

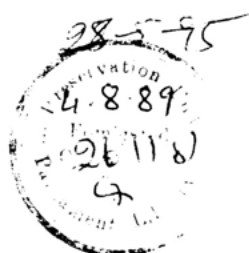
Monday, April 22, 1963  
Vaisakha 2, 1885 (Saka)

# LOK SABHA DEBATES

**Third Series**

**Volume XVII, 1963/1885 (Saka)**

*[April 13 to 24, 1963/ Chaitra 23 to Vaisakha 4, 1885 (Saka)]*



**FOURTH SESSION 1963/1884-85 (Saka)**

*(Vol. XVII contains Nos. 41 to 50)*

LOK SABHA SECRETARIAT  
NEW DELHI

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# LOK SABHA DEBATES

11003

## LOK SABHA

Monday, April 22, 1963/Vaisahka 2,  
1885 (SAKA)

The Lok Sabha met at Eleven of the clock.

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### Central Workers' Education Board

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\*966. { Shrimati Savitri Nigam:  
Shri M. L. Dwivedi:

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

(a) whether any changes have been made in the composition of the Central Workers Education Board; and

(b) the action taken on the decisions taken by the Board at its last meeting?

The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):  
(a) No.

(b) The last meeting of the Board was held as recently as 21st March, 1963. A statement giving its decisions, and the action taken on them is laid on the Table of the House. [Placed in the Library. See No. LT-1182/63.]

Shrimati Savitri Nigam: May I know why this Board has not been formed, what are the main reasons and how long it is going to take to finalise this Board and to clarify its functions?

Shri C. R. Pattabhi Raman: There are as many as 24 items. The Board has taken a decision on many items.

354 (Ai) LSD—1.

11004

Action has been initiated on many items and referred to the Central Workers Education Board. It is not as if the scheme is in abeyance. It is functioning. They are increasing the centres as also increasing the number of trainees.

Shrimati Savitri Nigam: May I know how many workers, according to the initial plan, were to be trained during the Third Five Year Plan, and how far that plan has been implemented?

Shri C. R. Pattabhi Raman: About 47,000 have to be trained finally the total will go up a lakh and odd. The figures are: worker teachers trained in 1961-62—817, and it will be 974 in 1962-63. The workers trained in 1961-62 were 15,445 and in 1962-63—27,744. It will bring a total of over 43,000.

Shri Bhagwat Jha Azad: In view of the magnitude of the problem, would the Government say that the performance that has been just now told to the House is sufficient enough to commend this work?

Shri C. R. Pattabhi Raman: No, Sir; the pace has to be quickened, and we are taking every step to quicken the pace. But the real trouble is to get worker teachers for these trainees. The House will be interested to know that some of these trainees, especially in Hyderabad and Assam area and in the coal areas have equipped themselves so creditably and they have become trade union leaders themselves and have contributed so much to the labour movement in India.

Shri Sham Lal Saraf: May I know how far this workers' training has proved popular in the organised industry, and may I also know whether facilities have been provided for getting workers trained at the local level?

**Shri C. R. Pattabhi Raman:** So far as the language question is concerned, many pamphlets in different languages are issued, audio-visual aids are there and films are shown. The education is pervasive and comprehensive. So far as the trainees are concerned—I do not know whether the question was asked about allowances—an allowance of about Rs. 15 per month is given now just for training purposes.

**Shri S. M. Banerjee:** I want to know the number of worker teachers who have been trained and whose names were initiated by the central trade union organisation, and whether all of them have been provided with jobs

**Shri C. R. Pattabhi Raman:** Some of them may not continue in the line for which they were trained. But, by and large, we find that most of them have continued and they have continued to be of help in the labour movement.

#### Shortage of Army Officers

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- \*967. { **Shri Subodh Hansda:**  
**Shri S. C. Samanta:**  
**Shri Sidheshwar Prasad:**  
**Shri Onkarlal Berwa:**  
**Shri Priya Gupta:**

Will the Minister of Defence be pleased to state:

(a) whether there is a shortage of Army Officers in the Army; and

(b) if so, the steps Government have taken to make up the shortage?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Yes, Sir. This is due mainly to the new raisings and re-organisation of the Army recently sanctioned by Government.

(b) The following steps have been taken to fill the vacancies:—

- (1) Introduction of a scheme for the grant of Emergency Commissions.
- (2) Increase in the number of posts included in the Special List

Cadre which can be filled by experience and selected JCOs/NCOs.

(3) Recall of retired/released officers with reserve liability.

(4) Retention of re-employed officers beyond 55 years upto the age of 57 years if found suitable.

**Shri Subodh Hansda:** May I know whether it is a fact that with a view to meet the shortage of officers the training period in the Dehra Dun Military Academy as well as at Khadakvasala has been shortened?

**Shri Y. B. Chavan:** Sir, the training period of both the IMA and the new Officers' Training Class has been reduced so as to complete the number of officers that is required for this year.

**Shri Subodh Hansda:** What is the number of people recruited for giving emergency commission and how far will they fill up the gap?

**Shri Y. B. Chavan:** Till now, more than 4,000 people have been selected.

**Shri S. C. Samanta:** May I know whether any rule has been changed for giving quick promotions to other ranks to the officer grade?

**Shri Y. B. Chavan:** Well, no rules of promotion have been changed.

**श्री सिद्धेश्वर प्रसाद :** अभी हमारे देश के सामने जो संकट का समय है, और बराबर इस बात को दोहराया जाता है कि यह संकट लम्बे दिनों तक चल सकता है, उस को ध्यान में रखते हुए क्या सरकार ने कोई ऐसी लांग टर्म प्लान बनाई है जिस में अफसरों की कमी न हो ? यदि हां, तो उस के लिए क्या कदम उठाये जा रहे हैं ?

**Shri Y. B. Chavan:** Well, the relationship of the officers to the general strength of the army has first to be decided. The number of officers that are being raised now are certainly sufficient to the new raisings that are intended.

श्री श्रीकार लाल बरवा : में जानना चाहता हूं कि जो शेड्यूल्स मिलिटरी का बना हुआ है लम्बाई, चौड़ाई और ऊंचाई का, क्या उस के अन्दर भी कुछ परिवर्तन किया गया है ?

श्री यशवन्त राव चव्हाण : नहीं ।

**Shri Hem Barua:** May I know if the attention of the Government is drawn to a statement made recently at the Delhi University by the Special Officer of the External Affairs Ministry on defence matters, Shri Patnaik, to the effect that Chinese Generals are much better than our generals? If so, may I know whether any serious step has been taken to see or to train up our generals so that they might be on par with Chinese generals, as suggested by.....

**Shri Tyagi:** Where is that statement?

**Shri Hem Barua:** I have that statement with me. It has appeared in the *Statesman*.

**Mr. Speaker:** He is not asking a supplementary on this question but only introducing some name that he wanted to bring in.

**Shri Hem Barua:** Sir, may I submit that he is a Special Officer in the External Affairs Ministry?

**Mr. Speaker:** Whatever he might say, no preface or any inference is necessary. He can ask the simple question whether any steps are taken to improve the capacity or efficiency of our army officers.

**Shri Hem Barua:** Sir, would he please tell me in the light of what I have said whether any special steps have been taken to train up our generals?

**Mr. Speaker:** The hon. Minister would reply, not in the light of what he said in the preface but ignoring that. He can say whether any special steps have been taken to improve the efficiency of our Generals.

**Shri Y. B. Chavan:** I think our Generals are already very experienced officers and professionally very competent Generals.

**Shri Tyagi:** Does the Defence Minister agree with that statement?

**Mr. Speaker:** I have already told him to ignore that.

**Shri Hem Barua:** Sir, this is a very important question.

**Mr. Speaker:** Order, order. Shri Kamath.

**Shri Hari Vishnu Kamath:** Arising from "Yes, Sir" in answer to part (a) of the question, what is the total number officers in the armed forces who were captured by the Chinese? And do the released officers show any signs or indication of physical deterioration or mental indoctrination which might incapacitate them for service in the armed forces in future?

**Mr. Speaker:** That is not relevant.

**Shri Hari Vishnu Kamath:** He said there is shortage.

**Mr. Speaker:** This is too wide of the mark.

**Shri Ranga:** Have any steps been taken so far to train the Himalayan ranks to enable them to be appointed as officers?

**Shri Y. B. Chavan:** Well, recruitment to the officer's rank is made from people all over the country, including people from the tribal areas who are qualified enough.

**Mr. Speaker:** The question was whether special steps have been taken to recruit those people from the Himalayan regions who are acclimatised to the weather to the ranks of officers.

**Shri Y. B. Chavan:** I was trying to say that, as far as other ranks are concerned, special efforts are being made to take people from those regions. But, as far as officers are concerned, I do not think any special

efforts could be made to recruit them region-wise.

**Shri Kapur Singh:** May I know if the selection is purely on individual merit basis? If so, what steps are taken to ensure freedom from regional and communal proclivities of the "Selectorate"?

**Shri Y. B. Chavan:** I have already stated in my reply that the selections are certainly made on the basis of individual merit and no regional or communal considerations are taken into account.

**Shri Kapur Singh:** What about the proclivities of the "selectorate"? I know the principles are there. But what steps are taken to ensure freedom from the regional and communal proclivities of the "selectorate"?

**Shri Y. B. Chavan:** Very competent and impartial officers are appointed in the boards or committees to see that rules mentioned are properly followed and observed.

श्री भक्त दर्शन : श्रीमन, अफसरों की कमी को दूर करने के लिए माननीय मंत्री जी ने जो उपाय बताए. उन में दूसरा उपाय यह है कि जे० सी० ओ० और एन० सी० ओ० को स्पेशल लिस्ट कैडर में रखा जायेगा में यह जानना चाहता हूँ कि क्या यह सच है कि उन लोगों को पूरी तरह से पूरे रैंक या पूरे अधिकार का अफसर नहीं बनाया जा रहा है यदि हाँ, तो क्या इस पर पुनर्विचार किया जा सकेगा ?

**Shri Y. B. Chavan:** I can certainly say that even those from the ranks of J.C.O.s and N.C.O.s are given opportunity. I find that the percentage of these people getting selection in the officer ranks has increased from 17 to nearly 24 per cent.

**Shri Tyagi:** In view of the fact that just now, on the floor of the House a speech was quoted in which our Generals were said.....

**Mr. Speaker:** Order, order; I have not allowed it.

**Shri Tyagi:**....to be inferior to the Chinese Generals, I would like you to permit the hon. Defence Minister to contradict it. Because, it should not go un-contradicted.

**Mr. Speaker:** I have not taken notice of that portion of the question.

**Shri Hem Barua:** On a point of personal explanation, may I say, Sir...

**Mr. Speaker:** What is the personal explanation?

**Shri Hem Barua:** When I pointed out to the speech made by Shri Patnaik, Special officer, in the Delhi University, it seems—I may be wrong—you doubted my bonafides. Here is...

**Mr. Speaker:** I have assured so many times that I have no doubt about his bonafides. Shri A. P. Jain:

**Shri Hem Barua:** May I read out...

**Mr. Speaker:** I do not permit him to read it. Order, order.

**Shri A. P. Jain:** In view of the experience gained in the N.E.F.A. fighting where the proportion of casualties of officers is said to be high, has the Government examined the question of altering the proportion between officers and men?

**Shri Y. B. Chavan:** I think I should say yes to this question.

**Mr. Speaker:** Next question.

**Shri Hem Barua:** Don't you think that in the interests of the country this has to be contradicted by our Government? In the interests of our country—I do not have any personal prejudice against anybody You will agree....

**Mr. Speaker:** When a thing has been brought unnecessarily and I have disallowed that portion of the question, why should any answer come from him?

**Shri Hem Barua:** This is a very dangerous statement.

**Mr. Speaker:** That may be a different thing altogether. I have not allowed it.

**Shri Tyagi:** May I request you, Sir, it should not be allowed to go into the proceedings. It is an insult to our Generals.

**Mr. Speaker:** I have disallowed it. That should be enough, I think.

**Shri S. M. Banerjee:** Then it goes into the papers. The question should not be there.

**Shri Kapur Singh:** If I may make.. (Interruption).

**Mr. Speaker:** Order, order.

**Shri Tyagi:** My only bother is, it should not go to the press. It is an aspersion on our Generals.

**Mr. Speaker:** I wonder what Shri Tyagi now gains by just saving it from going to the press. He is reading from the press. It is there. One man has made a statement and it has gone into the press already. I have not allowed it to be raised here. There is nothing more that I can do.

**Shri S. M. Banerjee:** The hon. Minister should contradict it. Let the Minister say that the Generals are good.

**Shri Kapur Singh:** Now that the matter has been mentioned and it has been aired on the floor of the House, where is the difficulty in the Defence Minister just saying that it is not true? Just two words.

