful it was withdrawn after some time. Clause-34 of this Bill says:

"Where any document required to be registered under the provisions of clause (a), clause (b), clause (c) or clause (e) of sub-section (1) of section 17 of the Indian Registration Act, 1908, purports to transfer, assign, limit or extinguish the right, title or interest of any person to or in any property other than agricultural land valued at more than one lakh of rupees, no registering officer appointed under that Act shall register any such document, unless the Wealth-tax Officer certifies that—

(a) such person has either paid or made satisfactory provision for the payment of all existing liabilities under this Act, or

(b) the registration of the document will not prejudicially affect the recovery of any existing liability under this Act."

This practically means that any person who is an assessee will not be able to dispose of his property. I think, so far as the present trend of this clause goes, it is against the fundamental principles set in article 19, under which every person is entitled to hold and dispose of his property. I can understand, so far as the interests affected are concerned they may be safeguarded, but this is not the manner in which it should be safeguarded.

I have got the Income Tax Act in my possession. Take sections 46 and 46A. There is no provision like this one in the Income Tax Act also. We know that under section 53 of the Provincial Insolvency Act there is a provision whereby transfer of property may be avoided if certain things can

be proved against the man concerned, and property can be saved. We know that in proper cases under the Code of Civil Procedure there is power given to court to issue injunctions, to debar the persons and to restrain them from alienating property. But here, this is a blanket power. In every case, no person shall be able to part away with Rs. 1 lakh of property or more without getting a certificate. A certificate for what? It is to say that he has not made arrangements, etc., in respect of any existing liability.

We know that in income-tax, money is realised in advance. So far as the assessment of the next year is concerned, my income this year will be the basis and in fact I will pay in advance. Therefore, I submit that Government is already in possession of that money which is sufficient to cover the tax. I do not understand why the Government puts an embargo on the person who may be rich or who may be owning a crore of rupees so that they may not be able to transfer their property of more than Rs. 1 lakh. At the time when the person goes to the Registrar, the Registrar says, "all right, I cannot register your document". I do not understand in what spirit this has been made. Section 46-A of the Income-tax Act applies only to such persons as are going out of India and not to others. Therefore, I suggest that this is a very great drawback and it should not be agreed to by this House.

I submitted at the time when the Expenditure-tax Bill was being discussed in this House that so far as this tax is concerned, the assessee will be in greater numbers because you have lowered the limit of Rs. 3,000 also. One reform which is overdue and which the Government should make is that the Assistant Appellate Commissioners should always be appointed by the High Court and should only be subordinate to the High Court, and their promotions, transfers, etc., should be subject to the will of the High Court. But what do we find now? When they are not subject to

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the High Court, they always look forward to the Board for promotion, etc., and their independence is not what it ought to be. Nothing will be lost if we give effect to article 50 of the Constitution which requires that in all Government institutions, the judiciary should be separate from the executive.

When the amending Act of 1953 was with us in the Select Committee, we did our very best, to get amendment in this regard accepted and the hon. Finance Minister, Shri Deshmukh, agreed with us in principle. But then, the Board was too strong and it did not allow it to be done. I am very emphatic in my view that so far as this aspect is concerned, we must look into it and see that the Appellate Assistant Commissioners are persons who are free from the influence of the Board. If you look at the system which obtains in India and in other advanced countries, you will find that in India, the income-tax officer himself is the policeman; he is also the prosecuting authority and the judge also. He collects evidence and also adjudges the issue as to what should be done. So, what do we find? When the income-tax collector is rather independent, his promotion is stopped. His promotion is judged by the amount of collection that he has made for the Government. This is what the Board looks to. In other countries, the inspectors collect evidence, and they place it before the income-tax officer who is merely a judge. Here, I am not going into the root of the matter because I think it would be rather difficult now, at this stage when, for so many years we have been getting along with income tax collectors and their jurisdiction has been accepted by the public. But at the same time, I am quite anxious that so far as this reform is concerned, it is very essential. Many a time, the Federation of Indian Chambers of Commerce and Industry have passed resolutions and we have also pleaded for it. I think this is a reform

which should be carried out at least in this Bill.

So far as the inspecting assistant commissioners are concerned, I submitted an aspect on the last occasion, and with your permission I shall repeat it. What has he got to do now? He goes to the income-tax officer and behind the back of the assessee makes a recommendation to the income-tax officer to put a certain tax on the person concerned. He never comes face to face with the assessee. Behind his back he stabs him. So, a rule should be made so as to see that no order is passed in the file of the particular assessee by an assistant commissioner unless and until he hears the assessee and sits with him face to face. At present, very often the commissioner hears from gossip and then he passes the order himself or his order becomes final so far as the Income-tax officer is concerned. I should therefore think that this is a very wrong thing and we must see that the inspecting assistant commissioners do not behave in the manner in which they are behaving for such a long time now.

Again, I would like to submit one point for consideration which is very important to my mind. So far as the rulers are concerned, we have made it a rule that a ruler also should get one house, for residential purposes. Now, I have heard arguments in this matter from other friends also. When I went through articles 291, 362 and 363 of the Constitution, I found that as a matter of fact, so far as article 291 is concerned, only the privy purse has been assured to the princes and that it must be free from income-tax. Now, this measure is not an income-tax measure. Therefore, speaking strictly, I should say that the ruler should not be given this privilege. At the same time, looking to article 362 of the Constitution I find that their personal rights, dignities and their privileges should be secure. None of these things is being touched. Unless the Government sees through the covenant and shows that such and such a thing, according to the

covenant should be saved and all that, the Government is not right in saying that the houses of rulers should come under the purview of 362. At the same time, I do think that if we allow these princes to have one dwelling house, nothing will be lost. After all, we have accepted the need for a house for everybody and in regard to princes also it will be very hard if they are faced to part with them as a result of this taxation. I have seen the houses of some princes. For instance, in Jodhpur, there is a house worth Rs. 7 crores. What will it fetch in the market now? The houses of all the princes are very valuable, if the materials and the structure are taken into account. They were built at the expense of large amounts of money, but, at the same time, if they are sold in the market, I do not know what their market value will be. But we do not want, by these taxation measures to deprive and confiscate property of rulers and princes. If we bring about this result that the princes should not be allowed to live in their own houses as a result if this Bill coming into operation, along with the Estate Duty Bill, my own fear is that lakhs of people in this country will have to part with their ancestral houses. The Government income tax Department wants cash money. The houses are sure to be valued at much more than their cash value with the result that the owners shall have to sell them at much less price. I would, therefore, submit that so far as the princes are concerned, let us be generous in this matter. Let us not take away their houses. That will not bring in large amounts of money.

So far as the question of agriculturists is concerned, I am very glad that as a matter of fact, the Select Committee has also shown a soft corner for them. There has been a concession shown to them. But any storehouse, outhouse or any such house may or may not be in the vicinity of their farms. We know the condition in the country where generally speaking there are no houses in

the farm itself. The *abad* is not in the immediate vicinity generally and therefore my amendment must be accepted to give effect to the concession given. So, I am glad that so far as the agriculturists are concerned, they have been given a concession of having all their buildings exempted. But what about the general mass of the people? What about the middle-class people? Why has the Select Committee been so harsh upon them. I want at least one house for every assessee to be used for him and his family exempted, whatever be the consequences. After all, housing, food and clothing are the three things which the Government say they will secure to everybody. But, if this Bill is strictly worked out, it may be that many persons will have to part with their houses and pay taxes. I am, therefore, anxious that so far as housing is concerned, at least one house should be exempted from being taxed upon.

Then, I submitted an amendment when the Estate Duty Bill was under discussion. I said that when the Government itself appoints a particular valuer, the valuation made by him should be accepted. If there is a house which has been valued at a price of Rs. 2 lakhs in the market, and if that assessment has been made by the Government valuers, it is but reasonable that the Government accepts the valuation. Similarly, jewellery comes under this tax. I do not know how jewellery is going to be valued. Will its market value be decided upon by taking it to the market? How will its market value be found? Will they take it to the goldsmiths there? There will be no experts there who can find the value of those diamonds, etc.? I think there will be great difficulty. At the same time, I am of the view that so far as jewellery is concerned, so much of jewellery worth Rs. 25,000 in respect of everybody is rather too much. In my opinion use of jewellery should be discontinued in this country. All this wealth is locked up only for show

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purposes. It does not bring any return; it cannot be invested. I think the House should agree to reduce this amount to Rs. 12,500, so far as the jewellery of the ladies is concerned. No lady shall be allowed to have more than Rs. 12,500 worth of jewellery by law. In that case, the ladies in the family will not have the luxury of parading their ear-rings and other jewellery.

Mr. Deputy-Speaker: I may assure the hon. Member they would not be happy over this amendment.

Pandit Thakur Das Bhargava: At the same time, Sir, they will be very happy so far as exemption of houses is concerned. That would compensate for all the things which the Government 's doing in the matter of not exempting jewellery.

Then there is section 25A of the Income-tax Act, which relates to undivided Hindu families. You are perfectly aware that so far as Hindu joint families are concerned, every member has got the solution in his own hand. He has only to declare his intention unequivocally and say, I am not a member of the Hindu joint family; I stand partitioned. By that mere statement, according to Hindu Law, he stands partitioned. This has been the accepted view of the Hindu Law. But when we enacted this Income-tax Act, it was stated there that unless and until the partition was there in definite portions, the partition will not be recognised. Section 25A reads:

"Where at the time of making an assessment under section 23, it is claimed by or on behalf of any member of a Hindu family hitherto assessed as undivided that a partition has taken place, among the members of such family, the Income-tax Officer shall make such inquiry thereinto as he may think fit, and, if he is satisfied that the joint family property has been partitioned among

the various members or groups of members in definite portions, he shall record an order to that effect."

Otherwise, it shall be treated as undivided. My humble submission is that this provision of law is against Hindu law. A long time back it was enacted. There was a debate in this House when Shri Shanmukham Chetty was the Finance Minister. When this was brought to his notice, he promised to issue a circular that this provision of law will be interpreted in a different way. I think that circular is still in existence; or, it might have been taken away surreptitiously, but this was stated in the House by him.

In this Bill, they want to tighten it further. They say that the partition must be as a whole and then in definite portions. My humble submission is that there is no reason for tightening this provision, there is no reason for interpreting this law in a different manner from what it has been interpreted so far. According to Hindu Law, if a person sends even a registered notice saying that he has changed his status, it is enough. It is a question of status, and not a question of partition by metes and bounds. We shall revert to the original declared Hindu Law in the country. I would, therefore, submit that so far as this aspect is concerned, we should not at least tighten the Hindu Law still further.

I thank Mr. Bharucha for supporting the suggestion that I had made, so far as the appointment of the committee in regard to the Hindu joint family is concerned. But I do not think our Finance Minister will have the courtesy of accepting even that amendment. We have been pained to see that not a word of reply is given. If he does not want to accept any amendment, he may at least say so. He does not have the courtesy to say even that. I submit this is too

much even for the Finance Minister, however great and eminent he may be. He should at least reply to criticisms that are made by hon. Members. Otherwise, it is bound to create great dissatisfaction among Members.

Shri V. P. Nayar (Quilon): On a point of order; on a point of propriety, Sir.

Mr. Deputy-Speaker: It should not be a point of disorder.

Shri V. P. Nayar: This is a very important Bill and immediately after the Finance Minister's speech, other hon. Members speak. I find that neither the Finance Minister nor his Deputy is here. I submit that it is not merely discourtesy, as was pointed out by Pandit Thakur Das Bhargava, but sheer impertinence.

Mr. Deputy-Speaker: I have taken note of it. Mr. Raghubir Sahai.

Shri Raghubir Sahai (Budaun): This Wealth-tax Bill gives us a new and novel idea. Any new and novel idea is welcome if it takes us towards the socialist pattern of society.

So far as I understand, the inspiration for the introduction of this Bill came from Kaldor. Kaldor himself, who suggested the imposition of this tax, has said in his report that with the exception of Sweden, no country has succeeded in bringing about a degree of re-distribution of wealth and income, the attainment of which has been the objective of their taxation policy. Despite this remark coming from Kaldor, I think there is justification for Government to introduce this Bill in this House. We know that the Government of India is hard pressed for money in order to finance the second Five Year Plan. We know that we cannot very much depend upon foreign aid and we also know that the foreign exchange situation is none too bright. Under those circumstances, we have to fall back upon our own resources and so, if a Bill of this kind has been introduced, it should be welcome.

I find from the Select Committee report that many of the harsh features of the bill have been removed. To enumerate a few of them, I would just give three or four instances. Live stock and animals intended for the personal or household uses of the assessee have been exempted from this tax. Tools and implements used for raising the agricultural produce have also been exempted. Property held for any public purposes of a charitable or religious nature in India has been exempted. I also find that one building in the occupation of former rulers has been exempted. Why on earth has this concession not been extended to others who are not ex-rulers? I can't understand. This concession should have been extended to every one in regard to one building which he occupies and I quite agree with the weighty remarks of our distinguished friend Pandit Thakur Das Bhargava when he emphasised on this aspect of the problem. Similarly, household assets had been exempted and jewellery up to the value of Rs. 25,000, I find that so many concessions have been given. In regard to companies also, a wealth tax holiday for a period of five years has been given to companies established for the purpose of carrying on an industrial undertaking engaged in the manufacture, production or processing of goods or articles or in mining or in generation or distribution of electricity or power. Shipping companies too have been exempted. A company which has incurred a net loss in any year and has not declared any dividend has been exempted from wealth tax for that year. Also, in the case of companies whose profits in any year are less than the wealth tax due for the assessment year, it is said, wealth tax should be limited to the amount of profits. I congratulate the Members of the Select Committee for having made these concessions.

I have also gone through the minutes of dissent that have been appended to this report. I am sorry that I cannot agree with either of the

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extreme views that have been advocated, either with that section of the Members of the House who say that no concession whatever should be given or with the other section which insists on too much toning down of the Bill. As I said, both are extreme views. I cannot possibly share with any of them.

Having said all this, the point for consideration is whether the imposition of this tax is at all worth while. I have enumerated a few of the concessions that have been made in this Bill. There are many others. I feel that the Bill has been made as innocuous as it could be. According to Prof. Kaldor, he estimated that the yield of this tax would come to about Rs. 17½ crores if the tax was levied on the scale which he had suggested. I think,—I speak subject to correction—that the rates in the Bill that have been suggested are something like the ones that were suggested by Prof. Kaldor himself. The hon. Finance Minister stated in his opening speech that according to him, the yield from this tax would come to about Rs. 12·5 crores. The same kind of expectations were raised in this House when the Estate Duty Bill was on the anvil. We find from the five years' review that has just been distributed to us that although the first Five Year Plan had estimated that the States' share of the Estate duty at Rs. 21 crores, actually, that source contributed only a little over Rs. 2 crores. In the last Parliament, a question was put in this House to the Finance Minister as to why the yield from Estate duty was not so encouraging as it was supposed to be. His answer was a sufficient number of rich persons were not dying and Government had no control over death. It was such an ingenious and intelligent answer that it precluded all other supplementaries. But, this should have been visualised even before because nobody claims that this omnipotent power is vested with the Government. Whether our expectations that are

being raised in this House from this tax are going to bear fruit is something very doubtful.