**Shri Hem Barua:** This will affect the morale of our Generals.

**Mr. Speaker:** Not that statement, but the persistence of the Member again and again might just affect it. I feel that Members on all sides feeling like that, perhaps, might do.

Otherwise, it had nothing to do when I had disallowed it. Would the hon. Minister like to say anything?

**Shri Y. B. Chavan:** I think I did say that our Generals are experienced Generals and very competent professionally.

**Mr. Speaker:** They have been compared to the Chinese.

**Shri Y. B. Chavan:** I think these comparisons are very bad in taste.

### Popularisation of Hindi Through A.I.R.

\*968. **Shri Vidya Charan Shukla:** Will the Minister of Information and Broadcasting be pleased to state the measures being adopted by All India Radio to popularize Hindi in non-Hindi speaking areas?

The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath): Stations of All India Radio in non-Hindi speaking areas broadcast a large variety of Hindi programmes consisting of Talks, Plays and Music. Some of these Stations also broadcast programmes in Hindi for special audiences like women, children and industrial workers. They all relay Hindi news and some also relay the Hindi news-reels.

**Shri Vidya Charan Shukla:** May I know how many non-Hindi radio stations have stopped broadcasting Hindi news items since this programme was launched by the All India Radio?

**Shri Sham Nath:** I suppose the hon. Member is referring to the broadcasting of Hindi News bulletins. As far as non-Hindi stations are concerned, they relay one bulletin every day. In order that Hindi news may reach every listener, News Bulletins are included in the Vivid Bharati service also.



**Shri Vidya Charan Shukla:** My question has not been answered.

**Mr. Speaker:** The question was different. After the introduction of this programme in AIR, has any non-Hindi speaking station discontinued the Hindi programme that was there previously?

**Shri Sham Nath:** No, Sir.

**Shri Vidya Charan Shukla:** Is it a fact that the Nagpur station of AIR had discontinued the broadcast of Hindi news items after the scheme was introduced?

**Shri Sham Nath:** No, Sir.

**श्री भक्त दर्शन :** श्रीमान, क्या यह सच है कि अहिन्दी-भाषी प्रान्तों में कुछ दिनों पहले इस आशय की मांग की गई थी कि आकाशवाणी से प्रादेशिक भाषाओं के माध्यम से हिन्दी पाठ पढ़ाने की कुछ व्यवस्था की जाये ? यदि हाँ, तो क्या इस पर विचार किया गया है और इस पर कुछ अमल किया जा रहा है ?

**श्री शामनाथ :** हिन्दी लेखन तथा नान-हिन्दी-स्पीकिंग एरियाज के स्टेशन् से ब्रॉडकास्ट होते थे, लेकिन इमर्जेंसी के शुरू होने के बाद कुछ इम्पार्टेंट आइटम्स ब्रॉडकास्ट करना ज्यादा मुनासिब समझा गया । इसलिए फिलहाल उन को बन्द कर दिया गया है ।

**Shri Muthu Gounder:** Have any steps been taken to popularise other national languages in Hindi-speaking areas? If not, will the name 'All India Radio' be changed to 'All Hindi Radio'?

**Mr. Speaker:** The question relates to the propagation of Hindi. He can table a separate question.

**Shri Buta Singh:** Are there any indications from non-Hindi speaking areas suggesting resistance to the imposition of Hindi through AIR?

**Shri Sham Nath:** No, Sir.

**Shri Kapur Singh:** Are Government aware of the popular quip that

“हिन्दी में समाचार सुनिए” means

“समाचारों में हिन्दी सुनिए”  
If so, what steps are taken to remove the impediments thus implied?

**Shri Sham Nath:** I did not understand the question, Sir.

**Shri Hem Barua:** It is a very intelligent question.

**Mr. Speaker:** माननीय सदस्य का कहना है कि जब यह कहा जाता है कि “हिन्दी में समाचार सुनिए”, तो उस का असल मतलब यह होता है कि “समाचारों में हिन्दी सुनिए” ।

The emphasis is on popularising and propagating Hindi and not the samachar.

**Shri Tyagi:** They are both inter-dependent.

**Mr. Speaker:** Order, order.

**Shri Sham Nath:** In the bulletins that are broadcast, simple language is used and I think everybody is able to understand it.

**Shri P. Venkatasubbaiah:** Is it a fact that there has been favourable response from the non-Hindi speaking people to the programmes that have been broadcast from AIR? If so, have any more suggestions come to extend the programmes further for some more time so that Hindi may be popularised?

**Shri Sham Nath:** The matter is always before the authorities. Every care is taken to extend the Hindi programmes as far as possible.

**Shrimati Savitri Nigam:** As national songs have been very popular in non-Hindi speaking areas, have the AIR authorities been able to decide to broadcast these national songs for more time?

**Shri Sham Nath:** As far as national songs are concerned, they are broadcast from stations in the non-Hindi speaking areas also. We have a collection of national songs. The records of national songs are forwarded from one station to another.

**Dr. Sarojini Mahishi:** May I know whether there will be an addition of a few minutes of Hindi programmes to the rural broadcasts in the non-Hindi speaking areas?

**Shri Sham Nath:** Not at present, sir.

#### Specialised Training for Armament Factories

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\*970. { **Shri Maheswar Naik:**  
**Shri Ram Harkh Yadav:**  
**Shri Yashpal Singh:**  
**Shri Bishanchander Seth:**

Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a number of tutorial classes have been opened at the ordnance and research establishments of the Defence Ministry for imparting specialised training to the technician trainees needed for the armament factories;

(b) if so, the number of such institutions so far established and the number of trainees now undergoing training; and

(c) the scope of the course of training sought to be imparted under the scheme?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) Tutorial classes were introduced in July 1961 in Defence Establishments to coach students who may be either Government employees or others with the object of imparting higher training necessary for employment in Defence Establishments, including Ordnance Factories.

(b) No Institutions have been established solely for the purpose; the existing Defence Establishments are being utilised. Tutorial classes are conducted in 28 Defence Establishments and the number of students receiving training is 3,300.

(c) Training is being imparted to prepare students for the following examinations:—

- (i) The Associate Membership Examination of the Institution of Engineers (India).
- (ii) The Associate Membership Examination of the Aeronautical Society of India.
- (iii) The Graduateship Examination of Institution of Telecommunication Engineers (India).

**Shri Bhagwat Jha Azad:** May I know by what time the trainees that we shall get as a result of this training will be re-employed in the defence factories for further production?

**Shri Raghuramaiah:** There is no guarantee of employment in this case. The object is to train those who are already in employment in the defence departments as well as outside. In fact, one of the conditions for enrolment is that they must be already employed. But after this training, if they are found suitable, according to the qualifications they would be taken into the various defence establishments.

**Shri S. M. Banerjee:** There are many apprenticeships courses in the ordnance factories. May I know whether those persons who are working at present as apprentices will also be given specialised training, and if so, for how many years?

**Shri Raghuramaiah:** As I have already said, the period of training in this case is about 3 to 3½ years. Anybody who has science in intermediate and who has passed science and who is already employed, subject to certain other qualifications, will be eligible.

**Mr. Speaker:** He wants to know whether the apprentices also will be included.

**Shri Raghuramaiah:** Those who are in actual employment will be eligible for this.

**Shri S. M. Banerjee:** Perhaps, my question has been misunderstood.....

**Mr. Speaker:** He wants to know whether the apprentices are considered to be in employment or not.....

**Shri S. M. Banerjee:** There are apprentices who are undergoing some course already. I want to know whether they will also be eligible.

**Mr. Speaker:** He wants to know whether those apprentices also are eligible for this training?

**Shri Raghuramaiah:** I would like to have notice.

**Shri Sham Lal Saraf:** May I know whether metal-cutting and metal-forming are also included in the course of training, in order to build up our armaments industry?

**Shri Raghuramaiah:** As I have given out in the answer, the idea is to prepare them for one of the three membership examinations mentioned in the main answer. Any subject which is a subject for these examinations will naturally be taught.

**Shrimati Savitri Nigam:** May I know whether any assessment has been made to ascertain whether this specialised training programme has resulted in better and more production and better efficiency?

**Shri Raghuramaiah:** Actually, the scheme was started round about 1960 or so and some persons have passed the Graduateship Examination of the Institution of Telecommunication Engineers and also the Associate Membership Examination of the Aeronautical Society of India. It is too early to make any assessment.

**Shri Buta Singh:** May I know whether any special facilities are given to attract Scheduled Caste trainees in these armaments factories?

**Shri Raghuramaiah:** Anybody who has the qualifications that I have mentioned would be eligible.

### Production of Tractors and Trucks

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\*971. { **Shri D. C. Sharma**  
**Shri Ram Harkh Yadav:**  
**Shri P. C. Borooah:**  
**Shri Onkarlal Berwa:**

Will the Minister of Defence be pleased to state:

(a) whether the tractor and truck output is lagging behind the target;

(b) the targets set for the Third Plan period; and

(c) the steps proposed to be taken to achieve the same?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) to (c). A statement is laid on the Table of the House.

### STATEMENT

The Agreement for the manufacture of tractors under licence from M/s. Komatsu Manufacturing Company was concluded in September, 1958. The manufacture of the tractors commenced in 1959 and it was planned that a rate of production of 190 tractors per year will be reached in the third year of production and maintained at that level. The target of production during the Third Five Year Plan period was thus 950 tractors. During the first two years of the Third Five Year Plan period the number of tractors manufactured was 235 against the target of 380 tractors. One of the reasons for the shortfall is that during 1961-62 M/s Komatsu introduced changes in the model and new drawings had to be obtained and the production planned. The production of tractors had also been affected during the last 5 to 6 months on account of the priority given to the production of Armament items. It is proposed to increase the production of tractors by obtaining tractor components from the civil sector.

2. The Agreement for the manufacture of the Shaktiman Trucks in India was concluded in September 1958. The manufacture of the trucks in India commenced in June 1959 and it was planned that a rate of production of 1,500 trucks will be reached in the third year of manufacture and maintained at that level. The target of production during the Third Five Year Plan period was thus determined as 7,200 trucks. During the first two years of the Third Five Year Plan period, 1962 trucks have been supplied to the Army. The shortfall is due to the fact that in the same Ordnance Factory the manufacture of Nissan 1 Ton trucks was undertaken from 1961-62 and of the Nissan Patrol vehicles from 1962-63. The target fixed for 1963-64 is a total number of 400 vehicles per month comprising of Shaktiman 3 Ton, Nissan 1 Ton and the Nissan Patrol. As in the case of tractors it is also proposed to take the assistance of the industries in the civil sector for the manufacture of truck components.

**Shri P. C. Borooah:** May I know the percentage of the indigenous content in the production of trucks and tractors in the ordnance factories, and whether the target was not achieved during the second year of the Third Plan?

**Shri Raghuramaiah:** The actual production started in July, 1959 so far as trucks are concerned. During 1961-62, the indigenous content in the case of trucks was 43.4 per cent.

**Mr. Speaker:** Is that according to the targets that we had?

**Shri Raghuramaiah:** I might explain that the indigenous content element was fixed in relation to the number of trucks manufactured and not necessarily in relation to a certain period. It may be that due to certain reasons the number of trucks contemplated in the first year were not completed during that year, and they were carried over to the next year; so, the indigenous content element also would naturally increase during the

next year, depending upon the last portion of the order which has been executed in the succeeding year.

**Shri P. C. Borooah:** May I know by what time the object of total indigenous manufacture of tractors is expected to be achieved?

**Shri Raghuramaiah:** There is always a certain element which has to be necessarily imported, but, broadly speaking, by March 1964, in the case of trucks, the indigenous content will be further increased to 68 per cent, and by March, 1965 to 77 per cent.

**श्री श्रीकार लाल बेरवा :** इस लक्ष्य को पूरा करने के लिए क्या किसी विदेशी कम्पनी से बातचीत हुई है और अगर हाँ, तो किस से ?

**Shri Raghuramaiah:** Manufacture of trucks is in collaboration with MAN of Germany.

**Shri Ranga:** I take it the explanation given by the Minister had already been presented to the Public Accounts Committee, and it was only after that that the Public Accounts Committee submitted its report to Parliament that he Ministry had failed to achieve the targets that were placed before the factory concerned by the Ministry itself as also the targets that were presented before Parliament.

**Mr. Speaker:** That has been admitted in the statement itself.

**Shri Ranga:** Therefore, the explanation is unsatisfactory.

**Mr. Speaker:** He was speaking about components.

**Shri Ranga:** Even with regard to components, the Public Accounts Committee said the achievements were below the targets and they gave the explanation that is now given. They had already given that explanation before the Public Accounts Committee.

**Mr. Speaker:** Shri Kamath.

**Shri Hari Vishnu Kamath:** Is it not a fact that the Shaktiman truck which

was launched with such fanfaronade three or four years ago was found to be defective later on in part of its construction, and also the tractors supplied to the Dandakaranya Authority were found to be defective; if so, what steps have been taken to eliminate the defects in both the trucks and the tractors?

**Shri Raghuramaiah:** In the case of the tractors, the Ministry of Rehabilitation should be able to say what the position is. It is true there were certain complaints. Later on, some of the parts were replaced, and that is the position about the tractors. About the trucks, I would like to look into it because I have not the material with me at the moment.

**Shrimati Renuka Ray:** The Minister said that the indigenous components of the trucks was 43 per cent and that it might go up to 68 per cent. I want to know how much of this are important components such as carburetter which are absolutely essential?

**Shri Raghuramaiah:** In the case of trucks, we are producing certain components of the engine, but the main part of the engine is still being imported. That accounts for a considerable percentage.

**Shri U. M. Trivedi:** May I know how the production of these Shaktiman trucks has been progressing so far? Have we given up the idea of producing those trucks at all?

**Shri Raghuramaiah:** We have not only given up the idea of producing, the production of Shaktiman 3 ton trucks; in the same place we are also producing now, as the House knows, Nissan one ton truck and Nissan Patrol which is a jeep.

**Shri Vidya Charan Shukla:** May I know the target fixed by the Government for production of trucks and tractors for 1962 and whether those targets have been achieved?

**Mr. Speaker:** That is contained in the statement.

**Shri J. P. Jyotishi:** May I know the ratio of the price of the indigenous components and the foreign ones?

**Shri Raghuramaiah:** If the reference is to the cost of the truck *visa-a-vis* the cost of a comparable category which is imported, our price is about Rs. 40,000 while the imported cost is about Rs. 50,000.

उत्तर प्रदेश में सैनिक स्कूल

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{ श्री भक्त दर्शन :  
\*६७२. { श्री भागवत झा आजाद :

क्या प्रतिरक्षा मंत्री २१ जनवरी, १९६३ के अतारोक्त प्रश्न संख्या ८८६ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) उत्तर प्रदेश में एक, सैनिक स्कूल खोलने का जो प्रश्न विचाराधीन था, उस के सम्बन्ध में इस बीच क्या प्रगति हुई है ;

(ख) उस स्कूल को स्थापित करने के बारे में किन-किन स्थानों के मुद्दा दिए गए हैं ;

(ग) राज्य सरकार ने इस सम्बन्ध में किस प्रकार का सहयोग देने का आश्वासन दिया है ; और

(घ) इस बारे में कब तक अन्तिम निर्णय हो जाने की आशा है ?

प्रतिरक्षा मंत्री (श्री यशवन्तराव चव्हाण) : (क) से (घ) प्रतिरक्षा मंत्रालय द्वारा बनाई गई सैनिक स्कूल योजना के अन्तर्गत, राज्य सरकार ने उत्तर प्रदेश में एक स्कूल स्थापित करने का अब निर्णय किया है और चालू वर्ष के बजट में उन द्वारा आवश्यक वित्तीय प्रबंध कर दिया गया है। स्कूल के स्थान तथा अन्य संबंधित मामले राज्य सरकार के विचाराधीन

[(a) to (d). The State Government have now decided to set up a Sainik School in U.P. under the Sainik Schools Scheme drawn up by the Ministry of Defence and necessary financial provision has been made in the current year's budget by them. The question of location of the school and other allied matters are under the consideration of the State Government.]

**श्री भक्त दर्शन :** जहाँ तक मैं जानता हूँ इस सम्बन्ध में उत्तर प्रदेश की राज्य सरकार और प्रतिरक्षा मंत्रालय के बीच लगभग पिछले दो वर्षों से पत्र व्यवहार चल रहा है और आज भी यह नहीं बतलाया जा रहा है कि वह कब तक स्थापित हो जायेगा । मैं जानना चाहता हूँ कि देरी होने के क्या खास कारण हैं और क्या अड़चनें पड़ रही हैं ?

**Shri Y. B. Chavan:** I can only say that the correspondence between the State Government and the Defence Ministry was about taking over the Sainik school that is being run by the U.P. Government at Lucknow. Provision of the other sainik school is not a matter of correspondence the U.P. Government and the Defence Ministry.

**श्री भक्त दर्शन :** क्या माननीय मंत्री जी के ध्यान में यह बात आई है कि उत्तर प्रदेश विधान सभा में इस सम्बन्ध में जो वाद विवाद हुआ था उस का उत्तर देते हुए वहाँ के मुख्य मंत्री ने यह घोषित किया है कि उत्तर प्रदेश में सब से अधिक सैनिक जिस क्षेत्र से मिले है, यानी गढ़वाल जिले से, वहाँ यह सैनिक स्कूल स्थापित किया जायेगा ? क्या इस सम्बन्ध में माननीय मंत्री जी को कोई सूचना है, और क्या इस सम्बन्ध में शीघ्रता की जायेगी ?

**Shri Y. B. Chavan:** As the hon. Member himself has said that the U.P. Assembly has discussed the matter, I think that it must be under the consideration of the Government. Certainly we have no hand in the matter.

**श्री भागवत सा आजाद:** क्या इस स्कीम

के आधार पर यह कहा जा सकता है कि इस सैनिक स्कूल में कितने विद्यार्थियों के प्रशिक्षण का प्रबन्ध रहेगा ?

**Shri Y. B. Chavan:** It depends upon the provision they make but it is normally about 300 or more.

**Shri Sham Lal Saraf:** What considerations weigh with the Government in locating or opening of a Sainik school? Does a final decision rest with the State Government or the Central Government?

**Shri Y. B. Chavan:** For all practical purposes the decision rests with the State Government.

### Indians in Burma

**\*973. Shri Koya:** Will the Prime Minister be pleased to state:

(a) whether Government are aware of the difficulties of Indians in Burma who visit India to attend to some urgent matters but are not issued re-entry visas by the Burmese Government; and

(b) if so, the action Government are taking in the matter?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** (a) Yes, Sir. The Government of India are aware that Indians in Burma are facing difficulties in obtaining re-entry visas from the Burmese authorities whenever they desire to visit India for short periods. The Burmese Government has, however, not imposed a complete ban on the issue of re-entry visas; that Government is only more restrictive now in the issue of such visas. The new restrictive policy applies to all foreigners in Burma.

(b) The Embassy of India in Burma has taken up the matter with the Burmese Foreign Office.

**Shri Joachim Alva:** Certain difficulties have been created against the Indians because some of them indulge in malpractices in regard to the rate of interest. There are others who make an honest living.....

**Mr. Speaker:** I thought he wanted to put a supplementary question.

**Shri Joachim Alva:** I am asking whether the Government is helping those who have been making an honest living there and who want to come here?

**Shri Dinesh Singh:** What is the question, Sir.

**Mr. Speaker:** I could not also follow. Would he put the question again?

**Shri Joachim Alva:** That is why I tried to explain.

**Mr. Speaker:** If he puts the question without explaining probably it would be easily understood.

**Shri Joachim Alva:** The problem is this. In Burma there are two classes of settlers. There has been a lot of prejudice against a small set of people on account of the malpractices indulged in by them in regard to the rates of interest. The other is an honest class.

**Shri Dinesh Singh:** It applies to all foreigners, not only Indians.

**Shri Hem Barua:** Is it a fact that the Tamil cultural society in Rangoon has suggested in a memorandum to the Prime Minister to send a Parliamentary Delegation to Burma to study the situation emerging out of the enforcement of these new rules and regulations by the Burmese Government and if so, what is the reaction of the Prime Minister to this memorandum?

**Shri Dinesh Singh:** It is not for us to study these rules or for the Parliamentary Delegation. These rules are framed by the Government of Burma. We are representing the difficulties of these people to the Government of Burma.

**Mr. Speaker:** Was any representation received?

**The Prime Minister and Minister of External Affairs and Minister of**

**Atomic Energy (Shri Jawaharlal Nehru):** I have no recollection; I cannot say definitely.

**Shri Hem Barua:** It was in the papers.

**Shri Hari Vishnu Kamath:** It may be checked up.

**Shri U. M. Trivedi:** May I know if this difficulty is created against Indians in the last six months only and has it anything to do with the pressure being brought on the Burmese Government by the Chinese?

**Shri Dinesh Singh:** It is not only against Indians.

**Mr. Speaker:** It is not against Indians only. It is against all foreigners. He has said that. Next question.

#### Calcutta Gas Company

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\*975. { **Shri P. C. Borooah:**  
**Shri Indrajit Gupta:**

Will the Minister of Planning be pleased to state:

(a) whether the Planning Commission has completed its study of the Calcutta Gas Company's modernisation scheme;

(b) if so, whether any decision has been taken regarding the financial commitments of the scheme; and

(c) whether necessary foreign exchange will be sanctioned?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) The Planning Commission, in consultation with the Ministries concerned, has completed the examination of the proposal relating to the Calcutta Gas Company's modernisation scheme.

(b) and (c). The question of making available the foreign exchange and rupee funds required is under examination between the Planning Commission and the Ministry of Finance.

**Shri P. C. Borooah:** May I know what are the main drawbacks of the present gas supply system which it is suffering from, and what are the salient features of this scheme?

**Shri C. R. Pattabhi Raman:** The objectives of the scheme are: firstly, to increase as early as possible the gas load from the existing level of five million therms to 10 million therms; secondly, to renovate and expand the existing distribution system to enable it to meet the requirements in full of the existing consumers as well as to expand the distribution system to the newly developed areas of Calcutta. The renovation of the existing system will reduce to a great extent the loss of gas through leakage in the main, and its extension, besides improving the supply position in the existing distribution system, will enable the undertaking to meet the demand for gas connections from new areas of the city.

**Shri P. C. Borooah:** May I know whether it is a fact that the scheme was sent up to the Central Government a year ago and, if so, what are the reasons for not being able to come to a decision in the matter?

**Shri C. R. Pattabhi Raman:** It is a fairly large and comprehensive scheme. It implies the laying of a pipeline from Durgapur to Calcutta. It also covers industrial areas, and so it requires study and examination.

**Shri S. M. Banerjee:** May I know whether the scheme will include the supply of gas for domestic purposes and, if so, to what extent?

**Shri C. R. Pattabhi Raman:** So far as domestic purposes are concerned, perhaps another 60 miles of pipes will have to be laid. But it will also include industrial purposes roundabout Calcutta.

**Shrimati Renuka Ray:** How long will it take to come to a decision? Already four years have elapsed. How long will it take to start doing something? Can he give us some idea?

**The Minister of Planning and Labour and Employment (Shri Nanda):** A decision has already been taken in principle, and I believe it was not taken in time to have it included in the budget this time. A supplementary budget might come in.

#### **Planning Commission Adviser's visit to Andhra Pradesh**

**\*976. Shri P. Venkatasubbaiah:** Will the Minister of Planning be pleased to state:

(a) whether it is a fact that the Adviser (Programme Administration), Planning Commission had recently visited Andhra Pradesh to review the progress of utilisation of water for K. C. Canal and Rajoli Bunda projects;

(b) whether a report has been submitted by him to the Planning Commission; and

(c) if so, the salient features thereof?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) and (b). Yes, Sir.

(c) A statement giving the salient features is laid on the Table of the House. [Placed in the Library. See No. LT-1183/63].

**Shri P. Venkatasubbaiah:** In the statement that is laid on the Table it is mentioned that under the Rajoli Bunda scheme, out of an irrigation potential of 54,700 acres that has been created, only 22,582 acres have been utilised, and the reasons that have been given in the statement are that there is a lack of co-ordination between the Governments of Andhra Pradesh and Mysore so far as the allowing of water and the timing of it is concerned. If that is so, may I know what arrangements have been made to arrive at a perfect understanding between these two Governments to give water in time and also regarding the quantity to be specified for supplying to the agriculturists?



**Mr. Speaker:** If a supplementary question itself takes five minutes, the answer also might take as much time.

**Shri P. Venkatasubbaiah:** It has been given in the statement.

**Mr. Speaker:** He knows the statement and he ought to put a question straight. All right; the Minister may answer it.

**Shri C. R. Pattabhi Raman:** It is primarily a matter for the two State Governments—Andhra Pradesh and Mysore. Of course, the good offices of the Central Government are there. We are endeavouring to see to it that an agreement is reached.

**Mr. Speaker:** Shri Venkatasubbaiah.

**Shri Ranga:** Are not the good offices of the Union Government to be utilised in order to see that.....

**Mr. Speaker:** Order, order. I have called Shri Venkatasubbaiah.

**Shri Ranga:** I am sorry.

**Shri P. Venkatasubbaiah:** Under the K. C. Canal project, out of an acreage of 2:78 lakhs to be irrigated, 98,000 acres are still remaining unirrigated. May I know whether it is a fact that there is a lack of co-ordination between the two departments of the State Governments concerned, and that it is not the fault of the farmer and, if so, whether the team of the Planning Commission sent from here had impressed upon the State Govt. the desirability of removing all these bottlenecks?