Mr. Deputy-Speaker: Therefore this Bill; whether they die or live, in both the cases, they will have to pay.

Shri Raghubir Sahai: May be. There is another point for serious consideration: whether we have got adequate machinery to carry out this work. If ordinary persons, Joint Hindu families, companies, all these were to give details of their movable and immovable properties, whether a proper valuation could be effected is a point worth consideration. I find that in England, in 1919, they seriously considered the levy of a tax of this kind. But, then it was felt that the work of valuation would take not less than 2½ years, and even then, the yield from the tax would be a trifle. Again, this idea was revived in 1951. But, it was dropped for the reason that the tax cannot be collected until 1955, and therefore it was no good proceeding with such legislation. The point for us to consider is, when in a country like England where administrative efficiency is admittedly very high, people there did not undertake a legislation of this kind, would it be prudent for us here, where, admittedly administrative efficiency is comparatively low, that we should undertake a legislation of this kind. Even the Taxation Enquiry Commission report, Vol. I, on page 163 says:

"Assessment and valuation of capital assets bristle with administrative difficulties which would, for the time being, appear to be decisive against the adoption of such a levy."

I venture to place all these doubts and misgivings in my mind before this House. But, if in spite of all these, the hon. Finance Minister is so sure that he would be able to evolve a machinery which would do the job and also that the yield from the tax would not be insignificant, then, he can count on our good wishes and unqualified support for this Bill.

Shri Prabhat Kar (Hooghly): Mr. Deputy-Speaker, Sir, when the Wealth Tax Bill was introduced in the House, we did welcome it. We welcomed it because we felt that the wealth tax was absolutely necessary in this country. We have seen that the tax on income has failed to reduce the disparities in income and distribution because of the prevailing inequality in distribution of property. With a view to rectify in course of time the inequalities in distribution of wealth, the Estate Duty Act was passed. It may be, as the hon. Finance Minister has stated that people do not die according to the expectations of the state or those who die have no estate or those who have estates have so arranged is beyond the vulnerable period as to be outside the pale of the law. But the accumulation of wealth is not a static thing, it is a continuous process. The purpose of this Act is to take away the idle and unproductive wealth in the form of gold, jewellery etc. These were the reasons for which the wealth has to be taxed. But I am extremely sorry that the way it has come back from the Select Committee, I am doubtful whether the purpose for which this Bill was introduced will really be served. While introducing the Bill, the hon. Finance Minister said: "This will give us a better base for assessment of tax liability, specially in respect of higher income ranges and will help us close progressively the loopholes of the tax evasion and corrosion of the tax base". I am really unable to find whether this purpose will be served. My feeling is that the provisions of the Bill, as they stand today, will give further scope for evasion. We have been hearing the case of the middle class on the floor of the House that middle class will be adversely affected as a result of this wealth tax. I think that middle class is existing only in their imagination. This Wealth-Tax Bill will not be applicable to an individual who has wealth below Rs. 2 lakhs. In a country like India, I do not know how many middle classes have got more than

Rs. 2 lakhs of wealth. Further, it is not Rs. 2 lakhs only. If you go through the exemption clause, you will find that it is very much more. You have got the 10 year treasury deposits, 15 year annuity certificates. You get an exemption of Rs. 50,000/ for one, plus Rs. 56,000/- plus Rs. 25,000/- for the minor. It comes to about Rs. 1,56,000/-. So the total exemption is Rs. 2 lakhs plus Rs. 1,58,000/-, that is, Rs. 3,58,000/-, plus postal savings bank deposit, plus jewellery Rs. 25,000/-, plus house furniture including silvers, plus shares in the new capital, plus agricultural land.

Shri C. D. Pande (Naini Tal): Plus shirt and shoes?

Shri Prabhat Kar: Including race horses. I do not know which sections of the middle class have got this much of wealth. Still, we are clamouring that the middle classes will be very much affected as a result of the wealth tax. I am really surprised to hear that the middle classes will be affected by the wealth tax. Even under the Bill as it was presented before the House, that is, before it went to the Select Committee, we had the taxable limit of above Rs. 2 lakhs plus household furniture jewellery to the tune of Rs. 25,000/- plus the exemption under sub-section (xvi) in the treasury savings and so on. So, a person who comes under this wealth tax must have at least Rs. 4 lakhs in order to be taxed.

Apart from this, further concessions have been granted by the Select Committee. I am afraid that as a result of this the revenue of Rs. 15 crores, which is expected by the hon. Finance Minister, will be reduced to Rs. 12½ crores. So that Rs. ½ crores have been whittled down once by the concessions. Now it will be reduced to 50 per cent of the expected revenue from the Bill as it was originally introduced.

Then, concession has been granted to the companies. I may add here, it

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was made quite clear while introducing this wealth-tax, that it has a very limited application. It applies only to individuals who have a wealth of more than Rs. 2 lakhs, to undivided Hindu families who have a wealth of more than Rs. 3 lakhs and to companies which have a wealth of more than Rs. 5 lakhs. On a rough estimate, it is expected that not more than 26,000 individuals, 4,000 undivided Hindu families and 6,000 companies will come within the net of the wealth tax. Now, out of these 26,000 individuals, as contemplated at the beginning because of the further exemption that has been given, the number will be reduced, say, to the tune of 18,000. In the case of undivided Hindu families, the original limit of Rs. 3 lakhs has been raised to Rs. 4 lakhs. There also, naturally, the number will be reduced. In the case of companies also, it is going to reduce the number of companies. So, as a result of these changes, roughly about 25,000, including individuals, undivided Hindu families and companies will come under the purview of this tax, out of the 36 crores of people.

My friends have been shedding tears that people will be harassed. How many of these people will be harassed, who belong to the lower strata of society or the middle classes. So far as companies are concerned, the hon. Finance Minister, while opening the debates, has stated that he did not agree with so much of concessions but all the same he has given certain concessions. Let us try to understand what will be the result. There is an exemption called inter-corporation investment exemption. Then there are exemptions for new companies and losing companies. I am quite sure that the hon. Finance Minister will agree with me that as a result of this provision we will find many of the companies becoming losing companies in order to evade taxation.

Before I deal with the role of the companies and other corporate bodies

in the economy of the country, I want to stress a few things. Suppose a company has got Rs. 1 crore of reserve which ordinarily would have been taxed under this Wealth Tax Bill. If it invests that amount in four companies, up to the tune of Rs. 25 lakhs in each, in the original company this reserve of Rs. 1 crore will not be taxed because it is an inter-corporation investment. The new companies also will not be subject to tax for five years because they are new companies. These companies will evade tax for another five years as losing companies. So, this Rs. 1 crore will not be taxed for ten years from now, even under the provisions of the law, not to think of other manipulations that they may make. This is how the amount of wealth that could have been taxed under the provisions of the Bill will go out, and naturally the expected revenue will not be realised.

15 hrs.

There was a demand from various sides that the companies should be exempted. The hon. Finance Minister, while replying to the Budget in the Rajya Sabha said: "In this country, you know quite a large number of companies are owned by a few individuals, and even in companies which have got a broad-based shareholding structure, they are the people who own 20 to 25 per cent and therefore control the companies." I am quite sure that the hon. Finance Minister will agree with this also that the balance sheets of the companies do not represent the actual state of affairs of the companies.

Who are these capitalists or the monopolists of whom we have been thinking so much? The bogey is that capital is shy; we want further industrialisation, and therefore, there should not be more taxation in this particular sector. What is the role of these industrialists? They have been granted concessions under the Income-tax Act. I am quite sure that the

House is aware as to how much concession they have been given in respect of taxation at various stages. What part have they played? The other day it was said even by the Prime Minister that because of the hoarding of foodgrains, the prices went up and the Reserve Bank could not control it. Who hoarded the foodgrains? Were they not the capitalists who had money who hoarded the grains in order to raise the prices of food stuffs so that the common people may not buy and they could get higher prices even for foodgrains?

I think we have not forgotten the role of the capitalists in 1943 when in the State of West Bengal 30 lakhs of people died of starvation. There was an enquiry and it was said that for every death the capitalists had earned Rs. 1,000 because of black market. This is the role of the capitalists and the industrialists in this country, and our heart is pining for them to grant certain concessions so that they may come forward and help the country in building up the national economy.

Today I am quite sure the wealth tax will not serve its purpose. There is inequality in properties. It must be made good and that can be done by forcing the wealth tax without granting any exemptions on these companies, particularly the companies whose role has all along been against the national interests.

I want to draw attention to the fact that all the time there has been a force working against the imposition of any taxation on the capitalists, whether it is the wealth tax or expenditure tax. We have seen much controversy in the papers. Every time we have been told that there is a strong force working to see that the wealth tax should not be imposed, and there was an attempt also to see that it should not be imposed on companies. The Finance Minister had said that so far as he was concerned, the scheme of taxation would drop if he had to remove the wealth tax on companies. In spite of that statement he has had to submit, we see, to the

forces that have been working, the result of which we find the Bill as amended by the Select Committee before the House. If we are very serious about raising our revenues, about the fulfilment of the task ahead, I am quite sure concessions cannot be granted to the persons who are capable of paying. Concessions should be given to the common people, not to the wealthy people who can pay.

It is not a question of harassment of capital formation. We need funds today, we need revenue, and it is essential that we should have it from the sector which can pay it. The wealth tax is one of those taxes meant mainly for the richer section. There is no scope for the middle classes to come within the orbit of it, not to think of the working classes coming within it. So, if the wealth tax has been proposed today, it should be in such a way that really the wealthy persons and the corporate bodies pay.

We have seen the effect of indirect taxation on the common people. The common people have been asked to sacrifice. The common people will sacrifice, but here when it is a question of the wealth tax which is imposed only on a small section of the people, why is it that the Finance Minister does not take steps so that they are made to pay their due share in building up the national economy, in increasing our revenue. I would request the hon. Finance Minister and the House to reconsider the exemptions granted under clause 5 and amend the Bill so that the revenue may go up and this section of the people may not get the privileges they are asking for.

Then I find that there is a discrimination made here which I feel should not be there. According to my understanding, when a law is passed, it should be made applicable to all citizens alike. I do not know why in the case of the Rulers certain extra exemption has been granted. If a palace is exempted for a Ruler, I am quite sure every citizen has got the

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right to claim the exemption of a house. The only point here is that persons who have got wealth beyond a certain limit will have to pay the tax. Whether it is a palace or a small house, it does not matter. If he has got wealth beyond Rs. 2 lakhs, he must pay tax for that. In this matter there should not be any discrimination between a Ruler and an ordinary citizen, between one citizen and another, and I would request the hon. Finance Minister to remove this discrimination.

The revenue expected originally was only Rs. 15 crores. I would have liked the Select Committee to amend the Bill so that this revenue could have been stepped up to Rs. 25 or Rs. 30 crores. I am really sorry that it has come down to Rs. 12½ crores, as the Finance Minister said. I know the hon. Finance Minister has got the machinery to work it out. But, if he can place suggestions before the House even now so that the revenue may go up, I am sure the House will consider them in the light of the needs of the country to build up the national economy and to make the Plan a success.

With these words I suggest that the concessions that have been granted to the companies and individuals should be withdrawn. The Bill should be passed in the way it stood earlier, if not in a far better form.

Shrimati Renuka Ray (Malda):
When as a result of the critical situation in the country arising out of inflation, depletion of foreign reserves and the need for going ahead with development plans, the Finance Minister placing this Budget before the House brought forward breathtaking and novel measures, I think it can be truly said that it was the wealth tax which was acceptable to the large majority not only in this House but in the country as a whole. It was indeed the first measure of its kind and we felt that the Finance

Minister had indeed taken a good, progressive step forward.

At that time, some of us perhaps had some misgivings about giving up at one stroke the Rs. 7½ crores by raising the exemption limit because we felt that a bird in the hand was worth two in the bush. But the Finance Minister assured us that the loopholes of evasion would be plugged if we had the wealth tax and that this would bring in a much larger amount.

As this wealth tax stood, when he placed it before the House first, it was indeed a progressive measure. I am sorry that I must own to a feeling of dismay at the result of what has happened to the Bill in the Select Committee. I find that the Finance Minister, who spoke a little while ago on the Finance Bill, has the same feeling about it, although he has accepted it for the present. I would ask him, however, that before this Bill is actually passed, he should at least consider one or two fundamental things, as to whether some of the exemptions that have been introduced by the Select Committee could not be restored. There are some exemptions which are all right. They do not matter, e.g. exemptions for shipping companies, exemptions for new companies up to five years and even for those companies which do not run at a profit. But why exempt new units of old companies? Is that not a way by which again we shall have further evasion? I would ask the Finance Minister to seriously consider this particular matter.

Turning to another point, that is, exemptions to a number of new assesseees, I fail to understand why these have been included. Where we have had to have our taxation structure broad-based, to lower the exemption limit to bring in incomes of Rs. 3,000—and we have had to do it in the present juncture—what justification can there be for exempting heirlooms

and jewellery of rulers or houses or palaces of rulers? I am quite certain that the Finance Minister has the same point of view as I am expressing. I would request him again to consider this matter because after all taxable capacity is a criterion of taxation, and what is more, what have we here in the aims and objects of the original Bill.

"Apart from this, the fact that a composite tax system of this type has to satisfy the criterion of the ability to pay, it is consistent with the avowed goal of the attainment of a socialist pattern of society".

With both these considerations in view, I think it is very necessary that we do not make so many exemptions to the Bill. I do not say, like some persons, that as a result of these exemptions the Bill might as well as not have been brought at all. That is not so. The Bill is a good Bill. But why whittle it down? Why make it much worse? I must say that in some of these matters the Select Committee has perhaps gone almost beyond the scope given to them as a result of the discussions in this House, because when the discussions took place here, except for a few vociferous sectarian interests, the large majority were urging two points: one was to plug the loopholes of evasion, and the other, of course, was that harassments should be checked, that the administration of this tax should be properly done, so that the amount of money the Finance Minister anticipated would actually accrue to the exchequer.

That was the sense and feeling of this House, and I would ask in all humility why the Select Committee departed in any measure from this. I am glad that they have not departed to the extent of leaving out the companies, as some persons in this country have been wanting. I am glad that they have perhaps kept the main features—the core—of the Bill; all the same, there is no gainsaying the fact

that some at least of the important exemptions made should not have been made.

We lose any amount of money—to the tune of Rs. 3 crores at least. According to what the Finance Minister said, I think he has misgivings that the loss might be greater, because he expects a drop to Rs. 6½ crores in the case of companies, and he could not say what the actual drop on those other items of exemption would be.

I would again compare the Bill we just passed with the Bill now under discussion. We have been saying that in a broad-based taxation structure, it is necessary to bring in persons with middle class incomes who really cannot pay any tax; we have had to do it and we agreed to it. We know that in the marginal cases, it will be hard because even a tax of Rs. 5 or Rs. 6 for the marginal case is much greater than the palace and jewellery of the richest people of the land. Therefore, I do not see what justification there is for exempting those people. I repeat this again and hope that this matter will be taken into consideration.