**Mr. Speaker:** A supplementary question should not be so long.

**Shri C. R. Pattabhi Raman:** All arrangements have been made to remove all the difficulties that have been mentioned in the statement that has been supplied.

**Shri Hem Barua:** On a point of order. According to the rules, a Member might use 150 words in a question that he puts.

**Shri Ranga:** Why does the hon. Member invoke all sorts of things now?

**Mr. Speaker:** If it is resorted to too frequently, perhaps I might request the House to reconsider that rule.

**Shri C. R. Pattabhi Raman:** It is no doubt true that the peasants must know definitely when the water will be coming. We have given instructions to notify the dates and that the dates should be informed in advance. Apart from that, the pattern of crops itself may have to be changed. For instance, in the black cotton soil, new kinds of crops may have to be introduced. We are endeavouring all the time to see that they are educated in this.

**Shri Ranga:** Do Government have the necessary official equipment in order to use their good offices in right time to see that there is coordination between the two Governments and the irrigation potential does not go wasted?

**Shri C. R. Pattabhi Raman:** We are all the time doing that.

**Mr. Speaker:** He wants to know whether Government have the necessary equipment.

**The Minister of Planning and Labour and Employment (Shri Nanda):** The officers who go out are fully equipped; they understand business. Their visit has led to certain recommendations, which will remove the defects which have been noticed.

**Shri Heda:** Is it not a fact that the quantum of water allocated to the States under the K. C. Canal project has been fixed and if so why is the water allocated to Andhra Pradesh not being supplied, particularly when the State at the upper end did not utilise its own quota?

**Shri C. R. Pattabhi Raman:** I may not be able to give the cubic feet capacity so far as the release is concerned. But with regard to the potential and utilisation, I may give the

figures. So far as the potential is concerned, it was 6:37 lakhs at the end of the Second Plan. It was 6:64 lakhs in 1961-62 and 8:57 lakhs at the end of 1962-63. The utilisation figures are respectively 4:64 lakhs, 5:14 lakhs and 7:01 lakhs. The latest position is likely to be about 13:44 lakhs. Slowly it is improving all the time.

#### A.I.R. Broadcasts to West Asia

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\*977. { Shri Sidheshwar Prasad:  
Shri Indrajit Gupta:

Will the Minister of Information and Broadcasting be pleased to state:

(a) whether his attention has been drawn to the news item published in the *Stateman* of the 4th April, under the Title "A.I.R. Broadcasts to West Asia: Need to change to Medium Waves"; and

(b) if so, the steps being taken to improve broadcasts to listeners in West Asia?

The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath): (a) Yes, Sir.

(b) In view of the geographical location of India in relation to West Asia as well as the propagational characteristics and limitations of medium-wave transmissions, a medium wave transmitter located on Indian territory is not, by itself capable of covering the West Asian countries. The question of overcoming this obstacle is receiving the attention of Government.

श्री सिद्धेश्वर प्रसाद : क्या यह बात सही है कि पश्चिमी एशिया को आवाश-वाणी से जो कार्यक्रम प्रसारित किया गया तो ६ महीने तक वहां बिलकुल आवाज सुनाई नहीं पड़ी और उस के बाद जो कार्यक्रम प्रसारित किये गये वे भी साफ सुनाई नहीं पड़ते रहे तो ऐसी स्थिति में क्या सरकार ने और ट्रान्समीटर्स लगाये हैं या ऐसा कोई अन्य उपाय सोचा है जिस से कि यह कार्य-

क्रम साफ सुना जा सके और हमारा पैसा बेकार न जाय ?

श्री शाम नाथ : यह बात सही नहीं है कि ६ महीने तक यहां से जो ब्राडकास्ट हुए वह सुनाई हों नहीं दिये लेकिन इस की जांच की गई है और यह बात जरूर सही है कि वेस्ट एशियन कंट्रॉज में रिसीप्शन उतना अच्छा नहीं है जितना कि अन्य कंट्रॉज में है। जहां तक गवर्नमेंट के कदम उठाने का सवाल है यह काफ़ी कम्प्लोकेटेड मामला है और फिर मीडियम ट्रान्समीटर लगाने से ही उस का हल नहीं निकल सकता है। इस में और भी बहुत सी चीजें करनी होंगी और उन के ऊपर गवर्नमेंट गौर कर रही है।

श्री सिद्धेश्वर प्रसाद : अभी मंत्री जी ने बतलाया कि केवल मीडियम वेव से काम नहीं चलेगा क्योंकि यह बहुत महत्वपूर्ण सवाल है और पश्चिमी देशों से हमारा सम्बन्ध स्थापित करना बहुत जरूरी है तो ऐसी हालत में और दूसरे कोन से कदम सरकार उठा रही है या अभी नहीं उठाये हैं तो कब तक उठायेगी ?

श्री शाम नाथ : सब से बड़ा सवाल इस में फॉरेन ऐक्सचेंज का है। जब तक कि बहुत बड़ा एक ट्रान्समीटर न लगाया जाय और उस के साथ साथ मीडियम लोकेशन में कोई ट्रान्समीटर न लगे उस वक्त तक प्रोग्राम का बिलकुल साफ़ और अच्छे तरीके से सुनना वहां नामुमकिन है। फॉरेन ऐक्सचेंज की कमी इस में सब से बड़ी बाधा है। वैसे रिसीप्शन को सुधारने की कोशिश हो रही है और ५, ६ ट्रान्समीटर्स जिनका कि प्राविजन बर्ड फाइव इयर प्लान में है उन को जल्दी से जल्दी लगाने की कोशिश हो रही है।

Shri Hari Vishnu Kamath: May I know, Sir, how many foreigners are employed in the West Asian language units of the All-India Radio and after Government's unfortunate experience of the former employees and personnel

in the Portuguese language unit and the Chinese language unit, has Government taken steps to accelerate the process of Indianisation of all our language units in All-India Radio, in view of the fact that Indians are the best linguists in the world?

**Shri Sham Nath:** Sir, I would require notice. That supplementary does not arise out of this question.

**Shri Hari Vishnu Kamath:** Notice of what, Sir, you please help him.

**Mr. Speaker:** What he means to say is really, in a way, a suggestion and also seeking some information. He wants to know whether any steps are being taken to substitute those foreigners who are employed there in these broadcasts by Indians themselves who can very well do those duties in the foreign languages in the world.

**Shri Hari Vishnu Kamath:** We have the best linguists in the world.

**Shri Sham Nath:** We always try to do that; but at present there is nothing which we could do more.

**Shri Hari Vishnu Kamath:** I could not hear the last part of it.

**Mr. Speaker:** Every effort is being made to do that.

**Shri Hari Vishnu Kamath:** What effort?

**Shri Joachim Alva:** Since the emergency, are we just satisfied with the Arabic Unit that is working? Is it working fast enough or have we increased the personnel in the Arabic Unit or the West Asia Unit as we call it?

**Shri Sham Nath:** We think the Arabic Unit is working quite satisfactorily as we have not received any complaint against its working.

**Shri D. C. Sharma:** Has the Listeners' Research Unit applied itself to listening in this part of the world; if so, may I know the number of letters that we receive per month and what kind of content those letters have?

**Shri Sham Nath:** We sometimes get information regarding the position of our broadcasts from our Embassies and we have not recently received any complaint in regard to the Arabic Unit.

**Shri D. C. Sharma:** Sir, he has not understood my question. We have the Listeners' Research Unit in the AIR—perhaps the hon. Minister does not know anything about it. I want to know whether that Listeners' Research Unit applies itself to this problem; if so, does it get any letters and what kind of letters does it get?

**Shri Sham Nath:** This question relates to reception in foreign countries. I think the hon. Member is referring to the Listeners' Research Unit which we have got here while he wants to know how many letters we get from listeners, from where?

**Shri D. C. Sharma:** From there.

**Shri Sham Nath:** We do not get any letters from listeners in foreign countries.

**Shri Tridib Kumar Chaudhuri:** May I know what are the languages in which broadcasts are made from this West Asian Unit?

**Shri Sham Nath:** In Western Asian Service for Afghanistan in Pushto, in Persian for Persia, in Arabic for Saudi Arabia, Egypt etc., and in French also for other parts of West Asia.

**Shri Hari Vishnu Kamath:** No Hebrew?

**Mr. Speaker:** Next Question—Shri Yajnik.

**An Hon. Member:** He is not in his seat.

**Mr. Speaker:** Next Question—Shri P. C. Borooah.

**Shrimati Renuka Ray:** Please allow me to put one supplementary.

**Mr. Speaker:** I would have gladly done that, but that would upset the whole procedure now.

### Idle Manpower

\*979. **Shri P. C. Borooah:** Will the Minister of Planning be pleased to state:

(a) whether the Planning Commission has drawn up an elaborate programme of 450 projects to husband idle manpower; and

(b) if so, the details of the scheme?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) and (b). The Planning Commission have decided that the scheme of taking up works projects for utilisation of rural manpower will be extended to about 500 more blocks during 1963-64 besides the 228 blocks allotted during 1960-61 and 1961-62. A note giving the details of the scheme is placed on the Table of the House. [Placed in the Library. See No. LT-1184/63].

**Shri P. C. Borooah:** May I know whether any estimate has been made of the idle man-power in the country?

**Shri C. R. Pattabhi Raman:** It is very difficult. Most of the rural population is under-employed. I can give the figures about the potential so far as the utilisation is concerned.

**Shri P. C. Borooah:** May I know whether the States have been consulted about the feasibility of this scheme; if so, what is their reaction?

**Shri C. R. Pattabhi Raman:** Yes, Sir; the States are consulted.

**Shri P. C. Borooah:** What is their reaction?

**Shri C. R. Pattabhi Raman:** The idea is to take the States where there is lot of unemployment and where there is not much of industrialisation. The appendix to the Statement shows that in the first series Andhra had 3, and 15 in the next phase, and like that for all the States, making a total of 502 as against 196 in the second series and 32 in the first series.

354 (Ai) LSD—2.

**Shri Mansinh P. Patel:** May I know whether these blocks are granted in the existing NES blocks and also in post-NES blocks?

**Shri C. R. Pattabhi Raman:** It is co-terminous with the blocks but the programme has been changed.

**Shri P. R. Patel:** May I know how many hours of manpower have been obtained in the blocks in a year?

**Shri C. R. Pattabhi Raman:** I could not give the hours but I could give the amount of work.

**Dr. L. M. Singhvi:** It is mentioned in the long statement laid on the Table of the House that it has recently been decided not to place any ceiling on block-wise allocation but to leave it to the State Governments to make allocations. I would like to know whether the Government at the Union level has devised any machinery to review the allocations made to States from time to time and to investigate their proper utilisation?

**Shri C. R. Pattabhi Raman:** All the time reports are being called for and inspections are made by the officers of the Planning Commission.

**Shri Hari Vishnu Kamath:** What has happened to the Prime Minister's assurance or promise made some time ago, a couple of years or more ago I think, that the Planning Commission would maintain an up-to-date register of trained technical manpower? If it is there, does the register show that a large number of trained technical manpower is unutilised in the country today and if so, what steps are being taken to utilise the same?

**Shri C. R. Pattabhi Raman:** So far as this question is concerned, it relates to rural manpower. The question, as put now, seems to embrace both urban and rural manpower. I have already given figures on a former occasion, so far as industrial manpower is concerned, trained skills are concerned and craftsmen are concerned.

**Shri Hari Vishnu Kamath:** Sir, on a point of order. The question is about "Idle Manpower". It does not mention rural or urban manpower. Manpower is manpower. I do not understand his objection.

**Shri C. R. Pattabhi Raman:** This question relates to 450 projects of idle manpower.

**Shri Hari Vishnu Kamath:** That is all.

**Shri C. R. Pattabhi Raman:** It is really about rural manpower.

**Shri Bañe:** What special steps are the Government going to take for providing employment to the landless labour who are without employment for eight months in the year?

**Shri C. R. Pattabhi Raman:** They are all being utilized. For example, now the emphasis is on minor irrigation, soil conservation, drainage, reclamation of Government waste land and other agricultural production programme. In all these, idle manpower is being utilised.

**Shri Hari Vishnu Kamath:** Sir, on a point of order. I seek your guidance in this matter. The question relates to manpower for the rural projects. I suppose, and I am sure you will agree with me, rural manpower does not exclude manpower—technical or otherwise. I put a question about this technical manpower, as to what is happening to them and whether they are employed in the rural areas.

**Mr. Speaker:** The hon. Member's question covers technical manpower in rural areas as well as in urban areas. That was very wide, covering both of them. Therefore, he said that this is confined only to one of them. If he had asked a question on that, perhaps he would have answered it.

**Shri Hari Vishnu Kamath:** Well, Sir, will you please ask him to answer it now?

**Mr. Speaker:** Shri D. J. Naik.

**Shri D. J. Naik:** May I know whether any priority will be given to the scheduled areas, so far allotment under this scheme is concerned?

**The Minister of Planning and Labour and Employment (Shri Nanda):** Wherever there is high incidence of unemployment in any area, for one reason or another, that area receives prior consideration for selection under this scheme. The only basis is the incidence of greater measure of unemployment.

**Mr. Speaker:** Shri Kamath asked a question about rural technical manpower. If the figures are available, they may be supplied.

**Shri Nanda:** Regarding technical manpower, if in that area there are some people who have got some skill, they can also be absorbed in these works, but primarily these works are intended for simple operations in agriculture for the people who are there. No high skills are called for in that type of work.

**Shri Hari Vishnu Kamath:** Does the Prime Minister agree with this?

**Mr. Speaker:** Order, order, Shri Tyagi.

**Shri Tyagi:** One of the works mentioned by the hon. Minister in these blocks is the digging of channels. Is that all? May I take it that the employment provided by the Government to the villagers is the digging of channels and not establishment of industries? Does he also take into account the defence bank created recently, for the digging of channel? Is that also a kind of employment given to the villagers?

**Shri C. R. Pattabhi Raman:** By December, 1962,—these figures perhaps, will be clarifying the situation—Rs. 77.68 lakhs have been spent and employment opportunities have been given to 3.7 million people.

**Shri Tyagi:** What type of employment? In the blocks, generally, urban boys go as clerks, etc. Rural boys are not taken.

**Mr. Speaker:** He is making a speech.

**Shri Nanda:** I may inform the hon. Member that it is not so. The test in the choice of the type of work to be offered is that while it gives employment and a certain amount of earning, it also increases the agricultural potential of the area so that further employment can be sustained by the increased production. Therefore, the type of activities are soil conservation, minor irrigation and reclamation. Also where there are not enough communications, roads too, they will help in taking the product out. That also is included.

**Shri Ranga:** Is it not a fact that these schemes are very much in the air and they are still being shaped and the hon. Minister is still busy preparing things for the benefit of his department?

**Shri Nanda:** I think—I do not use the word confusion—there is some misunderstanding about the programme which is in the Plan and the Labour defence bank. These are two different things.

**Shri Tyagi:** What type of employment has been given? That has not been explained.

**Shri Nanda:** I am only answering the question regarding this scheme.

**Mr. Speaker:** This is becoming a conversation.

**Shri R. G. Dubey:** May I know whether there is any proposal before the Government from a long-range point of view to have land reclamation, afforestation also as part of the scheme?

**Shri C. R. Pattabhi Raman:** Yes, Sir.

# Labour Recruiting Depot, Gorakhpur

{ **Shri Vishwa Nath Pandey:**  
\*980. { **Shri Sinhasan Singh:**  
          { **Shri Bishwanath Roy:**  
          { **Shri K. N. Pande:**

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

(a) whether there is a proposal to appoint a Committee to inquire into the working of the labour recruiting depot at Gorakhpur;

(b) if so, what will be the terms of reference of the Committee; and

(c) who will be the Members?

**The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya):** (a) No.

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

**श्री विश्वनाथ पाण्डेय :** क्या इस के पहले श्री विष्णु सहाय को अध्यक्षता में कोई कमेटी बनाई थी और उस ने गोरखपुर में जा कर जांच की और जांच में यह पाया कि वहां की कार्य-प्रणाली अच्छी है ?

**श्री ए० कि० मालवीय :** उन की एक रिपोर्ट आई थी उस के बाद से कई इनक्वायरी हो चुकी है और उन इनक्वायरियों में बहुत से डिसांशंस लिये गये हैं । इस के अलावा एक इनफॉर्मल कमेटी मेम्बरस पार्लियामेंट की भी बैठों थी जिस ने कि जांच की और उस ने जो सिफारिशें की उन सिफारिशों के ऊपर आजकल प्रमल हो रहा है ।

**Shri Bishwanath Roy:** In view of availability of labourers in that area in large numbers, may I know whether any improvement in the recruiting arrangement is under consideration before the Government?

**Shri R. K. Malviya:** Yes, Sir. Besides coal mines, labour there is being recruited for other industries, mining industries, like iron ore. Recently they are being recruited in the defence forces.

**श्री भक्त दर्शन :** क्या माननीय मंत्री यह बतलाने की कृपा करेंगे कि गोरखपुर के इस दफ्तर के कार्य से वे अथवा सरकार संतुष्ट हैं, यदि नहीं, तो इस का स्तर ऊंचा करने के लिए क्या प्रयत्न किये जा रहे हैं ?

**श्री र० कि० मालवीय :** जहां तक दफ्तर का ताल्लुक है, अभी तक प्रान्तीय सरकार उसको ऐडमिनिस्टर करती थीं। सन् १९६१ से सेंट्रल गवर्नमेंट ने उसे अपने चार्ज में लिया है और जैसी जरूरत पड़ती है उस के मुआफ़िक उस में रद्दोबदल करती है।

**Shri S. M. Banerjee:** I want to know whether it is a fact that there was a proposal to abolish this particular recruiting depot and if so, whether Government has taken a final decision to keep this depot. Will it be a permanent feature?

**Shri R. K. Malviya:** In 1959, a decision was taken to abolish this depot. But, then there were various considerations. Several meetings have taken place. Now, the hon. Minister has made a categorical statement in Gorakhpur that it will continue.

#### Indian Delegation for U.A.R.

\*981. **Shri Onkarlal Berwa:** Will the Minister of Defence be pleased to state:

(a) whether an experts' delegation from H.A.L. would go to visit the aircraft factory at Helwan in U.A.R.;

(b) if so, when they would return;

(c) whether the delegation will also visit other places; and

(d) if so, the names of such places?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) Yes, Sir. A proposal to send a team of officers including some HAL officers to United Arab Republic is now under consideration.

(b) to (d). The details have not yet been settled.

[ (क) जी, हां। संयुक्त अरब गणतंत्र को एक आफिसर दल भेजने का सुझाव विचाराधीन है, जिस में हिन्दुस्थान एअरक्राफ्ट लि० के कुछ अधिकारी भी शामिल हैं।

(ख) और (घ). विस्तार अभी तक निश्चित नहीं किये गये। ]

**श्री ओंकारलाल बेरवा :** श्रीमन्, मैं यह जानना चाहूंगा कि जो शिफ्ट-मंडल जायेगा, उस में कितने सदस्य होंगे और क्या उस में कोई विदेशी सदस्य भी होंगे।

**अध्यक्ष महोदय :** मिनिस्टर साहब ने कहा है कि डेटेलज अभी तय नहीं की गई हैं। उन पर गौर किया जा रहा है।

#### Accident in Ballihari Colliery

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\*982. { **Shri P. R. Chakraverti:**  
**Shri D. D. Mantri:**  
**Shri Ramshekhar Prasad Singh:**  
**Shri Sidheshwar Prasad:**  
**Shri Onkarlal Berwa:**  
**Shri S. M. Banerjee:**  
**Shri P. C. Borooah:**

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

(a) whether it is a fact that 3 workers were killed due to collapse of roof in Ballihari Colliery, Dhanbad on the 5th April, 1963;

(b) whether an enquiry has been held into the tragic incident;

(c) the steps taken to give interim aid to the bereaved families, pending the submission of enquiry report; and

(d) the steps taken to render prompt medical assistance to the injured workers?

**The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya):** (a) One worker died, two were seriously injured and

two received minor injuries due to fall of side in South Ballihari Colliery at 1-30 a.m. on the 6th April, 1963. The two seriously injured died about 5 hours later.

(b) Yes.

(c) The mine management has paid interim relief in respect of two of the deceased. Dependants of the third have not come forward for such relief. Action is being taken for payment of compensation as provided under the Workmen's Compensation Act, as also for relief from the Coal Mines Labour Welfare Fund.

(d) The 4 injured workers were brought to the surface as quickly as possible and sent to the colliery hospital. The two workers who received minor injuries were discharged after being given first aid. The other two, who had received serious injuries, were shifted, after being given first aid, to the Central Hospital at Dhanbad where they died an hour later.

**Shri Hari Vishnu Kamath:** Was this also during the Safety Week?

**Mr. Speaker:** Now, the Question Hour is over.

#### SHORT NOTICE QUESTIONS

#### Joint U.S.-Commonwealth Air Mission

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S.N.Q. 7. { **Dr. L. M. Singhvi:**  
              **Shri Yashpal Singh:**

Will the Minister of Defence be pleased to state:

(a) whether Government are aware that some of the details of recommendations of the joint U.S.-Commonwealth Air Mission have already appeared in the press in this country and abroad recently; and

(b) if so, whether Government is now in a position to give a summary of the report and the recommendations contained therein?

**The Minister of Defence (Shri Y. B. Chavan).** (a) Government have seen some press reports purporting to be the recommendations of the Mission.

(b) No, Sir, as Government have not yet received the report.

**Dr. L. M. Singhvi:** *The Hindustan Times* of the 13th of April carries the report from the *Washington Post* which says:

"US-built fighters, either supersonic or subsonic are out of the question for the time being."

And it further goes on to say that:

"Even the short-range Indian aid programme is unlikely to receive US approval unless Prime Minister Nehru comes up with some new proposals which offer some hope of settling the Kashmir question when negotiations with Pakistan are renewed on April 22nd."

May I know whether the attention of Government has been drawn to this statement appearing in the name of the military correspondent of the *Washington Post*, and if so, whether any effort has been made to clarify the misunderstanding caused by it or whether Government are in a position to confirm the truth of that statement?

**Shri Y. B. Chavan:** As far as we are concerned, we have seen these reports including the report that is mentioned by the hon. Member, but it is rather difficult to make any comments, since we have not received any authoritative report from the Mission as such:

**श्री यशपाल सिंह :** क्या मैं जान सकता हूँ कि इस का क्या कारण है कि प्रैस को और दुनिया को तो पता लग गया, लेकिन इस हाउस को अभी तक इस मामले में बिल्कुल अनजान रखा गया ?

**अध्यक्ष महोदय :** यह गवर्नमेंट के अल्टीमेटम की बात नहीं है। यह इन्फर्मेशन तो दूसरी जगह से यहाँ आई है।

**Shri Hem Barua:** May I know whether it is not a fact that this report appearing in *The Hindustan Times* only corroborates that we do



not want supersonic and subsonic planes to meet the Chinese air attack, and it only corroborates what Mr. Patnaik said in Washington? He also said the same thing. . . .

**Mr. Speaker:** Order, order. The hon. Member takes every opportunity to bring in a name. . . .

**Shri Hem Barua:** He made such a statement. . . .

**Mr. Speaker:** Order, order.

**Shri Ranga:** May I submit that Mr. Patnaik is not anybody and everybody? He was sent specially by the Prime Minister on a roving mission. Do you think that we are not entitled to make any reference to him?

**Shri Hem Barua:** May I very humbly submit for your consideration that the impression that I am getting is that some people are allergic to Mr. Patnaik? I just wanted to know only this. It was Mr. Patnaik, who was the special envoy of the Prime Minister who made a statement at Washington to the effect that we do not want these aircraft to meet the Chinese air attack, and what has appeared in the newspapers has only corroborated what the special envoy of the Prime Minister has said. That was what I wanted to know I am not allergic to Shri Patnaik as most people are. If you will excuse me, you are also allergic to him.

**The Prime Minister, Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** May I say that Shri Patnaik did not say any of the things attributed to him by the hon. Member?

**Shri Hem Barua:** It is in the papers, in the *Washington Post*.

**Shri S. M. Bamerjee:** May I know whether it has been made amply clear to the U.S. Government that India does not want any help or any arms aid which should be tied up with the Kashmir question?

**Shri Y. B. Chavan:** As far as the question of aid is concerned, it is no way conditioned by any other considerations. It is always considered on merits, and the delegation that is visiting the United States of America is going into all these details.

**Shri Tyagi:** On a point of order. I suggest that questions which are part of diplomatic negotiations, particularly those which relate to strategy, taking of arms etc., what type of negotiations are going on, what our attitude is and what the attitude of the other Government is—these should not be allowed in the House. They create difficulties in negotiations.

**Mr. Speaker:** But when a question is put, it is for the Minister then to claim protection or privilege on the ground that it is not in the public interest to answer. He knows best what is to be disclosed and what is not. I just look at him, and if he is prepared to answer, how could I disallow it?

**Shri Nath Pai:** Are Government aware that in spite of the many delegations that are going from here to Washington and coming from Washington to New Delhi, there is gross misunderstanding regarding the basic issue of Chinese aggression? In that connection, has Government's attention been drawn to a statement made by Gen. Maxwell Taylor before the House Appropriations Committee saying (a) that he does not know who shot into whom first, who crossed into whose land first and (b) that the land is not properly marked in NEFA?