In regard to the penalties, I would ask the Finance Minister whether he has satisfied himself that when there is no minimum laid down for realisation, the tax is likely to be realised in the proper manner, as he desires it to be. As regards clause 4, in the definition of irrevocable transfer that has been put into the Bill, as it has emerged from the Select Committee, I would request the Finance Minister that if not here, at least when a tax on transfer of property is gift is brought, this matter should be finally dealt with because otherwise here also there would be loopholes.

Today, we find, as the Finance Minister knows better than anyone else, a most difficult situation. Prices are soaring. I have just returned from West Bengal where prices have soared, where floods have come again and the situation has become very critical.

[Shrimati Renuka Ray]

To meet all this, even to provide funds for relief measures throughout the country where people are affected by floods, large sums of money are required; crores of rupees have to be spent. In a welfare state, we cannot have a re-occurrence of famine conditions leading to starvation. Therefore, it has to be done no matter what happens, even if it delays our plan—I hope it would not—but even we are to delay the plans.

Therefore, it is all the more essential that when we have this tax and so many other taxes, as to the manner in which we spend our money, mere planning is not sufficient; the implementation of plans is more important than planning itself. The manner in which we implement our plans has become important. I know that the Government are focussing attention on this point, but I would ask them to take note of one or two things.

For instance, floods and the condition of the port of the city of Calcutta requiring an expenditure of crores of rupees. You have to help the people. You have to bring dredgers to dredge the port because it has been silted up. But the whole thing could have been avoided if the Faraka Barrage was completed. Sometimes we are penny wise and pound foolish. Let us try to avoid being penny wise and pound foolish in this matter, because it is necessary that we must start things even if they are of a long-term character. I know that the Finance Minister and the Cabinet are looking into this matter, but I would merely ask them to take particular note of such schemes and also schemes where bunds are required to be set up to prevent floods. Sometimes there are quite small things which are not done and which result in payment of money from our coffers by way of relief. There are many such items I know that our minds are exercised about it, but we have to move swifter with it.

Before I conclude, let me say that I support fully the Wealth-Tax Bill as

it stood. So far as the alterations made by the Select Committee are concerned, some of them are good whereas others are not. I would still plead to the Finance Minister to look into them. If he cannot at present do very much, at least I would request him to make suitable changes, because unless that is done it may happen that this Wealth Tax Bill—let us hope that it won't—might follow the way of the Estate Duty Act. Let us hope that it does not. Let us hope that the anticipations of the Finance Minister, his dreams, come true. But there is fear in the very manner in which the Bill stand changed with the loopholes that are still there that at least the amount anticipated may not be realised. I hope the Finance Minister will put his mind to this and, if possible, before this Bill is passed make at least one or two changes to restore some of the essential features of the Bill that he placed before this House, and which was hailed in this country.

With these words, Sir, I support the main features, I support the wealth tax as it was proposed in the Bill placed before this House, and I hope that at least some of the amendments will be accepted.

Shri B. S. Murthy: Mr. Deputy-Speaker, Sir, I welcome this Bill and request the Finance Minister, as has been done by the previous speakers, to see whether the Bill could not be made to conform to the principles and the provisions of the original Bill introduced in this House.

Sir, wealth tax is inevitable, and it is an inevitable corollary in view of the fact that India has chosen the socialistic pattern of society as its goal. In a socialistic pattern of society there should not be any section which is having a lot of wealth, perhaps, not able to digest and another section always suffering from hunger. Therefore, it is but proper that all the people who are capable of giving should come forward to pay taxes and see that the country's economy is not jeopardised.

Again, the country is passing through a crisis at the present juncture. We want money for the fulfilment of the targets of the Second Five Year Plan. We want money to see that people who are not able to have two square meals a day are given at least one square meal a day. We also must have money to see that all the undertakings so far committed to by the Centre or by the State Governments fulfil their targets. Therefore, wealth tax is inevitable, essential and I congratulate the Finance Minister for having taken courage into both hands and brought this Bill here in spite of lot of adverse criticism.

Sometimes people think and speak on behalf of the common man. Very often the common man is very uncommon to be found in this country. Everybody is trying to talk in the name of the middle class. I am unable to see where exactly this middle class exists. There is another invidious distinction; they say upper middle class and lower middle class.

An Hon. Member: Middle middle class.

Shri B. S. Murthy: I hear someone whispering middle middle class. Therefore, if I am to be excused, many distinctions are used or misused by those who want to make profit out of the present situation through which India is passing.

With regard to this Bill, I am very unhappy at the work done by the Select Committee. I do not think any Select Committee has done so much injustice to the trust reposed in the Select Committee as the one which has gone into this Bill and pruned not only the exterior but also the interior. The core also has been removed out of this Bill.

An Hon. Member: Then what remains?

Shri Narayanankutty Menon (Mukandapuram): 'Pruning' is very mild.

Shri B. S. Murthy: Some friends have also been talking about joint families. Exemption has been given

up to a limit of Rs. 4 lakhs. They want to give more exemption. One friend, who has been a member of the Select Committee, has even tried to say something very curious, something very untenable, something very wrong. He says that he feels, with the introduction of the wealth-tax the concept of socialistic pattern of society will go into direct conflict with the fundamental principles of the Constitution, which in article 39A says that the citizens, men and women equally, have the right to adequate means of livelihood. I cannot understand the logic of this friend.

The fundamental right of any citizen is to live fairly and squarely. Any institution, any law, any innovation which is in the way of a fair and square living of the common man should be removed lock, stock and barrel. He may be a capitalist, he may be an ex-ruler, as long as he does not contribute to the common good of the common man he has no right to exist in this socialistic pattern of society. It may be too harsh, but India is being driven to that end.

Therefore, as far as joint families are concerned, I do not think any more exemptions are needed. And, as I was telling my friend Shri Bharucha, joint families are a passing phase like the ex-rulers in this country, because they do not exist, they cannot exist, they have failed. They have existed when they were needed. They are now out-moded, and in this socialistic pattern they have no place. They cannot exist and they should not exist either in a democratic pattern or in a Communist pattern. In a democratic pattern the individual is becoming more the unit where he has to give his consent, whereas in the Communist pattern, as is known, the hegemony of the party is more prominent than the individual, the family or the society as the case may be. Therefore, in either case the ex-ruler or joint family has no place to exist.

Then, I cannot understand why we should have a special consideration to ex-rulers. Their privy purse is being

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exempted and heirlooms like jewellery are being exempted. Their places are also being exempted. I want to tell the House that in Andhra we have, though not exactly rulers, zamindars who do not live in their own palaces. I had been to Viyyur. I had been to Pithapuram. I had been to Venkatarigiri, and I had once been a guest of my friend here, in this House, Shri V. Raju, the Maharaja of Vizayanagaram. All these palaces are today deserted. Lots of money have been invested in them, and I do not understand why the Finance Minister does not think of making good use of these palaces. I think the time has come when these palaces should be acquired and made as places of resort for the people. Especially in Viyyur there are nearly a dozen and odd palaces and a few crores of rupees have been sunk in that village-cum-town. Therefore, the Government should take note of it. Why should we not make use of those palaces which are the properties of ex-rulers and why should we exempt them?

In the same way, the privy purse is a gift of the people to the ex-rulers. It may be given by the Government or a ruling party, but when the people are themselves suffering, what is the fun of saying that the covenant is there and that therefore the privy purse should not be touched? Today we are going here and there and are trying to get help from other countries. When there is money available here, and when the money belongs to the country and its people, why should not the ex-rulers come to the rescue of the people and help them in their endeavour to fulfil the targets of the second Five Year Plan. If they are not generous, if they are selfish, it is high time that the country and the people and this Parliament took note of it and tried to do something so that the privy purse is either reduced or confiscated. After all, it is people's money. I think it is Dr. Schott of Germany who said that it is the people's money and, therefore, if the people cannot pay, nobody need find fault

with them. Therefore, I say that the privy purse also must be brought into the purview of this Bill and it should be seen that the palaces are made good use of and used for the good and betterment of the people.

I should like to say just a few words about the houses in the town and houses in the rural areas. People are trying to say, "why should you not have a house in town and then get the same exemption as the house which a man has built in the rural area?" But India is mainly a country of villages and these towns are parasites on these villages. The richer a town is, the weaker its surroundings. Therefore, it is high time that we taxed each and every house in a town and saw that the money is spent on the people who live in the rural areas.

Shri Supakar (Sambalpur): What about Asoka Hotel?

Shri B. S. Murthy: Asoka Hotel is one of the many things which India needs, and for that money is necessary and the rich people must be taxed. The houses in towns must also be taxed. Therefore, Asoka Hotel is one where the money spent is not in vain. It is money spent for the good of the country. I hope Shri Supakar who comes from Orissa will appreciate how the Chilka Lake has been a thing of beauty in that part of the country in spite of its dangers.

Therefore, in conclusion, I would like to suggest to the hon. Finance Minister that he should not yield any more. He has yielded to the maximum. And now, any more yielding will be injurious to the interests of this country. With these words, I support the Bill.

Shri M. R. Masani (Ranchi—East): Mr. Deputy-Speaker, Sir, a colleague of mine pointed out to me this morning that he had taken the trouble to count the number of times the hon. Finance Minister favoured me with a personal reference yesterday, and that

the number was no less than 32. The suggestion was made that I might utilise this occasion to reciprocate. My answer was that, in any event, it is important on the floor of this House that we should be impersonal and discuss issues and not personalities. In a way, even this morning, we have had enough of an exchange of personalities and I think it will suffice my principle of avoiding any reference either to the Finance Minister or to any other individual.

What I would like to do to confine myself to one particular aspect of this Bill.

Mr. Deputy-Speaker: I might intervene here. Those references were very unfortunate. I appreciate the policy of the hon. Member, and I would advise others also to follow the same. But Pandit Thakur Das Bhargava felt it very much—that the amendments that he had moved were not even answered by the hon. Finance Minister. The Finance Minister had written to me that because there was no time available he could not refer to them. Otherwise, he did not mean any discourtesy to the hon. Member or to the House. He indeed wanted to reply to them, but there was the guillotine to be applied, and the time was very short. When we ourselves fix a time-limit, there is certainly that helplessness with the Speaker, be he on this side or the other. Therefore, that also should be appreciated.

Then, another hon. Member took that point and he gave a hit which was not justified at all. He used the word 'impertinence' without knowing whether really it was also the official work in which the hon. Minister was engaged. He might be busy in the other House. So, the hon. Member should first ascertain the cause of the absence of the Minister, and in his absence, a representative of the Government is taking down notes.

Shri Supakar: How can we know it?

Mr. Deputy-Speaker: He should write to me. He had raised that point

when the Minister was not there. He ought to have enquired into it then, and subsequently he could have had no justification of making any remarks. These things would not add to the dignity of the House. This should not be resorted to without knowing all the facts which are there.

Therefore, I would request the hon. Members to exercise some restraint and, as Shri Masani has said,—he said that he would be impersonal—they should all follow the same rule.

Shri Masani may continue his speech.

Shri M. R. Masani: My interest is in what is right, as to whether the Bill is right or certain aspects of it are correct and not who is right. The point on which I would like to focus my remarks is one particular topic which I have covered in the Minute of Dissent which I found it necessary to write to the report of the Select Committee. So far as other points are concerned, they form the subject-matter of amendments, important as they are, and they will be placed before the House when we come to the clause-by-clause consideration of the Bill.

The topic I would refer now is the inclusion in the Bill of a category of institutions which should not form logically or in principle a part of the wealth-tax. I refer to the investments made by individuals in joint-stock corporate enterprises. Now, it is true that we do not have to go by Mr. Kaldor as Shri Naushir Bharucha has said, but when we adopt a man's idea, it is just as well to stick to the foundation or the integrated thinking on which certain proposals are based.

The wealth-tax is a tax on the personal wealth of individuals. It has no relevance to small investments made by small people in their thousands in joint-stock companies for certain limited purposes. The extension of this tax to companies is, therefore, both illogical and unprincipled. There are, apart from this general objection, specific reasons why companies should not be brought within this context. The only reason given so far for in-

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cluding companies is that there is something peculiar about the economic structure of India which justifies this departure from sound principle. I have been waiting for the last few weeks to be told what is so peculiar about the economic structure of India that what not be legitimate in a wealth-tax elsewhere becomes legitimate here. I do hope that some reply will be forthcoming to this question as to what is this peculiar phenomenon, which justifies the extension of a tax to a class of organisations to which it cannot legitimately be applied.

What are the specific reasons why I deprecate the inclusion of companies within the wealth-tax? Mr. Bharucha has obligingly given a very fair summary of those reasons. He pointed out that the first of these reasons was double taxation. He says he believes in it I do not believe that the same wealth belonging to the same person should be taxed twice in the same context. The position of a man who happens to have Rs. 2 lakhs in the world and who invests it in a joint-stock company is that he not only pays tax on the Rs. 2 lakhs as an individual, but in addition, so far as his holdings in the company are concerned, he pays another half per cent on that particular investment.

The Bill, as reported by the Select Committee, does give relief. It gives relief to a certain class of monied-man who has investments in shares, but very oddly, in a socialist pattern of society, that exemption is given to those who possess Rs. 22 lakhs or more, not to those who possess anything from Rs. 22 lakhs down. Part II, Rule 2 of the Schedule lays down a ceiling which says that people will not be made to pay more than 1.5 per cent. If one examines the schedule, one realises that this relief from double taxation—I think it is to be welcomed and I suppose people who earn more than Rs. 22 lakhs are also human beings, even though Mr. Murthy does not concede them the right to live in a socialist pattern—

I would suggest that it is very odd in a socialist pattern that relief from double taxation is given to a class of people who are the most wealthy of all the wealthy people. If they are entitled to relief from double taxation, certainly a man who has Rs. 2 or Rs. 2½ lakhs, in my view, would appear to be much more eminently desirable subject for relief.

On the other hand, there are small investors who do not possess either Rs. 2 lakhs or Rs. 1 lakh or even Rs. 20,000 in the world. I have got statistics in regard to various categories of companies, published by the research and statistics branch of the Reserve Bank of India, to show that an analysis made of public limited companies reveals that a large amount of shareholding belongs to very small people. I should like to refer to just one series of figures given by the Reserve Bank in regard to the holdings and shares in Bombay city. They show that 59.51 per cent of the shareholders were persons whose monthly income is below Rs. 866; 17.5 per cent were persons whose monthly income is between Rs. 866 and Rs. 1,250; 13.2 per cent were persons whose monthly income is between Rs. 1,250 and Rs. 2,500 and only 9.8 per cent of the shareholders were persons whose monthly income is Rs. 2,500 or more.

I will answer the next question about the quantum of the holdings. The survey goes on to point out that more than 73 per cent of the total number of shares, the quantum of the holdings, were held by income groups below Rs. 2,500 per month and only 27 per cent of the shares in toto were held by what you may call rich people.

Shri T. T. Krishnamachari. Is he referring to any company?

Shri M. R. Masani: No; this is about shareholders in Bombay. There may be a man having Rs. 10,000. He has the option of buying gold or jewellery or he may put the money in a bank. He may invest it in a plot of land or buy a few shares in a corporation. I suppose it will be agreed that by

investing money in a corporation and producing wealth in this country, about which we are also keen, he has not committed a crime, which he would not commit if he kept the money in a less productive way. On the contrary, I suppose that a citizen who invests his savings in industrial production, rather than in ostentatious living or in buying gold or jewellery, is a worthy citizen whom we should all cherish.