**Mr. Speaker:** That has been clarified.

**Shri Jawaharlal Nehru:** Yes, it appears from subsequent clarification that the statement that Gen. Taylor made was a fairly long one. But, for some odd reason, only the first sentence or two was published. Subsequently, the U.S. Government have given publicity to the whole statement, which does not bear out that interpretation. Although he said

those words, subsequent things clarify that greatly.

**Shri S. M. Banerjee:** This was dis-  
ported the other day when I wanted  
to ask a question.

**Shri Joachim Alva:** There is a re-  
port that the UK Government is em-  
phasising the need for subsonic planes  
for our defence while the U.S. Gov-  
ernment is emphasising on supersonic  
planes for our defence. May I know  
whether Government is holding the  
view that supersonic planes are  
essential for our defence?

**Shri Jawaharlal Nehru:** That is  
exactly the kind of question to which  
Shri Tyagi referred. I think he had  
better consult him.

**Shri S. M. Banerjee:** The hon.  
Prime Minister stated that the testi-  
mony of Gen. Maxwell Taylor was  
contradicted and a clarification was  
issued by the U.S. Government. I  
want to know whether the U.S. Gov-  
ernment did not clarify the words  
where he said that 'Indians were edg-  
ing forward....'. Was this not the  
Chinese line or Chinese version that  
we invaded and not they? Has the  
attention of the U.S. Government been  
drawn to this, that this should also be  
contradicted or clarified?

**Shri Jawaharlal Nehru:** I cannot  
answer on behalf of the U.S. Govern-  
ment.

**Shri S. M. Banerjee:** Has this been  
brought to their notice?

**Shri Jawaharlal Nehru:** We have  
brought nothing to their notice. They  
have clarified it of their own accord.  
We have not talked to them on the  
subject.

#### U.S. Task Force in India

+

S.N.Q. 8. { **Dr. L. M. Singhvi:**  
              **Shri Yashpal:**

Will the Minister of Defence be  
pleased to state:

(a) whether any specific assignments  
and duties have been agreed to for  
the U.S. Task Force in India; and

(b) if so, whether a statement will  
be laid on the Table of the House?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). There is no  
U.S. Task Force in India and, there-  
fore, the question of specific assign-  
ment and duties to such a Task Force  
does not arise. There is a Squadron  
of C-130 Transport Aircraft of U.S.  
Air Force which is assisting the I.A.F.  
in transporting essential defence sup-  
plies to certain forward areas.

**Dr. L. M. Singhvi:** May I know  
whether the concept of a U.S. task  
force or the idea of a U.S. task force  
was mooted and is still under active  
consideration as reported by the Press?  
Whether it is here or not is not the  
question. The question is whether any  
terms or assignments have been  
agreed to for a task force which may  
be in India or which is proposed to  
be in India?

**Shri Y. B. Chavan:** No Sir.

**Shri Tridib Kumar Chaudhuri:** May  
I know if from our side any proposal  
was mooted or any request was made  
to the U.S. Government to send a task  
force from U.S. for defence purposes?

**Shri Y. B. Chavan:** No, Sir.

#### WRITTEN ANSWERS TO QUESTIONS

##### Seminar on Space Physics

\*969. **Shri Shree Narayan Das:** Will  
the Prime Minister be pleased to state:

(a) whether the Seminar on Space  
Physics held recently in Ahmedabad  
under the auspices of the Indian  
National Committee for Space Re-  
search has suggested any programme  
for space research to be undertaken  
by Government; and

(b) if so, the important features of  
such a programme?

**The Deputy Minister in the Minis-  
try of External Affairs (Shri Dinesh  
Singh):** (a) and (b). The purpose of  
the Seminar on Space Physics held at

Ahmedabad was to enable Indian Scientists interested in problems of space research to meet workers in the field from other countries like U.S.A. and U.K. and discuss problems, which it would be worthwhile and practicable to undertake in the near future at various institutions in the country, including the Equatorial Sounding Rocket Launching Site, which is being set up at Thumba, near Trivandrum. The Seminar discussed the possibility of undertaking satellite based studies, sounding rocket studies and studies in the development of small sounding rockets and the experiments that could be conducted in these fields.

#### Indian Army Personnel in Congo

\*978. **Shri Yajnik:** Will the Minister of Defence be pleased to state:

(a) whether Government have received any report from the United Nations about the performance of the Indian Army units that served recently in Congo; and

(b) whether any promotions or rewards are being given to individuals or units who have distinguished themselves during their service in Congo?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Yes, Sir. The Secretary General, United Nations has highly commended the performance of our Contingent in the Congo.

(b) For acts of gallantry and distinguished service performed by our personnel in operations in the Congo, individuals have been awarded appropriate decorations, some of which also carry monetary allowances and lump-sum cash grants. Military units, as such, have not been given any awards.

Promotions are made under normal rules and as such no promotion has been made specifically for distinguished service rendered in the Congo operations.

#### Rehabilitation of Evacuees in NEFA

\*983. **Shri Maheswar Naik:** Will the Prime Minister be pleased to state:

(a) whether with the restoration of civil administration in NEFA, all the

evacuees from NEFA have moved back to their hearths and homes;

(b) if not, how many of them have yet to be moved back; and

(c) in what way those evacuees who have gone back have been rehabilitated?

**The Parliamentary Secretary to the Minister of External Affairs (Shri D. Ering):** (a) Yes. All NEFA evacuees from the various camps have returned to their villages.

(b) Does not arise.

(c) Rs. 1,93,000 have been spent on rehabilitation measures quite apart from any expenditure incurred in the camps in Assam. Rehabilitation measures in NEFA include distribution of foods, utensils and clothing and, in deserving cases, cash grants for reconstruction of houses. Agricultural seeds, livestock and craft materials are also being supplied.

#### Accident in Jamuna Colliery

\*984. **Shri Indrajit Gupta:** Will the Minister of Labour and Employment be pleased to state the action taken on the recommendations of the Additional Chief Inspector of Mines made in his report on the accident in the Jamuna Colliery in Madhya Pradesh on the 15th February, 1963?

**The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya):** As recommended by the Additional Chief Inspector of Mines, action is being taken for institution of criminal proceedings against the Agent of the Colliery.

#### U.N. Peace keeping Operations

\*995. **Shri Maheswar Naik:** Will the Prime Minister be pleased to state:

(a) whether India along with six other countries has submitted a memorandum to the working group appointed by the U.N. General Assembly on arrears of contributions from Member Nations;

(b) if so, the steps suggested for the realisation of the arrears; and

(c) whether India is expected to be compensated for her military and medical contingents placed under U.N.'s disposal in Congo?

**The Deputy Minister in the Ministry of External Affairs (Shri Dinesh Singh):** (a) and (b). Yes, Sir. India and five other members of the Working Group submitted a working paper on the subject. They expressed the hope that, in view of the difficult financial position of the Organisation, the Member States concerned would disregard other factors and undertake necessary constitutional and financial arrangements for payment of arrears and that, pending such arrangements, they would announce their intention to do so. The signatories also invited the Member States who object to making these payments on political and juridical grounds to make a special effort towards solving the financial difficulties of the Organisation by making the payment in question. They further invited the Secretary-General of the United Nations to commence immediately a general examination of the situation and, in consultation with the Member States who have financial difficulties, work out appropriate arrangements, including the possibility of payment of arrears by instalments. The Secretary-General was also invited to submit a preliminary report on the subject to the Special Session of the General Assembly next month and a full report to the 18th Session of the General Assembly next September.

(c) The United Nations has accepted responsibility for all extra and extraordinary expenses incurred by India in providing the troops for service in the Congo, including expenditure in respect of replacement of personnel and equipment.

#### **Military Aid from Canada**

**2123. Shri Ram Harkh Yadav:** Will the Minister of Defence be pleased to state:

(a) whether the Government of Canada have offered military aid to

India in the shape of Trainer Aircrafts; and

(b) if so, the details of the transaction?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Yes, Sir.

(b) The Government of Canada have agreed to supply 36 Harvard Trainer aircraft on a grant basis. The transportation charges and other expenses incurred in transporting the aircraft from Canada to India will be borne by us.

#### **Third Plan Targets for Bihar**

**2124. Shri Sidheshwar Prasad:** Will the Minister of Planning be pleased to state:

(a) whether the targets of the Third Five Year Plan for Bihar have been revised due to emergency or otherwise;

(b) whether the Planning Commission have offered assistance to Bihar Government to enable them to adhere to the targets; and

(c) if so, the nature thereof?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) No, Sir.

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

#### **Development Schemes in Orissa**

**2125. Shri Ulaka:** Will the Minister of Planning be pleased to state:

(a) the amount utilised by Government of Orissa out of the allocation made for the Second Plan period under various development schemes and the amount that lapsed; and

(b) the reasons for the lapsing of the amount?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) and (b). Information is being collected from the State Government.

नेपाल के त्रिभुवन विश्वविद्यालय को सहायता

२१२६. श्री सिद्धेश्वर प्रसाद : क्या प्रधान मन्त्री यह बताने का कृपा करेंगे कि :

(क) नेपाल के त्रिभुवन विश्वविद्यालय को कितनी सहायता, वित्तिय अथवा अन्य, अभी तक दी गई है ;

(ख) उसमें कितने भारतीय नागरिक अभी भी अध्यापकों के रूप में काम कर रहे हैं ; और

(ग) भविष्य में किस प्रकार का सहायता दिये जाने का विचार है ?

प्रधान मन्त्री तथा वैदेशिक कार्य मन्त्री तथा अणु शक्ति मन्त्री (श्री जवाहरलाल नेहरू) : (क) त्रिभुवन विश्वविद्यालय को अब तक जो सहायता दी गई है वह इस प्रकार है :—

(१) रसायन शास्त्र (केमिस्ट्री) भवन के निर्माण के लिये अब तक ५.५४ लाख रुपये दिये जा चुके हैं। इस इमारत का निर्माण कार्य चल रहा है।

(२) संदर्भ पुस्तकालय (रेकरम लाइब्रेरी) के लिये ५०,००० रुपये दिये गये हैं।

(३) स्नातकोत्तर (पोस्ट-ग्रेजुएट) छात्रवृत्तियों के रूप में ३०,००० रुपये दिये गये हैं।

(४) स्नातकोत्तर हिन्दी विभाग के लिये हिन्दी पुस्तकालय का प्रबन्ध किया गया है।

(ख) त्रिभुवन विश्वविद्यालय में २४ भारतीय नागरिक निम्नलिखित पदों पर काम कर रहे हैं :

(अ) प्रोफेसर ७

(आ) रीडर ३

(इ) लेक्चरर १३

(ई) विशेषाधिकार : विश्वविद्यालय के कार्यालय के लिये १

(ग) (१) विश्वविद्यालय के अहाते में नौचे बताई गई इमारतें बनाई जा रही हैं :

(१) विश्वविद्यालय के पुस्तकालय का इमारत।

(२) स्नातकोत्तर विद्यार्थियों के लिये छात्रावास।

(३) अध्यापकों के लिये क्वार्टर।

(११) आशा की जाती है कि इस वर्ष २ प्रोफेसर, २ रीडर और ३ लेक्चरर और नियुक्त किये जायेंगे।

#### Development Works in Orissa

2127. **Shri Ulaka:** Will the Minister of Planning be pleased to state:

(a) the amount allotted to Orissa for local development works in the State during 1962-63; and

(b) the amount utilised by the State during 1962-63?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) and (b). A sum of Rs. 23 lakhs was intimated as the allocation for Orissa for the local development works programme for 1962-63. The State Government had reported the actual expenditure from April 1962 to December 1962 for the State (excluding few districts) as Rs. 2.38 lakhs and anticipated expenditure for January to March, 1963 as Rs. 20.62 lakhs. An *ad-hoc* grant of Rs. 18.48 lakhs was released for 1962-63 and necessary adjustments will be made on receipt of the actual expenditure figures for the entire year. Since the financial year has closed only on 31st March, it will take some time to collect final figures from the districts regarding actual expenditure incurred.

# Pak. Nationals' Visit to India and Vice Versa

2128. { Shri Ulaka:  
Shri Dhuleshwar Meena:

Will the Prime Minister be pleased to state:

(a) the number of Pakistani nationals who visited India during the last six months; and

(b) the number of Indians who visited Pakistan during the same period?

The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru): (a) and (b). The information is being collected and as soon as it becomes available, it will be placed on the Table of the House.

## आकाशवाणी में हिन्दी शब्दकोषों का प्रयोग

२१३०. { श्री म० ला० द्विवेदी :  
श्रीमती सावित्री निगम :  
श्री स० चं० सामन्त :

क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) आकाशवाणी में हिन्दी काव्यों के लिये किम शब्दकोष या शब्दकोषों का प्रयोग किया जाता है ; और

(ख) आकाशवाणी का जो अपना शब्दकोष है उसे किसने निमित्त किया था और उसमें १९६२-६३ में क्या क्या संशोधन किये गये हैं ?

सूचना और प्रसारण मन्त्रालय में उप-मंत्री (श्री शाम नाथ) (क) एक विवरण सभा पटल पर रखा जाता है। [पुस्तकालय में रखा गया। देखिये संख्याएल. टी.—११८५।६३]

(ख) शब्दकोष आकाशवाणी के स्टाफ द्वारा तैयार किया गया था और सूचना और प्रसारण मन्त्रालय की केन्द्रीय हिन्दी सलाहकार

समिति का एक उप-समिति द्वारा, जिस के सदस्य (१) डा० हरिवंश राय वच्चन, (२) श्री चन्द्र गुप्त विद्यालंकार, (३) श्री मन्मथनाथ गुप्त, (४) श्री अशोकजी और (५) श्री रामचन्द्र टंडन (संयोजक) थे, इसको अन्तिम रूप दिया गया था। १९६२-६३ में इस शब्दकोष में कोई परिवर्तन नहीं किया गया है।

## प्रतिरक्षा संस्थापनों के लिये साप्ताहिक पत्र

२१३१. { श्री प्रकाशवीर शास्त्री :  
श्री जगदेव सिंह सिद्धान्ती :

क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) सेना में जो दैनिक व साप्ताहिक पत्र अंग्रेजी, हिन्दी और उर्दू के भेजे जाते हैं क्या उनके संबंध में कोई नति निर्धारित की गई है ;

(ख) यदि हां, तो क्या यह सच है कि कुछ ऐसे अंग्रेजी साप्ताहिक भी सेना में बड़े संख्या में जाते हैं जो सरकारी नति के विरोधी होने के साथ साथ सैनिकों में पृथकतावादी प्रवृत्तियों को जन्म देने हैं ; और

(ग) क्या सरकार इस संबंध में कोई कार्यवाही करने का विचार कर रही है ?

प्रतिरक्षा मन्त्रालय में उपमन्त्री (श्री डा० रा० खन्ना) : (क) सैनिकों के पढ़ने के लिये उपयुक्त समझे गये पत्र पत्रिकाओं की सूची समय समय पर ब्रिटिश कमांडरों में उनकी आवश्यकता के लिये परिचालित की जाती है। यह सूचियां निदर्शनात्मक होती हैं। पत्रिकायें यूनिटों द्वारा सीधे खरीदी जाती हैं।

(ख) जी नहीं।

जान नहीं उठता।

आकाशवाणी से व्यापारिक विज्ञापन

२१३२. { श्री प्रकाश वीर शास्त्री :  
श्री दी० चं० शर्मा :

क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारतीय पत्रकारसंस्थान में भाषण देते हुये प्रधान मंत्री ने यह कहा था कि आकाशवाणी से व्यापारिक विज्ञापन प्रसारित करना ठीक नहीं है ;

(ख) आकाशवाणी के किन किन केन्द्रों से ये विज्ञापन प्रसारित किये जाते हैं ; और

(ग) इन विज्ञापनों से वर्ष में कितनी आय सरकार को हो जाती है ?

सूचना और प्रसारण मन्त्रालय में उपमन्त्री (श्री शाम नाथ) : (क) प्रधान मंत्री ने रेडियो के माध्यम से विज्ञापन प्रसारित करने के बारे में अपनी प्रतिक्रिया का चलता-सा जिकर किया था, आकाशवाणी के बारे में नहीं ।

(ख) आकाशवाणी से व्यापारिक विज्ञापन प्रसारित नहीं किये जाते हैं ।

(ग) सवाल नहीं उठता ।

#### Technical Assistance to Libya

2133. { Shri P. R. Chakraverti:  
Shri Sidheshwar Prasad:

Will the Prime Minister be pleased to state:

(a) whether the Libyan Government have asked the Government of India for technical personnel to help her First Five Year Plan project;

(b) whether Libya has also asked for teachers for their National University; and

(c) the number of Indians serving in Libya on deputation and the steps taken to comply with her request?

The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru): (a) No.

(b) Yes.

(c) Six. Further requests for more teachers are being processed in the Ministry of Education.

डा० राजेन्द्र प्रसाद से सम्बन्धित पुस्तकें

२१३४. श्री भक्त दर्शन : क्या सूचना और प्रसारण मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार भारत के प्रथम राष्ट्रपति स्वर्गीय डा० राजेन्द्र प्रसाद की जीवनगाथा व उनके लेखों तथा भाषणों पर एक या अधिक अधिकृत पुस्तकें प्रकाशित करने के बारे में विचार कर रही है ; और

(ख) यदि हां, तो उस के बारे में क्या निश्चय किया गया है ; और

(ग) उस निश्चय को कार्यान्वित करने के लिए क्या कार्यवाही की जा रही है ?

सूचना और प्रसारण मन्त्रालय में उप-मन्त्री (श्री शाम नाथ) : (क) से (ग). स्वर्गीय डा० राजेन्द्र प्रसाद के जीवन और लेखों पर अधिकृत पुस्तकें प्रकाशित करने का इस समय कोई विचार नहीं है । इस मन्त्रालय के प्रकाशन विभाग ने उनके भाषणों के तीन खण्ड अवश्य निकाले हैं ।

#### Sino-Pak. Border Agreement

2135. { Shri D. C. Sharma:  
Shri Bhakt Darshan:  
Shri Bhagwat Jha Azad:

Will the Prime Minister be pleased to state:

(a) whether any reply has been received to the protest note sent to Pakistan against the signing of the Sino-Pakistan border alignment agreement in Peking; and

(b) if so, the details thereof?

The Prime Minister and Minister of External Affairs and Minister of

**Atomic Energy (Shri Jawaharlal Nehru):** (a) No, Sir.

(b) Does not arise.

**Registration of Skilled and Unskilled Persons in U.P.**

2136. { Shri Vishwa Nath Pandey:  
Shri Sarjoo Pandey:

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

(a) the number of persons (both skilled and unskilled) registered in various employment exchanges in Uttar Pradesh as on 28th February, 1963;

(b) the number of Graduates registered; and

(c) the number of persons employed after registration from 1960 to 1962?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) 4,03,519.

(b) 11,189 as on 31st December, 1962. (Information as on 28th February, 1963 is not available as figures are collected half-yearly).

(c) 2,33,956.

**भर्ती केन्द्र**

२१३७. श्री भक्त बर्शन : क्या प्रतिरक्षा मन्त्री २५ फरवरी, १९६३ के अतारांकित प्रश्न संख्या १७३ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) हिमालय के सीमावर्ती क्षेत्रों के लोगों को सशस्त्र सेनाओं में भर्ती करने के लिए आसाम के अतिरिक्त उत्तर प्रदेश, हिमाचल प्रदेश और पंजाब में कौन से नये भर्ती कार्यालय खोले गये हैं ;

(ख) क्या यह सच है कि वहाँ के जितने लोग भर्ती होने को आते हैं, उनमें से बहुतों को निराश वापस जाना पड़ता है ; और

(ग) यदि हाँ, तो उन सब उत्साही पर्वतीय युवकों को सशस्त्र सेनाओं में भर्ती

होकर देश की सेवा करने का अवसर देने के लिए कौन से विशेष कदम उठाये जा रहे हैं ?

**प्रतिरक्षा मन्त्री (श्री यशवन्त राव चव्हाण) :** (क) भर्ती का एक कार्यालय पंजाब में हमीरपुर में खोला गया है ।

(ख) जी नहीं, हर वह उम्मीदवार जो निर्धारित शारीरिक तथा स्वास्थ्य मान-दण्डों पर पूरा उतरता है, सेना में भर्ती कर लिया जाता है ।

(ग) चल भर्ती दलों को आन्तरिक, विशेष कर सीमा क्षेत्रों से शरीर से योग्य स्वयं सेवकों को केन्द्रीय स्थानों पर लाने के लिए भेजा जाता है, जहाँ उनका स्वास्थ्य परीक्षण तथा अन्तिम चुनाव किया जाता है ।

**नेपाली पुलिस द्वारा अपहृत भारतीय**

२१३८. श्री सरजू पाण्डेय : क्या प्रधान मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि हाल में नेपाल की पुलिस ने खजुरिया गांव के दो निवासियों को लखीमपुर-खीरी में गिरफ्तार किया था ; और

(ख) यदि हाँ, तो इसका क्या कारण है और उन को छोड़ाने के लिए क्या कदम उठाये जा रहे हैं ?

**प्रधान मन्त्री तथा वंदेशिक-कार्य मन्त्री तथा अणु शक्ति मन्त्री (श्री जवाहरलाल नेहरू) :** (क) जी हाँ ।

(ख) नेपाल की पुलिस ने खजुरिया गांव, जिला लखीमपुर-खीरी के दो निवासियों को नेपाली प्रदेश के भीतर ही गिरफ्तार किया था । इसमें से एक पर नेपाली पुलिस को यह शक था कि पिछले वर्ष नेपाल में नेपालियों ने जो छापा मारा था, उसमें उसका भी हाथ था । बताया जाता है वह आदमी अब भी नेपालियों का हिरासत में ही है । दूसरे व्यक्ति का मामला भारत के जिला अधिकारियों ने



नेपाल के जिला अधिकारियों से उठाया था और उसके बाद वह रिहा कर दिया गया था।

**भूतपूर्व सैनिकों को भूमि का दिया जाना**

२१३६। { श्री प० ला० बारूपाल :  
श्री बाल्मीकी :

क्या प्रतिरक्षा मन्त्री यह बताने की कृपा करेंगे कि :

(क) जिन वर्तमान एवं भूतपूर्व सैनिकों ने काश्त के लिए भूमि दिये जाने के लिये प्रार्थना-पत्र दिये थे उनमें से कितने सैनिकों को राजस्थान के नहरी क्षेत्रों में भूमि दी गई है ;

(ख) कितने प्रार्थना-पत्र अभी विचार-धीन पड़े हुए हैं और कितने समय से ; और

(ग) देर होने के क्या कारण हैं ?

**प्रतिरक्षा मन्त्रालय में उपमन्त्री (श्री दा० रा० चव्हाण) :** (क) से (ग). सूचना राजस्थान सरकार से इकट्ठी की जा रही है, और जभी प्राप्त हुई लोक-सभा के पटल पर रख दी जाएगी।

**मौसम सम्बन्धी राकेट**

२१४०. श्री श्रीकारलाल बेरवा : क्या प्रधान मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि अंतर्राष्ट्रीय भूभौतिकीय वर्ष योजना के अन्तर्गत मौसम के राकेट छोड़ने की व्यवस्था की जा रही है ;

(ख) यदि हां, तो इस योजना में उस पर कितना खर्च होगा ; और

(ग) ये राकेट कब-कब छोड़े जायेंगे ?

**प्रधान मन्त्री तथा वैदेशिक-कार्य मन्त्री तथा अणु शक्ति मन्त्री (श्री जवाहरलाल नेहरू) :**  
(क) मौसम विज्ञान सम्बन्धी राकेट, जो कि केरल में थुम्बा नामक स्थान पर स्थापित

की जा रही विषुवदीय साउंडिंग राकेट लांचिंग फैमिली से १९६४ में छोड़े जायेंगे, प्राप्त करने के प्रयत्न किये जा रहे हैं। आशा है कि ये राकेट अंतर्राष्ट्रीय शांत सूर्य वर्ष, १९६४ तथा १९६५, में किये जाने वाले अध्ययनों के लिये प्राप्त हो जायेंगे। अंतर्राष्ट्रीय भूभौतिकीय वर्ष १९५८ में समाप्त हुआ।

(ख) क्योंकि इन राकेटों को प्राप्त करने की व्यवस्था अभी पूरी नहीं हुई, इसलिए उन पर होने वाला व्यय मौजूदा अवस्था में बताना सम्भव नहीं।

(ग) मौसम विज्ञान सम्बन्धी पहला राकेट १९६४ के प्रारम्भ में छोड़े जाने की सम्भावना है। १९६४-६५ में समुचित व्यवधानों से सम्भवतः लगभग एक दर्जन राकेट छोड़े जायेंगे।

#### **Toning up of Administration**

2141. **Shri Sham Lal Saraf:** Will the Prime Minister be pleased to state:

(a) the steps taken to tone up the administration in its working and general efficiency, more particularly after the present emergency; and

(b) in what manner the procedural delays have been reduced to the minimum and the disposal of business made quicker?