What is the position of a man who has Rs. 10,000 or Rs. 20,000? If he does not put any money in the company, the wealth-tax leaves him completely untouched. He does not come anywhere within miles of the wealth-tax. But the moment he buys one share of a company, he pays a certain amount under the wealth-tax. I must confess that the illogic of this, the injustice of this, the disincentive that this gives to productive saving in this country something which I consider appalling. I think it would be a shame if this Bill were to be allowed to pass without this blemish being removed.

I have talked about disincentive to saving. I do not suppose this country ever needed people who can harness their savings and put them into productive use as it does now. I would imagine an enlightened policy would lie in giving every incentive to people to put money into productive enterprises, so that this country might thrive. At this juncture, for a disincentive to be given, for a penalty to be imposed, means that, if today I happen to have a share and I sell it and put the money in some other unproductive way, then I escape. But if I put the money in a productive enterprise, so that more wants of the people may be met, I must be punished for this meritorious act!

It is quite obvious that the extension of this tax to companies, to the extent that it applies to those who are outside the purview of the tax, those who do not possess Rs. 2 lakhs or something like that, is definitely a blow to incentives to saving in our country.

I am very glad that shipping companies, banking companies and investment houses have been excluded from the scope of the Bill. To the extent that any relief is given to any class of industrial enterprise, it must be welcome, even if some injustice is done in the process. But there again, it is difficult to justify this distinction. I was glad to vote for the exemption of these companies, because I believe that all companies should be exempted and if we cannot secure justice for all, let us at least have it for a favoured few. But what is the ground of distinction between a shipping company, a machine tool factory, a locomotive factory, a cement factory or any other factory producing the needs of this country?

It is said that foreign exchange is being saved by shipping. Certainly, but is not foreign exchange saved by steel companies, cement companies and other companies, which also produce in this country material that otherwise would have to be imported? I think the hon. Finance Minister—I am referring to him in an appreciative way this time—referred a few days ago in this House or in the Select Committee to the saving that is made when a steel plant in this country doubles its production by way of crores and crores of foreign exchange. Surely if a shipping company saves foreign exchange for this country, every factory which replaces imports, which otherwise would entail foreign exchange expenditure, also serves the country in the same way. I for one do not feel that this distinction between shipping companies on the one hand and the others which serve the country equally vitally in other sectors of our economy is one that can be justified except purely on grounds of sentiment.

An Hon. Member: The question of protection is there.

Shri M. K. Masani: I think that all enterprises that save India from a foreign exchange drain deserve protection to the same measure. The real reason for the extension of this tax to companies is to be found in a remark

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made by Mr. Bharucha: "We need money for the Plan." He justified it. But I cannot. I cannot understand this policy; "Let us take it where we find it". Let us be quite frank. The policy of applying this Bill to limited companies is a policy of grab. I say that because money that is in the tills of public corporations is money that is kept in proper books, money that cannot be hidden, as money can be hidden by private rich people who are not conforming to the laws of this land. "Since the money is there, let us grab what we can out of it." That, Sir, seems to me to be only justification for this particular aspect of the Bill. Since such a policy I do not wish to be a party to, I would like to record my protest and my opposition to the extension of this Bill to any companies whatsoever.

Shri Bimal Ghose (Barrackpore): Sir, in this particular case, it is a strange phenomenon that we want to give the Finance Minister more revenue which he is not willing to accept.

An Hon. Member: What is your contribution in that revenue?

Some Hon. Members: No personal reference, please.

Shri Bimal Ghose: I will refer only to two or three matters, because there are certain other smaller things which we may take up at the clause-by-clause consideration stage.

Firstly, with regard to taxation on companies and secondly, the limit with regard to individuals. The hon. Member, who just preceded me, tried to make out an eloquent case against extension of the provisions of this Bill to companies and he stated that this was unprincipled and illogical. I do not understand where the illogicality or unprincipledness of the case lies. Because, what is our objective? What is the practice abroad in regard to taxation on companies.

Let us first take the second point: what is the practice abroad? Is this the first country in the world that is imposing a tax on wealth and a tax on the wealth of companies.

An Hon. Member: Yes.

Shri Bimal Ghose: There are other countries also in the world. For example, Iceland. It may be said, it is a small country. I will take Norway. I will go further and quote West Germany. I have found many of my capitalist friends appreciatively quoting the example of West Germany where production is proceeding apace, where there is great wealth. There also, companies are taxed. If it were the contention that the taxation on companies severely restricts savings, I should have imagined that in West Germany, it would not have been adopted.

This question of savings we have to analyse: why and to what extent are savings likely to be affected. Is it quite sufficient to say that any taxation will have a disincentive effect? I believe it was some financial journal or some financial house in Calcutta who gave the opinion on the Wealth and Expenditure taxes, that they will probably encourage savings and investment. Of course, others may not agree. But, that is not the opinion of either a socialist or a communist. As regards this taxation on companies, I say, therefore, that there is no principles involved as such.

The question is, we have certain objectives in taxation. If our objective is (a) that we want money for certain purposes, and (b) to reduce inequalities, I say, the wealth-tax is a very desirable tax. Of course, if our objective is not to reduce inequality, by no means should we impose the wealth-tax.

Then comes the question, whether companies should be brought under the purview of the tax and whether certain companies should be exempted. Take the question of losing companies.

I do not know why the Finance Minister accepted that amendment at the Select Committee stage. Because, I should like to say that in the present situation in India, probably there is something to be said for not exempting any companies. My reason is this. Firstly, what happens about taxes? If there is a tax on the income of, let us say, a losing company, what will happen? It will have to come out of the company. There is no profit. Therefore, it will have to be a part of the cost. What is the company losing as such? What it will mean will be, if that business is not going out of existence altogether,—there is no prospect of that in India today because the country is insulated from foreign competition—that the burden will be passed on to the consumer. You may object to that on that ground. I can understand that we do not want the burden to be passed on to the consumer and therefore, the losing concern should not pay. But, there is no point in saying that the losing concern will be in a very difficult position because they have to pay the tax.

I say that it would not be a bad thing if prices were to rise a little. The Finance Minister has been imposing excises with a view to raise the price of articles so as to restrict consumption, and for the purpose also of encouraging export of those commodities. Therefore, on economic grounds, on theoretical grounds, in the position in which we are today, with the economy as it is today, I do not see there is any justification for excluding losing companies from the purview of the tax. Therefore, I am opposed to this provision.

As I said, there is no reason why companies also should not be taxed. A lot is said about incentive and savings. I should like to say, in this connection, one thing about the private sector. When reference is made to the private sector, it is to the organised private sector we refer to. I do not exactly remember the figures; I have not looked at them. Hon. Members

who have read the Second Plan will have seen that there is an estimate of investment in the organised private sector. The estimate is about Rs. 720 crores or something like that. Out of that, the private sector is finding out of its own resources only Rs. 160 crores. The balance is found either from out of reserves for which the private sector as such, apart from the profits—that it makes, is not responsible or from institutional organisations like N.I.D.C., I.F.C., S.F.C., etc. The capital that is proposed to be raised from the public is only Rs. 80 crores. Loans and other things from managing agents, etc., is Rs. 80 crores: Rs. 160 out of Rs. 720 crores. We have also to recognise that this organised private sector is responsible for only 8 to 9 per cent. of our national income. We get excited as to what will happen to the private sector. Therefore, I say that the consideration that we show is out of all proportion to the importance and contribution of this sector to the national economy.

Then, I come to the question of individuals. Let us be clear that this Bill is not going to affect any small man or a medium-sized man or a person with medium wealth, and so on. The persons who are going to be affected by the Bill as it has come to the House from the Select Committee are those who own more than about Rs. 5 lakhs in wealth.

Shri C. D. Pande: Rupees 3 lakhs on the outside.

Shri Bimal Ghose: I ask hon. Members to consider whether we are doing anything very great in imposing a taxation on people who own, let us say, from Rs. 4 1/2 to 5 lakhs in wealth, if one of our objectives is,—I dislike the word socialistic pattern—to reduce inequalities of income and bring about a socialist society. Let us say that that is not our objective and then let us criticise this measure. If that is our objective, I do not see that there can be any valid objection to a measure of this sort. The objection can only be that it does not go far enough. Do we think that in a country like India, a person who has a net

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wealth of about Rs. 5 lakhs is an average person? If he is not, then, let us shed no tears about this Bill. I hope that it should be our desire to bring down the disparities, to lower the disparities in income and therefore the limit should be brought down. Even in the original Bill when it came before this House, the exemption limit was Rs. 2 lakhs. There were exemptions in the original Bill also.

16 hrs.

These exemptions have been enlarged in the Select Committee stage. Therefore, I propose that the exemption limit should be reduced, at least in conformity with the texture of the Bill, as it was presented in the House in its original form. I suggest that it may be reduced to Rs. 1 1/2 lakhs. I should be happier if the Finance Minister agrees to the suggestion of my communist friends that it should be brought down to Rs. 1 lakh. I think the Finance Minister may not accept it. So, I have moved an amendment to bring it down to Rs. 1 1/2 lakhs.

Now there is one point on which I want to say a few words and that is about small savings. I do not understand why there should be exemption only in the case of small savings. There was a proposal in the Select Committee about bank deposits, but it was not accepted. I can understand the Finance Minister saying: the public sector requires money and exemption of the small savings will bring some money to the public sector. If the objective is satisfactorily satisfied, then I have nothing to say. But I should like to know from the Finance Minister what is the amount of money that he expects the public sector to get by this exemption. He has particularly to remember that this will be a one-time gain because once an assessee has purchased small savings up to the amount of the exemption limit, then in subsequent years he will not

purchase any more because that will not bring any exemption. Therefore, the gain is only once for all and the expansion in public subscription through this channel will turn out only during the first year and not during subsequent years.

16.03 hrs.

[MR. BARMAN in the Chair]

I should like to know from the Finance Minister what is the amount that he expects in one year by giving this exemption and what is the amount that he would be losing year by year by granting this exemption. If the Finance Minister is convinced that the first year will bring in more, I shall leave it at that. But if the objective for which he wanted this exemption is not being fulfilled, I will not support that provision.

Now I come to the exemption that is given to the rulers. I want to know why it is being given and why it was not incorporated in the original Bill. Is it the idea that the constitutional provisions require it? Or is it on grounds of equity? If it is on grounds of constitutional provisions, then why was it not introduced earlier? Was the omission detected later? If it is given on grounds of equity, then we can have difference of opinion because I believe that on grounds of equity no special treatment should be given to them. But if it is because of the constitutional provisions, I should like to be satisfied why it was not incorporated in the original Bill? Had it escaped the notice of the Law Ministry? If it is so, then of course I will accept it.

Shri T. T. Krishnamachari: May I interrupt you for a minute? There is no constitutional provision against the imposition of tax on rulers because we have not exempted them totally. The exemption is only partial. There is, however, article 362, with which, I am sure, the hon. Member is familiar. Before I reply to the hon. Member's point, may I request him to re-read

articles 362 and 363. Then, I suppose, he will be in a better position to appreciate what I am saying in this matter.

Shri Bimal Ghose: I am not a constitutional lawyer. What I was saying was that if it is a constitutional obligation, it should not have escaped the notice of the Law Ministry originally when the Bill was brought before the House.

Shri C. D. Pande: Even now it is being taxed.

Shri T. T. Krishnamachari: It is not a question of it escaping the attention of the Law Ministry because I still feel that there is no constitutional prohibition.

Shri C. D. Pande: There is a moral obligation.

Shri T. T. Krishnamachari: There is no constitutional prohibition. As the hon. Member is aware, articles 362 and 363 are the relevant provisions. Probably it is the provisions of article 362 and the pre-emptive wording of article 363 that has impelled people to suppose this. We will have to examine that.

Shri Bimal Ghose: As the hon. Minister has stated, we will have to examine that. My point is that if it was given on grounds of equity, then it is not treating other people equitably.

Shri Morarka (Jhunjhunu): Mr. Chairman, from the various minutes of dissent appended to the Select Committee Report and from the debate which has been going on in this House this afternoon, you must have noticed that the main issue of controversy in this Wealth-Tax Bill is whether this tax should be imposed on companies or not and, secondly, whether any exemption should be given to the rulers or not.

Much has been said about this tax on companies and I feel that yet some of the salient points about this Bill have not been explained. There were

two extreme views before the Committee. One view was that companies should be totally exempted and that no wealth-tax should be levied on companies. The second view was that wealth-tax should be imposed on companies, as it is imposed on the individuals in a progressive manner. The Select Committee, after considering all these views, and considering the evidence that was tendered before it by the people who knew something and who have authority to say something about companies, has come to the deliberate conclusion that a *vis media* should be followed. What is tax on companies should be imposed but, at the same time, certain exemptions should be given so that hardship to companies may be avoided.

Before I go into the various aspects of this company taxation, I beg the indulgence of the House to explain how these companies are formed and what was the case for exempting them from the purview of this wealth tax. A few persons get together, bring their money together and they create a legal person, a corporate entity. All of them contribute their capital and against that, they take shares and thus create a legal person, in whose name they trade and carry on their business. By doing so, they get two advantages. The first advantage of corporate entity is that of limited liability. The second advantage is corporate finance. Let us make no mistake of these advantages; they are undoubtedly very valuable; they are conferred by the State. Every year therefore corporations have to pay a tax called the corporation tax. This tax is borne by the corporation because it is given special privilege by the State.

Now, having said this, I must try to place before you the case of the people who advocated before us complete exemption for the companies from the purview of this tax. The first point was, as has already been stated, that a levy of wealth-tax on companies inevitably means double taxation on the people, who, on their wealth are liable to pay wealth-tax

[Shri Morarka]

or it would bring into its fold people who are otherwise exempt or beyond the purview of this tax. In other words, if the total wealth of a person in the whole world is only about Rs 20,000 and if he is otherwise exempt, not liable to pay any tax, if he invests his Rs. 20,000 in a company, then, merely because he invests his money in a company, he is liable to pay a tax of 1/2 per cent., which according to them, would discourage people from investing in joint stock companies. Not only that, it will even encourage people to withdraw their money from joint stock companies, in order to escape the wealth-tax. They would sell their shares and invest their money on some other purpose. Similarly, the person who is liable to pay wealth-tax in his own right first of all pays the tax because he holds the shares of the company, because those shares are his personal assets. Again the tax is paid by the company the assets of which are represented by the shares already taxed. That means the same wealth suffers double taxation. Make no mistake. Income-tax can have an element of double taxation, it makes no difference, but a tax of this nature, which is of a capital nature, which is of a confiscatory nature, cannot be imposed twice. The only test you can apply, in their opinion, is whether a particular wealth has been taxed or whether it has escaped taxation. If you apply this test, they say you will find that there is no justification at all for taxing the companies. The wealth of the companies is already taxed in the hands of the individual shareholders who are holding the shares. Then why tax the same wealth again in the hands of the company?

The hon. friend who preceded me said that the wealth-tax can have only two purposes, and no more. Either it is a revenue-earning measure, or it has a socialistic purpose. So far as the companies are concerned, it can have only one purpose. You can put this tax on the companies for raising

revenue. It is easy to collect the revenue as it is an organised sector and you are sure of what you are going to collect, but there can be no social purpose at all in putting this tax on the companies. Even if you want to reduce the inequalities, the inequalities that matter in Society are only of the individuals and not of companies. By reducing the inequalities of companies what do you achieve? You may cripple the companies, you may disturb their productive purpose and only put things out of gear. And what do you gain? In my humble opinion, there was a very strong plea, a very impressive plea, that so far as companies are concerned, it is not only that there is a double taxation in the case of this wealth tax, but also the levy cannot have any social purpose.

Let Shri Bharucha be under no misapprehension that the shares of a company go scot-free, as the shareholder would be taxed just the same way as any other person. If he holds shares in a company, the value of the shares would be determined not only according to the paid-up capital of the company, but according to the market price of the shares, and if the market price on a particular day includes consideration for the reserves and for the goodwill of a company, the shareholder will have to pay a tax on all that. Therefore, when you are exempting companies from the purview of this tax, you are not exempting any one in any sense of the term.

The hon. Finance Minister, somehow or other in the very beginning when he introduced the Bill included the companies, though he himself was halting. I would read only one line from the speech he made while presenting the Budget. This is from paragraph 59. He said: "The wealth-tax is intended primarily as a measure of personal taxation, but in the peculiar economic structure of India, I consider it advisable not to exclude companies from the purview of this tax." What those peculiar conditions

in this country are, the Finance Minister has not explained, but the Finance Minister did tell us, and it carried conviction to all of us, that the revenue consideration is a very strong one, and there is no doubt that the major portion of the revenue under this Bill is going to come from the companies.

Arguments have been advanced here that the losing companies should not have been exempted. What is the philosophy behind exempting the losing companies? A very strong plea was made before the Select Committee that this wealth-tax which is an annual feature, though a tax on wealth, must come out of the accruals and not out of the wealth itself, not out of the corpus. Now, even after hearing all the arguments—and I shall soon quote some of the authors—the thing that the Finance Minister accepted was this principle in relation to the companies only. So far as individuals are concerned, he said: no, this tax can come out of the corpus because it would reduce the inequalities to that extent. So far as companies are concerned, when you exempt a losing company, what do you say? You only say that no wealth-tax will be payable by the company unless it made a profit. In other words, the capital structure or the corpus would not be impaired by any fiscal measure or measure of taxation. I think that is a very sound principle, and a person of Shri Bimal Ghose's calibre could have immediately understood it.

Shri Bimal Ghose: The exemption is not given in West Germany either.

Shri Morarka: When I heard him, I went through his Minute of Dissent again, but I find there is nothing in it, not a word about losing companies. Not only that. On companies he wants the exemption limit to be raised from Rs. 5 to Rs. 7-1/2 lakhs. He has pleaded for it in his Minute of Dissent.

There is another misunderstanding on this point. The hon. Member from Hooghly belonging to the Communist

group who spoke today stated that the wealth tax on companies can easily be evaded if new companies are given exemption, by splitting up one company into five companies. A capital of Re. 1 crore could be split up among four or five companies, each with a capital of Rs. 20 or Rs. 25 lakhs. I am very much surprised that the hon. Member did not care to read the actual clause giving exemption. If you permit me, I will read that clause: The exemption would apply only to companies which answer this description:

"44(d) any company established with the object of carrying on an industrial undertaking in India in any case where the company is not formed.....

—this is important—

"..... by the splitting up, or the reconstruction of a business already in existence or by the transfer to a new business of any building, machinery or plant used in a business which was being previously carried on."

Another very interesting condition was mentioned here. I think it was the hon. Member from the Punjab who said that losing companies should not be exempted. Why? Because losing companies are non-productive companies. A company which does not make a profit is a non-productive company; a company which makes a profit is a productive company. It is a very strange definition, a novel conception of a productive company or productive wealth.

Take the example of Tata Iron and Steel. It was making loss in the initial stages though it was producing steel, though it was employing labour, and according to the definition of the hon. Member it would be an unproductive company, unproductive wealth.

Shri D. C. Sharma (Gurdaspur): Why does he look at me? I am not that hon. Member.

Shri V. P. Nayar: Now that a controversy has been raised, let us know who that hon. Member is.

Shri Morarka: The hon. Member whom I am referring to is sitting in the vicinity of Shri D. C. Sharma. He is also from the Punjab.

Shri M. C. Jain (Kaithal): I too have not spoken yet on this Bill.

Shri Morarka: So far as this tax is concerned, there is no doubt that the object of the Bill is to encourage the transfer of wealth from unproductive into productive sectors, but merely because a company does not make a profit, it does not cease to be productive. Therefore, this objection to exempt losing companies on either of these grounds is, with great respect, misplaced.

Then what is the position of taxation on companies in other countries? The wealth-tax, according to Professor Kaldor, is levied in as many as twelve countries. In many of those countries either the wealth-tax is not imposed on the companies at all, or where it is imposed there is an overriding condition, that in any year the Government will not take more than a certain percentage of the total income by way of all the taxes put together including the wealth-tax. In Sweden it is 80 per cent. In America, also, where though it is not a federal tax—it is a State tax—it has been laid down that the total tax payable by a company or even by individuals would not exceed a reasonable percentage of the total income.

Now, let me read a passage from the Kaldor Report. To begin with, I must say that Prof. Kaldor never advocated imposition of this tax on companies. His estimates were based only on tax on individuals and, as the hon. Member for Budaun said, they were to the extent of Rs. 17½ crores. This estimate was without including companies. The rates which he recommended and which the Finance Minister has adopted are almost the same, with slight variation. He has recommended an exemption limit of

Rs. 1 lakh while the Finance Minister has kept it at Rs. 2 lakhs. Even with that the total revenue the Finance Minister expects from individuals and HUFs under this Bill is only Rs. 6 crores, whereas Kaldor's expectation was 17½ crores. Either Prof. Kaldor was wrong in anticipating the revenue or the hon. Finance Minister is making an error. But the fact remains that Kaldor considered it outside the realm of possibility to impose this tax on companies. He considered it only in relation to individuals.

What Prof. Kaldor says about this tax is this:

"An annual tax on wealth, though it is levied on the value of the principal, is really a tax on accrual and not a tax on the principal itself—as, for example, estate duties or a capital levy are".

Then he says in the next paragraph:

"The tax, similarly to income tax, should be conceived as a progressive one, and levied at rates (i) which are well within the total accrual from property—whether in the form of money income, expected appreciation, or psychic income; and (ii) which take into account the other taxes on accruals, in particular, the income-tax".

The whole theory of Prof. Kaldor was this—when I refer to Prof. Kaldor again and again, I am quite conscious that the Finance Minister has very thoughtfully absolved Kaldor and divested him of all responsibility concerning the present tax measures. But here I am just reminded of a story. A person not gifted with academic learning went to a professor—not Prof. Kaldor—and asked him: 'Please explain to me the difference between prose, poetry etc.'. When the professor explained the difference, he burst into an exclamation: 'Oh, all this time I have been speaking in prose without knowing that it is

prose'. I am sure some day the hon. Finance Minister may himself burst into the exclamation that all the while he was adopting Kaldorian principles without knowing that he was doing so.

I come to my next point. A very strong plea was made that the total tax, including the wealth-tax, should not exceed 100 per cent of a man's income. Now, there are two or three considerations here. First of all, whether in the case of an individual, this tax should be used as a capital levy, as a confiscatory measure or it should not. There is ample authority to bear on this point, that an annual tax should never be a capital levy. You can impose a capital levy, but only once in ten or five years and for an emergency. But an annual tax can never take the form of a capital levy. I support my contention by quoting an Indian economist, who is a joint author of many books along with Shri Anjaria and Prof. Vakil. Shri D. T. Lakdawala, in *'Taxation and the Plan'* (this is a recent publication), says....

Shri Naushir Bharucha: Is he an international authority?

Shri Morarka:.... "A property-tax, however, earns low marks as a device to reduce wealth inequalities. It is a very salutary principle that an annually recurring tax, whatever its basis, should be paid out of income, not out of capital. A yearly tax paid out of capital breeds a habit of capital consumption. Capital accumulation hitherto has been greatly helped by the social convention regarding capital as something sacrosanct, to be preserved, and if possible, increased and passed over from father to son. It should not be used for current purposes except in the gravest emergencies. A weakening of this convention may prove pernicious. Property-tax must, therefore, be levied at a rate lower than the normal rate of return on it".

Now, in Sweden, where this tax has been adopted—and even Prof.

Kaldor says that this tax has succeeded of all countries only in Sweden—what do we find? The provision in Sweden—this is from a publication I got from the Swedish Consul—is:

"A system which combines national and local income taxation with a progressive tax on capital assets can, under certain circumstances, lead to the absurd situation that total taxes due for a given year are greater than income during the same year. To avoid such an eventuality, the tax laws contain a special limitation clause which states that total taxes due for a given period may not exceed 80 per cent of the taxpayer's net income for that period, before direct taxes".

Shri Naushir Bharucha: India is not Sweden, which is one of the richest countries in the world.

Shri Morarka: I do not think such an intelligent man should remind me of such an obvious thing.

Shri Naushir Bharucha: He is forgetting it.

Shri Morarka: When the Finance Minister originally introduced the Bill, he said that he did not want to kill incentive; he wanted to keep incentive intact. These are his actual words:

"It is necessary at the same time to adopt other measures which are egalitarian in intent but which do not have a disincentive effect".

You have heard in the House and outside, people asking for a ceiling on income and we have not accepted that principle. In his Report, Kaldor has condemned such an idea, but this wealth-tax, as it is imposed now and as it is going to operate, prescribes a definite ceiling on the unearned income—I am not talking of the earned income. What is that ceiling? The maximum yearly unearned income that a man can have hereafter

[Shri Morarka]

would be Rs. 31,648, if his wealth is Rs. 15 lakhs.

Shri Narayanankutty Menon (Mukandapuram): More than that.

Shri Morarka: If it increases from Rs. 15 to Rs. 20 lakhs, it would be reduced from that to Rs. 29,448. If it increases further to Rs. 50 lakhs, it would be further reduced to Rs. 16,248.

Under these circumstances, you will see that the maximum unearned income that a man can have is Rs. 31,000 odd. If he has more property, his income goes down. It is not only a ceiling on income, but it is indirectly a ceiling also on wealth, because it is in his interest not to have more than Rs. 15 lakhs. That may lead to division or disintegration, whatever that may be, but if the statistics I am quoting are correct—I submit they are correct—hereafter a person cannot have more than Rs. 31,000 odd unearned income, and he cannot have more than Rs. 15 lakhs; if he has more, his income will start dwindling thereafter.

I am obliged to you for the few more minutes you have given to me. Still I have many more points to make. I hope during the clause by clause stage I will have another opportunity.

Shri Bimal Ghose: Sir, I want to say something by way of personal explanation to what the hon. Member from Rajasthan said about my minute of dissent. I am surprised that he made that statement. As he should have known, Sir, I had to leave for Calcutta suddenly on the 13th and I was not present at the last two meetings, but the discussion was over and I wrote my minute of dissent and sent it to the office. But when I came back I found that at the last two meetings these provisions were passed and included in the Bill.

Shri Morarka: I do not want to contradict my hon. friend, but I do

remember that this question of exempting the companies was discussed not in one meeting or two meetings but at many of the meetings, and over and over again for a long period.

Mr. Chairman: Order, order, this is no time for such arguments.

Shri Ajit Singh Sarhadi (Ludhiana): Mr. Chairman, Sir, much has already been said about the principles underlying the wealth-tax, that is, taxation on net wealth of individuals and companies, and I do not propose to speak on them again.

But one thing is very obvious, that this Bill, as it was placed before this House and before the Select Committee, had the general support throughout the country. Of course, there is a microscopic minority of vested interest who are opposed to it, but it could not be denied, that the country as a whole has given its support, particularly when we have got to tap those sources which have been left untapped so far.

Hon Members who have been criticising the different provisions of the Bill forget one thing, that we are in the midst of a war, not a war against external aggression but a war against poverty, and we have got to find resources to fight that war. And, our implements of war against poverty is the Second Five Year Plan that is before us. The complaint that has been made against the Bill as it has emerged from the Select Committee has also been voiced by certain speakers who preceded me.

Primarily, Sir, the object of the Bill certainly is to raise funds to meet the expenses of the Plan. At the same time, we should not forget the other objectives, the underlying objectives which are before us, that we have got to have a socialist pattern of society. That objective must be before us.

Taxation is not expropriation, but taxation is certainly contribution to

the public fund, to the State expenses, in accordance with the capacity or ability of the individual, and that in consonance with the exigencies of the time. If we need money for the purpose of the Plan, we have got to tap all the resources.

Now, in the context of our ideology to attain a socialist pattern of society we have got to see whether the Bill as it has emerged from the Select Committee meets with that objective or not. I beg to submit that it has been whittled down to a very great extent, and the purpose with which the original Bill was brought before this House has been forgotten.

Shri Feroze Gandhi (Rai Bareilly): Completely.

Shri Ajit Singh Sarhadi: I won't say 'completely', at least I will say 'partly'.

Shri Feroze Gandhi: I was a member of the Select Committee and even I say 'completely'.

Shri Ajit Singh Sarhadi: The object of attaining a socialist pattern of society is this, to eliminate the disparity in the different classes of people. Does it meet with that objective? What it takes with one hand it gives away with the other hand. Whereas you put in a limit of Rs. 2 lakhs for net wealth and you tax wealth which is above that limit in the case of individuals and above Rs. 4 lakhs in the case of Hindu joint families, you put in a series of exemptions which give scope for a lot of evasions.

I will draw your attention to only one thing. Let us see item No. 9 in sub-clause (i) of clause 5. That gives exemptions to all the furniture that an individual holds, all the household utensils that he has got and other articles. What does it signify? That would only promote or, rather, permit ostentatious and showy sort of living. How can you remove disparity if you give that scope. Not only that, I would even go to the extent of saying that it will bring in

a lot of evasion. What is furniture? You see that furniture is not defined in the Bill. We have not got any definition for it in the General Clauses Act. We have got to fall back to the dictionary meaning for its definition, which says, all that is movable in the house, all that decorates the house, all that you use and so on. Even if you have got gold posts for your bedstead it comes within the exemption. If you have got golden vases for your flowers they come within this exemption.

Shri Feroze Gandhi: Silver utensils.

Shri Ajit Singh Sarhadi: Even now the middle class people—I will use that expression, middle class, despite objection by many—have got silver utensils. If they start having utensils of gold they come within the exemption. I, possibly, cannot understand how this provision has been brought in, which gives so much scope for evasion to the main object which the Bill purports to convey.

Therefore my respectful submission to the Finance Minister would be that he should carefully look into this provision, which practically allows every individual to divert his wealth to such things and escape taxation.

Again, jewellery up to Rs. 25,000 has been exempted. Reading the two clauses together you find practically the object of the Bill is defeated. A man can go to the extent of holding money worth lakhs of rupees without paying any tax. Of course, there is a difference between a man and a company. A man may be honest to declare his wealth. But those who do not want to declare, those who want to keep things secretly, can escape paying this tax.

There is another aspect which we have got to see. The houses of ex-rulers are exempted. The hon. Minister has conceded that there is no constitutional bar to it. Article 291 of the Constitution only gives protection to the extent of privy purse and no further. Article 363 has got no relevance here. The only article we have

[Shri Ajit Singh Sarhadi]

got to fall back is article 362, and article 362 only gives protection to those rights and privileges that are given in article 291. So, the thing boils down to this, that only the income of the ex-rulers, their privy purses are exempted and no further. When it is admitted that the houses which they occupy are not protected, giving exemption to them can only be on concessional grounds or on equitable grounds. I would respectfully say that it is not an equitable ground.

Even in the interests of the ex-rulers we have got to see that under the present set up of society they also should go along with the progressive conditions which we are entering. You have got to bring down your standard of living to the ordinary level, otherwise you will be just an eyesore to others and cause trouble to yourself.

I should like to say, in this connection, that the country is very grateful to them for what they have done. They have contributed a great deal to the unity of the country. They have sacrificed a lot by acceding to the Indian Union. For that the country is grateful and this House is also grateful. But, they have got to sacrifice more for a certain objective, the objective of attaining a socialist pattern of society. The hon. Member speaking before me was saying that Government ought to purchase the palaces that they occupy. That would be a mistake, because I feel that Government can hardly afford to purchase all the palaces. So, it is for the princes—and it would be, I think, robbery on their part—to bestow all the palaces to the interests of the country and donate them. That is a big sacrifice no doubt, but they could do so for the country's stability and strength. So, I would submit that the princes should appreciate it. They have already contributed a great deal certainly. They have sacrificed a great deal but they should appreciate that their strength and stability is due to, or rather, the strength and stability of the present ruling party is the only

guarantee and security of the princes' income and their privy purse. The moment that power goes into the possession of the Opposition, God forbid, the princes will be nowhere. So, their interest lies in the fact that they should come forward to help the country. They should not do anything to the contrary.

Of course, the Finance Minister, I think, has felt that the princes have already sacrificed much, that their standards of living should not be brought down so suddenly and that they should have some more time to live in the manner in which they have been living previously. So, he has shown them some concession.

16.41 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

But these concessions are not in the interests of the country. But the princes should remember this. They have contributed to the unity of the country. They should now contribute to the strength of the country, and to the social ideology that the country has adopted and they should become part of it, and for that purpose, they should themselves volunteer and say that they do not want the privilege having a big house. They can come down to a small house as the Prime Minister of India has come down to live in a house worth only Rs. 2 to 3 lakhs.

An Hon. Member: It has been postponed now.

Shri Ajit Singh Sarhadi: I would not take more time of the house. I would submit that the intent and the object of this Wealth-tax Bill is not only that we have got primarily to raise money for the expansion programmes, but also to achieve the objective of socialist pattern of society. Taxation is one of the ways to achieve this end. Taxation is not expropriation. It is a contribution and it is one of the ways in which we can remove disparities. In this context, I would submit that this Bill has, to some extent, whittled down the policy that is aimed at.

I feel that so far as sub-clause (ix) is concerned, that exemption should be eliminated in respect of furniture household utensil wearing apparel and the original sub-clauses (v) or (vi) should be restored and also the exemption for the rulers in respect of the houses should also be taken out.

Shri V. Raju (Visakhapatnam): Mr. Deputy-Speaker, Sir, the Wealth-tax Bill has evoked an extremely lively debate and for one I feel that the tax proposals have a larger measure of support from the Opposition than possibly from the Treasury Benches.

Some Hon. Members: No, no.

Shri V. Raju: I know that when ultimately the vote is taken, discipline would operate and the measure finally passed. However, I believe that analysing this opposition would help to a large extent to clarify and clear the attitude that Socialists should have towards this particular piece of legislation. I believe that in the present context of opinion in the country, taxation on income is assumed to be an act of socialism and therefore, to the extent that the wealth-tax or the allied taxes would lead to taxing income accruing to assests, either of companies or of the individuals concerned, who own capital, this tax is being opposed by a large section of the Members present. I know, however, that a wealth-tax would necessarily and must apply to capital as such not merely income. However, the argument is being introduced to say that the aggregated total of taxes, aggregate here meaning income-tax, wealth-tax, the existing super-tax and the proposed expenditure tax. The hon. Member **Shri Morarka** from Rajasthan said that in a nation like Sweden, not more than 85 per cent. of the total taxes collected on all heads in a single year should be collected from current revenues. Therefore, wealth-tax should conform to, or confine itself, within the return of income in a given year and only in such an

instance, such a tax will be legitimate, but otherwise, it would be a retrogressive tax, as it affects capital holdings.

I think that in this context quoting situations from abroad would be of little or no value. I do not know if the purpose of Government is necessarily to tax capital. But, if that is the purpose, then this is extremely a laudable measure even though I would term it as only one of a start, because, the extent of capital tax envisaged in this whole enactment is not more than one and a half per cent. when it reaches a certain ceiling and above, and therefore, I cannot understand why there is or should be such a great objection to this measure, I have only one example. In the Soviet Union, where incentive to save is guaranteed to the population, apart from the fact that the earner in the Soviet Union is not allowed to accumulate wealth in the form of means of production, and wherever savings are available to the people, such savings not only are legitimate but are expected to be the form in which that particular society saves for re-investment within the capital structure of the nation. Even in such a situation, periodically a revision has been made of the savings made in that society. In other words, if individuals save money in that economy and they invest such savings in Government holdings once in ten or fifteen years a revolution is made. I think after the war,—I am not quite sure on the exact date—I think it was during 1948-50, the rouble was devalued because of inflationary tendencies. I am not sure of the year, and my friends would tell me correctly. In that devaluation process, an individual was allowed to continue to hold bonds if that was the accumulation of his savings the outcome of service and—effort in the community. Similarly, my friends would like a provision to be made that genuine incentives, genuine earnings of individuals in the pursuit of service to the nation should be exempt wholly or to a large

[Shri V. Raju]

extent from a recurring capital levy annually. The State should merely apply the tax in the form of a direct capital levy at that point once in 5, 10 or 15 years, when over a period of time, the economy requires re-revision. I can understand the rationale, but here by no stretch of imagination are the means of production being withdrawn from private holding. Even in the case of capital taxation on companies, the company itself, when it pays the tax, redistributes the burden of that taxation on two planes. It revalues the capital holding as among its own shareholders; to that extent, the basis of the tax drops or becomes limited over a period of time, or the transference of the asset is within the same segment or class the capitalistic holdings

In other words, supposing an individual or a corporation has, for the purpose of this tax, sold out its holdings, it necessarily has to be repurchased by the same class in society and therefore, there is no question of redistribution of the capital holding or the right to means of production, which is the primary aim, I believe of socialism. Ultimately we cannot define socialism merely as one of distribution of equitable income. The right to spend and the right to earn alone is not merely the factor to be controlled under socialism, but the right of ownership of the productive sources have necessarily to be equalised in a socialist economy and I am afraid this taxation measure does not allow for that purpose to be fulfilled.

There are a number of major reasons, I believe, which are being put forward to support this piece of legislation. The Finance Minister has been telling us during the last one month or so that the needs of a tax become more and more important because of the requirements of the Plan. The overall question of the second Five Year Plan looms large before us. Here I would just like to make a passing comment, because I

know that the whole tax structure has been discussed just yesterday and today when the Finance Bill was taken up. When the question of discussing taxation and justifying taxation under the Finance Bill came up, the main question of Rs. 93 crores and odd of new excise taxes was justified on the ground of the Plan. Here, I believe that the Finance Minister may be going partially wrong in his estimate.

On the one hand we find in the country that agricultural facilities are not being availed of, even though provided for under the schemes of the first Plan and the second Plan. Secondly, in the case of basic consumption, such as cloth, today the stocks of cloth in the country are far higher than they were before. Such a situation would demonstrate to the nation that the common man, the smallest tax-payer, whether he is a ryot or a person who is wage earner and has to live in this country and pays indirect taxation in the form of various taxes that are being levied on petrol, kerosene, matches, tax on increased railway passenger fare etc., or the various other smaller taxes—there are a whole lot of them—are not able to absorb the benefits provided under the Five Year Plan. They are not able to utilise the excess production that is today available either through Government agency or through the agency of private capital. As such, the present tax would, I believe to a large extent rectify the excess increase in the private sector, which has been there during the last three or four years, which has been creating an imbalance in the economy and in the Plan programme that the Finance Minister is putting forward. I can understand the argument that in the case of State production enterprises and the priority given to steel, a large measure of saving in foreign exchange would be available to the nation when the steel plants begin to produce. But in the case of private

capital, the accumulation of consumer goods in our store houses only leads to an imbalance and necessarily to a feeling in capitalist circles that on the one side there must be a total subvention of their efforts by Government agencies and on the other, the necessity for increasing the export quotas should be actively pursued by the Government. This will not always be possible and therefore, the present Bill should be used as a source of blood-letting. The capitalist holdings, which are beginning to grow too quickly and too artificially because of the desire of Government to increase the period of industrialisation during the Five Year Plan must be necessarily curtailed and therefore, I would support not merely the present Bill, but I would ask that for the good of this country, the slab of taxation on capitalist holdings should be increased, because that would be one of the methods whereby the present economy could be made to balance itself.

A number of exemptions have been given, which frankly I am not able to support. In clause 4, the Explanation says:

"For the purposes of this section, the expression 'transfer' includes any disposition, trust, covenant, agreement or arrangement, and 'an irrevocable transfer' includes a transfer of assets which, by the terms of the instrument effecting it, it not recoverable for a period exceeding six years or during the lifetime of the transferee."

17 hrs.

I do not see why there has been a limitation. I believe that once a transfer has been made, re-transfer of the assets to the individual, whenever it takes place, should be subject to the tax. Further more, no provision is made for taxation of the transfer itself. As a matter of fact, the basis of the whole taxation has been the Kaldor report. I do not think it is very fair to keep referring

to that report. Because, I believe that even though we have a tendency in this country to call upon foreign exports, a stage should soon be reached wherein our own fiscal policy may evolve in such a way that we can create independent policies for ourselves. As such, this continuous reference to this report, I believe, damages the purpose for which that is being put forward. However, in that report, it has been suggested that a gifts-tax should be one of the ways in which tax evasion could be stopped. I do not know why the gifts-tax has not been introduced.

Shri C. D. Pande: That is coming in November.

Shri V. Raju: If that assurance comes from the Finance Minister, I would take it. I hope it comes next time. Shri C. D. Pande says it is coming.

Shri C. D. Pande: It is a certainty now.

Shri V. Raju: So far as exemptions are concerned, in sub-clause 2 of clause 5 it is said:

"Wealth-tax shall not be payable by an assessee in respect of any deposit made by the assessee with the Government or in any security of the Government or of a local authority not specified..."

I think this clause would, to a large extent militate against the payment of tax by corporation. I know that the savings of profits, that is, sinking funds of companies are today to be maintained in deposit with the Reserve Bank. But, still these assets have yielded, do yield and continue to yield a profit to the corporation in so far as borrowing are made from banks against such holdings on which current business is transacted. So far as this wealth as profit is collectable or is made at the source of capital and also at the source of profit, this allows for the capital holding to go exempt, I cannot understand why this cushioning of the financial

[Shri V. Raju]

basis of a corporation is being allowed by the present Government. To-day, one of the main problems before us is the question of gradual or creeping inflation. All means should be adopted by the Finance Minister to see that assets which do not come under the tax's purview should not, as far as possible, go exempt from taxation if they are to be used for production purposes, because, as I have earlier pointed out the present production has reached a stage where it is being bogged, where it is unable to be consumed within the economy of the country, because of the cumulative deterioration in the purchasing standard of our people: not merely the income-tax payer, but the general masses of the people who have been so over-burdened with taxation.

So far as the general exemptions made under clause 5 are concerned, there are quite a lot of exemptions to both individuals, to the aristocracy and also towards individuals who invest in companies or private corporative holdings. Here, I would like to suggest that the emphasis towards exempting under item (xvi) ten year treasury savings deposit certificates, fifteen year annuity certificates, deposits in post office savings banks, etc., would not be incompatible with the goal of socialism. But, in the case of individuals holding shares in a private capitalist holding, I believe a different basis of assessment is necessary.

Shri Morarka from Rajasthan tried to distinguish between the tax being levied on an individual and the tax being levied on a corporation and tried to state that the impersonal nature of a corporation, would require it to be exempt from this taxation. He said that a corporation being an inanimate body should not be subject to the same concepts of equity of justice as an individual. Unfortunately, the main problem of capitalism is that it wears the impersonal garb of a corporation. In the name of a corporation, certain families, certain castes in this

country are able not merely to wield unlimited political influence, but also have unlimited financial resources at their disposal. Therefore it is that I would say that in the case of an individual investing in the impersonal or Government sector there might be an argument for exempting him from taxation. Furthermore, I would say that it would be an incentive for saving in the economy. Wherever the individual invests in Government bonds or securities and where we know that the State is the investing agency, where we know that Government activity leads to development, in such instances, I would go to the extent of saying that exemption should be given. I would give the example of Soviet Russia where there is no income-tax, for the obvious reason that money is owned and held....

Shri C. D. Pande: Up to 20 per cent, there is.

Shri V. Raju: It may have been introduced lately.

Shri C. D. Pande: When you were there, it was not there.

Shri V. Raju: I have never been to Russia yet. Any way, certain capitalist economies have a tendency to criticise this exemption on tax as very low. But, there is a valid reason and that is that the holding is in State securities. The State is the developing agency. Further, any transference of such assets at the death of the individual can only be towards continuing a certain minimum or maximum standard of living of the family concerned which has developed the money holding through its own personal effort. While in this country, when you invest in corporations business assets, the private capital holding continues intact irrespective of the tax levied, unless the Government is prepared personally to take over the assets that become available in the market and become the owner of such assets, till such time socialism can never be introduced. Because, the sum total of the private holding would remain

private hands. This is a very important fact. Not merely for the purpose of valuation of property under the tax proposals, but even from the standpoint of owing sizeable holdings in corporations and sizeable holdings in the means of production of the nation, Government must start taking over assets and utilising them. I shall later speak on the clauses.

Shri C. D. Pande: I had no intention to participate in this debate because I had had my share only two days back, and that too a full share. But when I heard the speeches of a few members here, particularly that of Mr. Murthy, I was a little pained. He said that the Select Committee has betrayed the trust reposed on it by the House. I take strong exception to this expression because I feel the Select Committee has in all sincerity and honesty come to these conclusions. I can assure you that no section of the House prevailed there. It was a well-represented body. All sections had been there and it is a compromise that we have arrived at—a golden mean. I can definitely say that because I was a member of that Committee. I know there were extreme members there—Mr. Menon, Mr. Gandhi and others.

Shri Narayanankutty Menon: I protest against his reference to me as an extremist.

Shri Feroze Gandhi: He has called me also an extremist.

Mr. Deputy-Speaker: It is a compliment.

Shri C. D. Pande: What I was saying was that this is a *via media*—a golden mean. It is a compromise, and a compromise in a good direction. People have made a great deal of capital by saying that there have been a large number of exemptions and expectations of revenue have been watered down and it will come to nothing and so why don't you drop it? I want to dispel all the misunderstandings. What was the revenue expected out of this Bill? It was 15 crores of rupees. What is the new expected revenue? After all

the exemptions, it will be Rs. 12½ crores—the Finance Minister will correct me if I am wrong. After giving away all those exemptions, we have lost in all about Rs. 2½ crores. This has been given so that our men may not be unnecessarily harassed.

I was really surprised that Mr. Sarhadi took exception to clause 9 of all clauses where we have made exemption in the case of wearing apparel, furniture, utensils etc. Nobody in the Select Committee or in the House raised a single voice or said that exemption should not be there or that this provision should be deleted. Nobody shall purchase things just to avail of this exemption. He says that this will be a great source of harassment. I wonder how his economics works. Suppose a man purchases a thing for Rs. 100 today. What will be the price of it the next day. It will be about Rs. 80 or Rs. 90. Do you think that a person of the higher strata of income will purchase furniture, tables and curtains so that the next day his capital may be levied at 60 or 70 per cent. Members have also suggested that people will become extravagant and they will spend more. But then there is the Expenditure-Tax Bill. I don't think that many people in this land of our own will spend money in order to make Rs. 60 out of Rs. 100. This is bad economics. This never works. This is only imaginary. Members should not be carried by such things.

Then there is the other point about exemption for losing concerns. Nobody who holds any wealth above Rs. 2 lakhs is exempt from the wealth-tax. If he holds a share even in a losing concern, that share is taxed. You should realise that it is the amount that is invested in the company and the company that is losing. Therefore, the Select Committee, in its wisdom decided that it is fair that such companies should be left free because the shareholders

of that company have been taxed. The only thing is that he has been spared of double taxation. Of course, there were many in the Committee, with whose views we do not agree. They wanted that there should be no taxation at all on companies because taxing the company and again the shareholder would be double taxation. But we were committed to something and so the Committee in its wisdom—Shri Prabhat Kar knows it—came to that conclusion because companies were ultimately taxed. That is the opinion of the Committee and we have got the fullest confidence in that Committee. Therefore, the remarks of Mr. Murthy that the Committee have betrayed the trust reposed on it by the House was absolutely unfair and unkind to the Committee. The fact is that the decision of the Committee was a compromise arrived at by all sections of the Committee. Everyone gave his personal opinion and finally accepted this decision in the national interest.

I can assure you that our Finance Minister is not a man who will easily give in. He only gave in when he thought that harassment can be avoided. He was more concerned about finance and when we assured him that all the exemptions will not involve more than Rs. 2½ crores, he said that it was worthwhile and he agreed to that.

Shri Feroze Gandhi: On a point of order. The hon. Member, while he may refer to the proceedings of the Select Committee, has, I think, no right to say that the members of the Select Committee gave up their opinion. If we have expressed an opinion, we will stick to it and there are members of the Select Committee who feel that what has been done to the original Bill is not proper.

Mr. Deputy-Speaker: That has been expressed already. I was following the hon. Member quite closely. He was referring in general terms to the members. He did not particularly mention any hon. Member. Therefore, there is no cause for any objection.

Shri C. D. Pande: I am sorry. I do not know to what Mr. Gandhi took objection. I said that people do hold different opinions but yet in the interest of a good formula they accepted a *via-media*.

Mr. Deputy-Speaker: Mr. Feroze Gandhi says that even now he holds the same opinion.

Shri C. D. Pande: The Finance Minister agreed to most of the suggestions because he felt they were just. At the same time, he was very keen that no big slice of revenue should be lost.

Mr. Deputy-Speaker: The hon. Member may refer to the decisions of the Committee or say that they were just, proper and equitable.

An hon. Member: There are a number of dissenting notes.

Shri C. D. Pande: There were a number of people who were quite panicky. They were accommodated a great deal in the deliberations. Regarding amendments and suggestions relating to exemption, particularly the one relating to clause 9, nobody in the Committee raised any point about this matter.

So, may I point out that the remarks made by Mr. Murthy are not proper? The Committee has done its work very honestly and in the national interest and has come to a golden mean and, I am sure, the House will pass it without any amendments.

Shri T. T. Krishnamachari: If you will permit me, I should like to say that, though I was not the Chairman of that Committee, I take full responsibility. If I felt that there is anything wrong in it, I would have written a minute of dissent. So far as the Select Committee is concerned, irrespective of what transpired there, the result is the thing and I take full responsibility for it, though Government have presented the report.

Shri Ghosal (Uluberia): I do not know whether I should congratulate the hon. Finance Minister or I should curse him.

Mr. Deputy-Speaker: He may not do either of the two.

Shri Ghosal: Though in conception it is welcome, still if we go into the provisions of the Bill, we shall find many things which are not really to the fundamental principle of taxation. People are taxed for the needs of the Government for the development of society and for the prosperity of the country, but the capacity of the people varies from man to man which has to be taken into consideration. In our country the structure of the society is such that most of the people are poor and it is not possible to introduce any tax system by which the poor people can be overburdened while giving exemptions to the rich. Also, the basic tax structure should be based on the tax-paying capacity of the lowest rung of the ladder in the society, and only then can it be on a progressive basis.

If we go through this Bill we find that the loopholes through which generally tax evasion takes place have not been plugged, but rather they have been enlarged by the Select Committee report. Scope for tax evasion has been given through these legal loopholes or exemptions given in the Bill and through the machinery of tax realisation. These are the means through which taxes are generally evaded.

One of the loopholes is in regard to trust property. We know how these trust properties are being administered by the trustees and how the income and expenditure accounts of the trusts are submitted to the income-tax officers.

Much has been said in favour of exempting the companies while taxing the individuals because there are accounts and balance-sheets, but we know that the Income-tax Investigation Commission had found that

evasion had been resorted to by the companies, and not so much by individuals. Therefore, another loophole is there.

The word "animal" has been introduced in order to include dogs, race horses etc., owned by the rich people.

Regarding the exemption given to Rulers, of course, the Finance Minister has referred to the bars in the Constitution, but they can be removed by amending the Constitution. So, there is no justification for giving this exemption to the Rulers who are considered as a privileged class in our society.

A special provision has been made for exempting jewellery. It has been well said by Pandit Thakur Das Bhargava that this exemption should be reduced to at least half.

As regards exemptions for companies of five years' standing, it has been said in the House that these companies some times change their names by a fake transfer of the assets of the company and open new companies by changing the names. We know that these businessmen many times change their forms in order to avoid income-tax and sales tax, particularly in our State. Hence they should not be given this opportunity of tax evasion.

Another loophole for tax evasion is the retention of the present income-tax machinery for realising this tax. We have found that the income-tax machinery has totally and miserably failed in the realisation of taxes, and it is evident from the Income-tax Investigation Commission's report that many of the companies, in spite of this income-tax machinery, had evaded payment of tax and the Government had to surrender to the capitalist section. We also do not know how much amount has been realised from this capitalist section under the disclosure scheme. That proves that the machinery that exists at present has totally

failed in the realisation of income-tax, and if we have the same machinery for realising the wealth-tax also, it is bound to fail and we cannot realise the amount that we expect to.

As regards the schedules, I submit that the initial slab of exemption is too high. It should be reduced to half for both companies and individuals. No exemption should be given to companies, because we know that these companies earn profit and there is no ground why this exemption should be given.

If the Government is serious about implementing the Plan, they should take steps to plug the loopholes; otherwise, mere lip sympathy for the Plan will not bring any results. Of course, from the different versions given by Shri Morarka and Shrimati Renuka Ray, we find that there is something wrong going on even within their party. Without going into those internal differences, I would only say that it also strengthens our view that really a doubt, a suspicion, has arisen in the minds of the Members who are reasonable in thinking, that this wealth-tax really could not be implemented to bring good to the country and also bring money to the Exchequer.

WORK-SITE CAMPS IN WEST BENGAL

Mr. Deputy-Speaker: Now we take up the next item. Shri A. C. Guha to raise a half-hour discussion.

Shri A. C. Guha (Barasat): This is in connection with a question of mine which was to be replied on 14th May, 1957, but then the hon. Minister for Rehabilitation gives me a reply that the information is being collected and will be laid on the Table of the House. Then on 6th August he has supplied this information wherein he has stated: (a) There

are no work-site camps in West Bengal and Tripura; (b) to (h): Does not arise.

In (b) to (h), I asked for certain details as to the time when they were established, the number of displaced persons in the work-site camps and the nature of work given to them, the annual income earned by them, the amounts spent on them and whether there was any rehabilitation scheme formulated for them. To all these questions, he gave an omnibus reply 'does not arise as the work-site camps are no longer existing'.

In the annual Report of the Rehabilitation Ministry for 1956, I find there are 44 work-site camps mentioned with full names and description, the number of persons accommodated in each camp—the total number being near about 43,000 in 44 camps in different districts of West Bengal. So I cannot understand how he has replied that there are no work-site camps in West Bengal and Tripura. I do not like to raise the question of Tripura, but as for West Bengal, according to the Administration Report which covered the period upto 31st March officially, there were 44 work-site camps accommodating nearly about 43,000 persons.

If my memory does not fail me, I think even in May there were work-site camps. I saw them with my own eyes. I do not know what has happened to them during this period of two or three months. I have nothing to say against work-site camps as such. I rather support the idea that these refugees should be made to work somewhere and Government should provide some work for them. In 1953, a committee was set up to look into the rehabilitation work in respect of East Bengal refugees. That Committee also recommended that work-site camps should be set up. But it specifically mentioned under what conditions the work-site camps should be set up. The Committee suggested that the DVC or some other semi-government organisation and the State Government also

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should be asked to give some contract work to the Rehabilitation Ministry who should get it done through the refugees. Work-site camps should be established in such places as would ensure some work for the refugees as also their rehabilitation and Government would supply the necessary work-load for them.

I have seen some of the work-site camps myself and I think that the idea has been completely ignored. People are simply taken to the rural areas and put there in the open without any enclosure or hutment or house. Some tents were pitched and they were asked to reside in them. The usual life of the tents is 9 to 10 months, but they are continued even for 18 months without replacement in time.

I have my fundamental objection to accommodating refugees in tents. I shall take that up tomorrow. Today I am confining myself to the work-site camps. On 14th March this year, when I was myself a Minister I wrote to the hon. Minister about a work-site camp. I found it a very fine exhibition of human sufferings and miseries. I concluded my letter to him thus.....

Shri D. R. Chavan (Karad): There is no quorum.

Mr. Deputy-Speaker: The bell may be rung—Now there is quorum. The hon. Member, Shri A. C. Guha, may continue.

Shri A. C. Guha: I was just referring to what I wrote to the hon. Minister on 14th March. I concluded my letter with this sentence:

“Spending lakhs of rupees every month simply to breed discontent is not a wise policy for any government.”

I felt very unhappy at the sight of these work-site camps. I have seen a number of them. That, of course, may not be quite in order for the present discussion.

My point is that the reply which the hon. Minister has given is quite

unsatisfactory and incomplete. I think he has evaded the main issues to be replied. When there is a mention of these work-site camps in the Administration Report of the Ministry, I do not know how he can say that there are no work-site camps in West Bengal. My question, as I said earlier, was scheduled to be replied on 14th May. Whether there were no work-site camps on 14th, is the main point. What has happened to those work-site camps which have been mentioned in the report of the Ministry? What has happened to the people—about 43,000 people were accommodated—in those work-site camps? If they have changed the names of these camps, I can understand that. But simply by changing names they cannot solve the problem. Even if they had removed the persons from those camps, I think he should have replied my question from (b) to (h), because even after 31st March, or after the date when the work-site camps might have been abolished, or the names might have been changed, the issues raised in (b) to (h) would be quite applicable and relevant. I think the hon. Minister should give his reply to all these points.

What is more important is, what has happened to those people who were residing in the work-site camps. As I have stated, one of my questions was whether any rehabilitation schemes have been formulated for them, if so what are they? This is a more important question to which I would like to have a categorical reply from the hon. Minister.

As I have stated earlier the position of the refugees in work-site camps is most miserable. I invited the hon. Minister to visit at least one work-site camp with me. He would have then realised the position of the refugees there. Simply by changing the name they cannot change the position, change the lot of the refugees.

What has been done to these refugees? That is a relevant question, which I hope the hon. Minister would answer.

Sir, I shall not take any more time as the hon. Minister might take some time and other Members also who have supported my motion for this half-hour discussion, might take some time. But, before I conclude, I would again say that I have no objection to work-site camps as such, rather I support the idea on which the work-site camps were recommended by the committee in 1953. But the work-site camps as they were being maintained in West Bengal, as I have seen with my own eyes and as stated in my letter, are simply an exhibition of human miseries and sufferings, and the Government was not at all wise in spending the money in that way. In one place I found that the local people also were annoyed because of these work-site camps. About 1,200 people were put in a particular village and the Government gave them for food only Rs. 12 a month each up to a limit of Rs. 60 per family, whatever be the number in each family, even if the number exceeds five members. With this Rs. 12 they cannot maintain themselves. What were they doing then? They were pilfering and robbing and doing all sorts of anti-social things in the villages. In a public gathering these things were said before me. One of the villagers was asked what offence they had committed to merit this punishment. One refugee stood up and said that what has been stated was perfectly correct, that there was nothing untrue in it. He added, "what can we do? We are paid only Rs. 12. We cannot subsist on this point" the local people also admitted that there are difficulties for the refugees, for nobody could subsist on such an allowance. The spending of few lakhs of rupees every year at that particular village did no good to anyone. The result was that the local people were annoyed with the Government and the refugees were annoyed with the Government. We are alienating the sympathies of the local people there and also of the refugees.

So, if the Government now change the policy as regards the work-site

camps, I should welcome it. But I would like to be enlightened on this point: what is the present policy about those people who were so long residing in work-site camps. With these remarks, I would like to resume my seat. I hope the hon. Minister will enlighten the House on these points.

Shri Harish Chandra Mathur (Pali): I have associated myself with this demand for an half-hour discussion only to emphasize that it is not a regional question, but a national question in which we are all deeply interested. I hope the House is aware that the hon. Finance Minister, while speaking on the general budget on the floor of the House, stated that we have spent about Rs. 80 crores on the rehabilitation of refugees for West Bengal, but we have not been able to rehabilitate any. He was frank enough to admit that this is a very serious indictment against the Government. Shri Guha, in raising this question, has spotlighted the attention of the House on a very specific issue, and in fact, he brings our attention to a particular matter as to how this money has been frittered away.

It is obvious from the reports that there were 44 camps and the very name, work-site camp, indicates that these camps were really rehabilitation camps and not relief camps. As distinct from the relief camps, their very name indicates that they are camps meant to rehabilitate the refugees. But it appears that after these ten years not one refugee was rehabilitated. I do not know what happened. It appears there are no such camps now. The hon. Minister has stated that there are no such camps. So, they could not have vanished within a year. There were 44 camps and there were about 40,000 people in them. Mere changing of the name does not solve problems. As a matter of fact, it was expected of the hon. Minister that he would state what happened to those camps and what has happened to those people. The

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question was what has been done to rehabilitate these refugees. No answer was given. Rather, the answer was evaded and the answer was given that "there are no camps and the problem does not arise". I do not think we are going to solve this big, vital problem by saying that there are no camps and that the question does not arise.

As I submitted, the hon. Finance Minister himself made a clear statement on the floor of this House that this is a serious indictment against the Government. I think a fuller information should be given and I think better care should be taken in future about the rehabilitation of the refugees and we should not permit ourselves to just waste all the money. I find that the hon. Minister, while speaking on the Demands relating to his Ministry, agreed that it was a human problem. Of course, nobody denies that there are difficulties in solving this problem, but the Government should have conducted themselves in a proper manner. I do not know; there are so many works going on.....

Mr. Deputy-Speaker: If the hon. Member wants a reply, he must put the question and he should conclude, so that the answer may be given. What is his question?

Shri Harish Chandra Mathur: My question is, how these refugees have been rehabilitated: what has been done during all these years? This question has added importance because of the observations made by the Finance Minister. I want to know what has happened to those people and to those camps; how they have been rehabilitated and whether they were merely relief camps and now they have been dispersed.

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): The question that was asked by Mr. Guha was of a specific nature. The information sought from me was the number of work-site

camps in Bengal and Tripura and their names, when they were established and so on and so forth. This question was tabled sometime in the month of May. As very detailed and elaborate information was sought for, I said that the information would be collected and laid on the Table of the House in due course. This information was supplied to the Parliament Secretariat, I think, on the 6th August, 1957.

At that time I did not have a single work-site camp in the whole of West Bengal or Tripura. If the information sought related to the work-site camps previously set up, if it related to the 44 work-site camps, that information has been categorically stated in our annual report and is printed on pages 68 and 69. There, all the 44 names are given and we have stated that the number of persons in the work-site camps till the end of March, 1957, the period to which that report relates, was 42,822. That is the correct position. I thought very rightly, that the information is sought in connection with the work-site camps that existed on a particular date, the date when the question is asked. I am repeating myself. If the information related to the period which is covered in the report of my Ministry for the period 1956-57, that is given there. There is no question of seeking information on that score, because it would have been very easy for me to say, "I may refer the hon. Member to pages 68 and 69 of my report". But as the question related to the existence of work-site camps when that question was answered, so we sought the information from the State Government. According to the information given to us by the State Government, there was not a single work-site camp existing in the month of July or August either in West Bengal or Tripura.

What has happened to those work-site camps? Why have they been abolished? What has happened to

the population that was in the work-site camps? These are very relevant questions and I can answer them fully.

These work-site camps were set up in the year 1953-54 and they existed during 1955-56 and 1956-57. We provided the displaced persons with work to the extent possible every year and this went on. But on the one side the work dried up, because it was only work of the nature of filling, levelling and all that, which could be given to those people, because they are unskilled workers. You cannot give them any skilled job. On the other hand, the camp population in the West Bengal, unfortunately, shot up from 1.4 to 3½ lakhs. Unfortunately, work also dried up. There is no more work available so far as the State Government is concerned. I am grateful to the State Government for all that they have done all these 3 or 4 years in providing work for these people. If they have no work of the nature that could be given to these displaced persons, naturally, I cannot force the State Government to create work. It is not work of the type of test relief work or something like that.

Mention has been made that we are paying very little to each displaced persons. The amount may be Rs. 12/- But, that is not all. In addition to Rs. 12/- that we give to each person who is living in a camp, we provide medical relief, we provide shelter, we give education and it practically comes to round about Rs. 22 per head. The expenditure on an average on a displaced person in the eastern region comes to round about Rs. 22 per month per head. Our expenditure today, as I said in the House the other day, was Rs. 2 lakhs a day, on the maintenance and feeding of these displaced persons.

The work-site camp is a sort of relief camp. These people are in the relief camps. They are living there. We take them to a work-site camp where work can be provided. Not

even that. When we take a person there, knowing that the man cannot possibly earn on unskilled work more than Rs. 1-8-0, that is Rs. 45 per month, we take his family members into consideration. If the number of family members is three and the earning capacity of the man is Rs. 45, the question does not arise. If the man has got more than three members, what we are doing in the work-site camps is, with a view to see that no hardship is caused to the family, we give at the rate of Rs. 2-8-0 per family members per week to subsidize. So that, if the number is more than three, and there are two more family members, we would give Rs. 5 a week or Rs. 20 a month, plus Rs. 45, that is Rs. 65, which, we feel, should be adequate for a family of five members. More so, when accommodation, water, lighting, everything is provided free. When we are giving work to the people in the work-site camps, the idea was gradually to divert them from idle life in a camp to some kind of work. We gave this work for 3 or 4 years. That work, so far as the State Government is concerned, has dried up.

What happens to these people? They are in the camps.

Shri A. C. Guha: In the same places?

Shri Mehr Chand Khanna: Will you please let me go on? They are in relief camps, as far as I can say. In case a specific question is tabled regarding any particular work-site camp, I should be glad to give that information. The information that has been supplied to me is this. Each person who was in a work-site camp, for whom no more work could be provided, is in the ordinary relief camp. The same facilities are given as are being given to any displaced person in any relief camp. There is no question of any hardship. If Shri A. C. Guha, feels that Rs. 12 per month is inadequate, I should have been very happy if he

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had raised the matter three months ago when he was in the Ministry of Finance. If he had given more money, I would have given more money. It is all right talking all these things today. I am only telling that he was my colleague. He was in the Ministry of Finance; I was in the Ministry of Rehabilitation. You are more sympathetic towards the cause of displaced persons than I am. If you felt, and very rightly too, that Rs. 12/- is not adequate, you should have written me a note. I would have taken it to his own Finance Secretary or Joint Secretary and told him, here is the note of your Finance Minister, please give more money.

I am prepared to pay according to the new formula. But it is rather a strange thing that if I feed them, I am accused of extravagance and waste. If I am spending more as Mr. Mathur has said, I am accused that I am spending more money. If I am spending less, then also I am accused. I am rather in a very difficult and embarrassing position.

Shri T. B. Vittal Rao (Khammam): Give them gainful employment.

Shri Mehr Chand Khanna: I am coming to it. Actually, all these matters were discussed at the time when the Demands relating to my Ministry were before this House. I told you—you were in the Chair—the steps that we are taking. We have done one thing very significantly, and that is this. After the work-site camps were abolished in Bengal we experimented a scheme, which we have tried in Faridabad and with success, of providing work to the displaced persons themselves, eliminating the P.W.D. and C.P.W.D. It is a very difficult job. What we are doing now is to give the work to the displaced persons themselves. They are my labourers, they are my group leaders and they are my contractors. We have done it with very great success in West Bengal. We have extended it to Tripura. They are doing even some kind of manual labour. I have seen

a colony a few months ago. There I saw school teachers and college students working on the construction of their own roads. On an average round about 4,000 persons were employed on the construction of this work in the end of March 1957. We had given them wages of nearly about Rs. 14 lakhs. Though in the three or four years' life of the work-site camp in West Bengal only Rs. 7 lakhs or Rs. 8 lakhs have been given as wages, during the period of about 8 to 10 months, under the construction scheme that we have started in West Bengal, we have given nearly Rs. 14 lakhs in the form of wages.

So, I can assure you that there was no question of my evading an answer because it is very simple for me to say: here are the 44 work-site camps, they are situated at such and such places. The number of persons is also given in the report. So, I thought that Mr. Guha wanted information about the present state of affairs, the situation prevailing there on a particular date.

Shri A. C. Guha: On a point of order. The hon. Minister has stated that in his reply he will give the situation on the particular day on which he replies. My question was scheduled to be replied on the 14th May. If he takes six months' time and then he gives a reply on the situation as prevailing after six months, is it correct?

Mr. Deputy-Speaker: If the answer is given in August then, certainly, the hon. Member would be anxious to know the situation as it prevails on that day. If the hon. Minister had given an answer on the position as it existed in May, that, perhaps, would have been out of date. Many changes would have taken place.

Shri A. C. Guha: The original date was the date on which the information was to be collected. So the information related to the situation on that day.

Mr. Deputy-Speaker: Was there so much difference between the positions that existed on those two dates?

Shri A. C. Guha: I asked for the information on the 14th May.

Mr. Deputy-Speaker: It has been answered for both dates now.

Shri Mehr Chand Khanna: May I submit one thing for the consideration of the House? If you look at the question of Mr. Guha, you will find—rather I will read the question....

Mr. Deputy-Speaker: Is it necessary to read the whole question? Now only the answer is to be discussed.

18 hrs.

Shri Mehr Chand Khanna: I was only submitting one thing: If you go into the nature of this question, it asks about the transit camps, which were 20 or 30 times the present number previously—it might take me years to collect the information—and the number of displaced persons in each camp area-wise. Then he wants information about all the transit camps and work-site camps in West Bengal for four years area-wise. He does not stop there. He also wants to know the nature of work given so far in each area and the work at present given to them and the per capita annual income every year of these persons. He has referred to 43,000 persons. I have to find out the annual per capita income of these 43,000 persons, even if the reply is restricted to 44 work-site camps, the amount spent on relief and rehabilitation on each camp year-wise. I can understand a question relating to a specific subject, relating to a specific period, relating to a specific number of persons, but if the post mortem is going to take place year-wise and I am going to find out the per capita income and the admini-

nistrative charges and all that, I shall try and supply the information. but I can assure you, and with your experience you will also bear me out, it will not take months, but it will take a year, because it is a question which relates to a long period, pertaining to a large number of persons and all that.

My hon friend Shri Harish Chandra Mathur is very much worried about the rehabilitation of displaced persons from East Pakistan. I am grateful to him for his kind sentiments and expression of good wishes, but I may tell him that 40 lakhs of people have come so far, and as we do not know what may happen tomorrow and how many more will come, and since there is hardly any more space in West Bengal to accommodate more people, it is not an easy problem, it is going to take a little time. It is very difficult for me to say how long it will take. Whatever the Finance Minister may have said in the other House, Shri Mathur has conveniently forgotten what the Finance Minister said in this House. He remembers what the Finance Minister said in the other House because he was there, but he has conveniently forgotten that the Finance Minister made a categorical statement during the course of his speech here referring to what he had said there. I can assure him that the Government is not oblivious to this fact. We are doing our level best and the interests of the displaced persons are as near to our hearts as his or perhaps Shri Guha.

18.02 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday the 28th August, 1957.

DAILY DIGEST

[Wednesday, 28th, August, 1957]

COLUMNS

COLUMNS

ORAL ANSWERS TO
QUESTIONS

S.Q. Nos. Subject 10371-10409

1243	Industrial Estates in Punjab	10371-72
1244	Bettiah Refugee Camp	10372-73
1247	Muslim evacuees in Assam	10373-75
1248	Sardarnagar Colony	10375-77
1249	Oil-Seeds	10377-79
1250	Jute Goods	10379-80
1251	Central Aid to States	10380-84
1252	Vinay Nagar Colony	10384-86
1256	Chief Technical Examiner's Cell	10386-87
1257	Recovery of Abducted Women	10388-89
1258	Cement Factory in Himachal Pradesh	10390-91
1258-A	Journalists' Wage Board	10392-95
1259	Indian Delegation to Western Countries	10395-97
1260	Speeches of Netaji	10397-99
1261	Green Tea	10399-10400
1266	Labour Officers	10400-01
1267	Labour and Welfare Officers	10401-02
1268	Manufacture of Pylons	10402-03
1269	Industrial Training Centres	10403-06
1270	Leather Industry	10406-07
1271	Development of small Scale Industries and Handicrafts	10407-08
1272	Gandhi Samadhi	10408-09

WRITTEN ANSWERS TO
QUESTIONS

S.Q. Nos. 10410-30

1245	National Small Industries Corporation	10410
1253	Khadi Production Centre at Sriakulam	10410-11
1254	Convention of I.L.O.	10411-12
1255	Hindustan Machine Tools (Private Ltd.) Bangalore.	10412
1264	Kaimachara and Dalu-chara Refugee Colonies	10413
1265	Radio Station at Vijayawada	10413
1273	Karve Committee	10413-14
1274	Indians in South Africa	10414
1275	Radio-Active Minerals	10414-15
1276	Length of films	10415
1277	Licences for Coal Mining Equipment	10415-16
1278	Kashmir	10416
1279	Aid to Sikkim	10416-17

U.S.Q.
Nos.

Subject

966	Pensions to Displaced Persons	10417-18
967	Indian Standards Institution	10418
968	Castor-Oil Exports	10418
969	Displaced Persons in West Bengal	10419
970	Industrial Development of Punjab	10419-20
971	Central Government Schemes in Kerala	10420
972	Explosives	10420
973	Radio Play Competitions	10421
975	Evacuee Property	10421
976	Closure of Labour Forwarding Stations	10421-22
977	Jute Mill Workers	10422
978	Khadi	10422-23
979	Indians in U.K.	10423-24
980	A.I.R. Cuttack	
981	Installation of Power-looms	10424
983	Local Development Centres	10424-25
983	Road Construction in Manipur	10425
984	Export of Carpets	10425-26
985	Cottage and Small Scale Industries	10426-27
986	Housing for Industrial Workers	10427
987	Visas for Federal Republic of Germany	10428
988	Indian Foreign Service	10428-29
989	Small Scale Industries	10429
990	Textile Mills	10429-30
991	Government Press, Aligarh.	10430

MOTIONS FOR ADJOURNMENT

10430-32

The Speaker withheld his consent to the moving of an adjournment motion given notice of by Shri Mohan Swarup regarding the food situation in Eastern Districts of U.P.

OBITUARY REFERENCE

10433

The Speaker made a reference to the passing away of Shri Rang Bihari Lal, who was a member of the Central Legislative Assembly. Thereafter Members stood in silence for a minute as a mark of respect

PAPERS LAID ON THE TABLE 10433

The following papers were laid on the Table :

- (1) A copy of the Report of the Public Service (qualifications for Recruitment) Committee
- (2) A copy of the Annual Report of the Hindustan machine Tools (Private), Limited for the year 1956-57, under sub-section (1) of Section 639 of the Companies Act, 1956

REPORT OF COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS PRESENTED

10433

Sixth Report was presented

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

10433-36

Shri Bibhu Mishra called the attention of the Minister of Home Affairs to the flood situation in Bihar and U.P.

The Minister of State in the Ministry of Home Affairs (Shri Datar) made a Statement in regard thereto

BILL PASSED

10437-80

Further clause-by-clause consideration of the Finance (No. 2) Bill concluded. The Bill was passed as amended.

BILL UNDER CONSIDERATION

10480-10567

The Minister of Finance (Shri T.T. Krishnamachari) moved that the Wealth-Tax Bill, as reported by the Select Committee, be taken into consideration. The discussion was not concluded.

HALF-AN-HOUR DISCUSSION

10567-80

Shri A.C. Guha raised a half-an-hour discussion on points arising out of the statement laid on the Table on the 6th August, 1957, in fulfilment of an assurance given on the 14th May, 1957, in reply to Unstarred Question No. 1 regarding work-site camps in West Bengal.

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna) replied to the Debate.

AGENDA FOR THURSDAY, 29TH AUGUST, 1957.]

Further discussion on the motion for consideration of the Wealth-Tax Bill, 1957, as reported by the Select Committee and also passing of the Bill