**The Prime Minister and Minister of External Affairs and Ministry of Atomic Energy (Shri Jawaharlal Nehru):** (a) and (b). Measures for toning up the Administration, improving efficiency for cutting out procedural delays in the disposal of business and effecting economies are continuously being reviewed. Since the onset of the present emergency, particular attention has been paid to certain important matters which have a direct bearing on the defence efforts of the country. A statement, which gives a brief outline of the progress made in this direction is placed on the Table of the House. [Placed in the Library, see No. LT-1186/63.]

**Spurs on River Feni in Tripura**

2142. { Shri P. C. Borooah:  
 Shri Onkarlal Berwa:  
 Shri Bhakt Darshan:  
 Shri Bhagwat Jha Azad:  
 Shri D. C. Sharma:  
 Shri A. N. Vidyalankar:  
 Shri S. N. Chaturvedi:

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that Pakistan has again started constructing spurs on the Indian portion of the Feni river, opposite Sabroom Town in violation of the Indo-Pakistan Agreement of September, 1962; and

(b) if so, Government's reaction thereto?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) and (b). Yes, Sir.

Pakistan has been constructing spurs at various places on the Feni River in violation of the 1959 Agreement between the two Governments. Government are not aware of the Indo-Pakistan Agreement of September, 1962, as stated by hon. Members.

Protests have been lodged by the Tripura Administration with the Government of East Pakistan. Tripura Administration have requested the East Pakistan Government for a meeting at the level of the District Officers of the two sides, for a discussion on the subject of the construction of spurs so that the matter may be resolved and a satisfactory settlement of the problem arrived at, without resort to force. A firm reply from the East Pakistan Government is awaited.

**Radiometric Surveys in Salem District**

2143. **Shri S. Kandappan:** Will the **Prime Minister** be pleased to state:

(a) the details of the 29 radioactive patches that have been brought to light by Radiometric surveys in Salem District (Madras);

(b) the date of commencement of the survey as well as its closing with the total expenditure involved; and

(c) the measures proposed by Government to utilise them?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) The 29 radioactive patches referred to in the question were located in the neighbourhood of Kullampatti in Salem district of Madras State. Sample chemical assays range from 0.016 to 0.45 per cent U308.

(b) The radiometric survey work in these areas was carried out during the field season 1961-62. The expenditure incurred on these investigations cannot separately be assessed as the officers, staff and equipment employed thereon were also engaged on other work in connection with survey and prospecting for atomic minerals in adjoining areas.

(c) The total U308 content of these patches is not large enough to justify their commercial exploitation unless a sufficiently large number of similar patches are found in the neighbourhood.

**Manufacture of Defence Stores**

2144. **Shri Hari Vishnu Kamath:** Will the **Minister of Defence** be pleased to refer to the reply given to Starred Question No. 554 on the 25th March, 1963 and state:

(a) whether orders for the manufacture of military stores have been placed with any of the firms belonging to the group of companies recently castigated by the Vivian Bose Commission;

(b) if so, the reasons therefor; and

(c) the names of the various firms with whom orders have been placed?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) No, Sir.

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

### Progress of Third Plan

**2145. Shri Ramanathan Chettiar:** Will the Minister of Planning be pleased to state the progress achieved in the second year of the Third Plan and whether this progress is in consonance with the expectations?

The Deputy Minister in the Ministry of Labour & Employment and for Planning (Shri C. R. Pattabhi Raman): Planning Commission has requested State Governments/Administrations of Union Territories and Central Ministries to send information for the Annual Progress Report for the second year of the Third Plan by the middle of May 1963. The Report is expected to be ready by August, 1963.

### Trespassing by Pakistanis

**2146.** { Shri C. K. Bhattacharyya:  
Shri N. R. Laskar:

Will the Prime Minister be pleased to state:

(a) whether his attention has been drawn to a P.T.I. Report that 50 Pakistanis trespassed into Latitilla on Karimganj border (Assam) and cultivated a land owned by an Indian cultivator;

(b) whether it is a fact that 250 Pakistanis had trespassed in the same area on the 16th March and obstructed 25 Indian cultivators in their cultivation; and

(c) whether the attention of the Pakistan Government has been drawn to these trespasses and, if so, with what effect?

**The Prime Minister & Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) and (b). Yes, Sir, the incidents, as described, took place at Latitilla in Assam on the 25th and 18th March, 1963 respectively.

(c) The Assam Government have lodged strong protests with the East Pakistan Government. The matter has

also been taken up with the Government of Pakistan at the Central Government level through diplomatic channel.

### Reclamation of Salt Lakes near Calcutta

**2147. Shri H. N. Mukerjee:** Will the Minister of Planning be pleased to state:

(a) whether any progress has been made in the scheme for reclamation of the Salt Lakes near Calcutta; and

(b) if so, the principal elements of such progress?

**The Deputy Minister in the Ministry of Labour and Employment & for Planning (Shri C. R. Pattabhi Raman):** (a) Yes.

(b) An expenditure of Rs. 2.99 crores has already been incurred and the following are principal physical achievements:

- (i) 339 acres of land has been reclaimed;
- (ii) 75 per cent of construction work on the Bagjala Sewage Treatment Plant has been completed and most of the electrical and mechanical equipment has been assembled at site;
- (iii) Township Planning and collection of data regarding soil, settlement, load bearing capacity, etc. in reclaimed area have been undertaken.

### Police Force for Nagaland

**2148.** { Shri P. C. Borooah:  
Shri Yashpal Singh:

Will the Prime Minister be pleased to state:

(a) whether Government have recently sanctioned the constitution of a Police Force for Nagaland;

(b) if so, the strength of the Force sanctioned; and

(c) the recurring expenditure to be involved annually on the maintenance of this Force?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) A small Police Force has been functioning in Nagaland for many years. Recent proposals and sanctions relate to its expansion to meet modern needs.

(b) Two Armed Police Battalions have recently been sanctioned. The expansion of the District Police Organisation has also been agreed to.

(c) Rs. 49,48,000, on the two Armed Police Battalions now to be raised. The expansion of the District Police Organisation is likely to involve annual recurring expenditure of Rs. 8,23,100.

#### **Migration of Santhals from East Pakistan**

**2149. Shri P. C. Borooah:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that about 200 Santhals from Rajshahi district of East Pakistan crossed over to the Indian border in West Dinajpur;

(b) if so, in what circumstances; and

(c) the action taken in this regard?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) The detailed information is that 34 Santhal families comprising a total of 186 persons, residents of the Rajshahi District in East Pakistan, crossed the Indian border, without travel documents into the District of West Dinajpur on 26th March, 1963.

(b) They have stated that the reason for their migration from East Pakistan was their prevention by some members of the East Pakistan Rifles from hunting according to their tribal custom after the Holi celebrations and subsequent threat of insecurity to life and property.

(c) The West Bengal Government have formally brought the incident to the notice of the East Pakistan Government and have requested an immediate inquiry with firm and effective steps for the protection and restoration of confidence amongst the minority community in East Pakistan. The District authorities have accorded relief to the Santhal families wherever necessary.

#### **Mazagon Dock, Ltd.**

**2150. Shri Kolla Venkaiah:** Will the Minister of Defence be pleased to state:

(a) whether any steps were taken during 1962-63 for the improvement of ship repair facilities near-about the yard by Mazagon Dock, Limited;

(b) if so, what;

(c) the total cost involved;

(d) whether there was any improvement in the ship repair work during 1962-63; and

(e) if so, what was the improvement?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) A scheme for the expansion of facilities at this yard has been approved by Government and work on the initial phase has been taken in hand. Although mainly designed to allow heavier new construction, ship repair facilities will also be augmented.

(b) Major work will be the construction of two building slipways and the impounding of the Kasara Basin into a wet basin thus providing additional alongside berths for ship repair work.

(c) The estimated cost of this expansion programme is Rs. 3.5 crores with a foreign exchange component of about Rs. 1.28 crores.

(d) and (e). Yes. The Ship Repair work undertaken during 1962-63

amounted to approximately Rs. 157 lakhs as compared to Rs. 147 lakhs each year, both in 1960-61 and 1961-62.

### New Assignment of Orissa Chief Minister

**2151. Shri Hari Vishnu Kamath:** Will the Prime Minister be pleased to state whether the Chief Minister of Orissa is still on special duty or assignment in the External Affairs Ministry or in any other Ministry in the Central Government?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** Shri Patnaik, Chief Minister of Orissa, continues to assist the Government of India on a part-time basis, in the work connected with the present Emergency. He pays periodical visits to Delhi for this purpose.

### बारूद में 'घूप' का प्रयोग

२१५२. श्री लखमू भवानो: क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि बारूद के लिये 'घूप' आवश्यक है ;

(ख) क्या यह भी सच है कि बस्तर में बहुत मात्रा में 'घूप' उपलब्ध है परन्तु कुछ कारणों से उसके निकाले जान पर पाबन्दी लगा दी गई है ; और

(ग) क्या आपातकालीन आवश्यकता की दृष्टि से उपरोक्त प्रतिबन्ध हटा लेने के लिये कोई कदम उठाने का विचार किया जा रहा है ?

प्रतिरक्षा मन्त्रालय में उपमन्त्री

(श्री बा० रा० चव्हाण) : (क) जी नहीं ।

(ख) और (ग). प्रश्न नहीं उठते ।

### Ex-Servicemen

**2153. Shrimati Renuka Barkataki:** Will the Minister of Defence be pleased to state:

(a) the manner in which the verification of service particulars of ex-Servicemen is done for granting charitable assistance to them;

(b) whether there is any provision for appeal to an independent authority in case of wrongful rejection of applications;

(c) if so, the competent authority to consider such appeals; and

(d) the number of ex-Servicemen getting charitable assistance at present, State-wise?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Verification of service particulars and financial condition of ex-servicemen for grant of financial assistance is generally done on a prescribed form through the agency of the District Soldiers', Sailors' and Airmen's Board of the district in which ex-serviceman resides. In the case of ex-Naval personnel, service particulars are obtained from the Commanding Officer, INS 'ANGRE'. After verification, each case is considered on merits by the authority controlling the fund from which financial assistance is to be given.

(b) and (c). An aggrieved ex-Airman has a right to appeal to the Chief of Air Staff who is the President of the Indian Air Force Benevolent Association. In the case of other Funds from which charitable assistance is made, there is no provision for appeal to any authority. It is, however, open to an aggrieved applicant to submit his representation to the Service Headquarters concerned or the State Soldiers', Sailors' and Airmen's Board concerned, as the case may be.

(d) The complete information is not available. It is being collected and will be laid on the Table of the Lok Sabha when received.

### Air Defence Missions

**2154. Shrimati Renu Chakravartty:** Will the Minister of Defence be pleased to refer to the reply given to Starred Question No. 669 on the 1st April, 1963 and state:

(a) whether the discussion with foreign missions for air defence included the terms and conditions of acquiring the defence material; and

(b) if so, the terms and conditions?

**The Minister of Defence (Shri Y. B. Chavan):** (a) No, Sir. The members of the Air Defence Mission were technical officers and the discussions with them related to only technical and operational matters.

(b) Does not arise.

### Sino-Pak. Agreement to Revive Caravan Routes

**2155. Shri Inder J. Malhotra:** Will the Prime Minister be pleased to state:

(a) whether Pakistan and China have concluded an agreement to revive the old caravan routes which existed between Sinkiang (China) and Pakistan-held territory of Jammu and Kashmir State; and

(b) the repercussions of such improved communication roads on the strategy of Jammu and Kashmir border in the North West?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):**

(a) Government have no authoritative information of any agreement between Pakistan and China to revive the old caravan routes which existed between Sinkiang (China) and Pakistan-held territory of Jammu and Kashmir.

(b) Does not arise.

### Special Talks on A.I.R. regarding Emergency

**2156. Shri Inder J. Malhotra:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that since the emergency the A.I.R. has started

special talks given by politicians and other public men;

(b) if so, the number of such talks broadcast so far and the names, designation and the status in public (political) of the persons who broadcast these special talks; and

(c) the additional expenditure incurred on these special talks?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** (a) Yes, Sir.

(b) The information is being collected from various Stations of A.I.R.

(c) No additional expenditure was incurred as these talks were broadcast in substitution of other programmes.

### Passports to Visit Israel

**2157. Shri Hari Vishnu Kamath:** Will the Prime Minister be pleased to state:

(a) whether Indian citizens who had applied for passports to Israel since 1st April, 1962 have been refused such passports;

(b) if not, the number who had applied during the said period and the number who were granted such passports;

(c) whether Israeli citizens holding valid passports for India were refused visas to India during the said period; and

(d) if not, what the position is?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):**

(a) Applications for passports for Israel as for any other country are considered on merits. It may not always be possible to accept all such requests.

(b) The number of passport applications for Israel and the number who were granted passports is not available with the Ministry as countrywise statistics are not maintained.

(c) and (d). Visa applications from Israelis, as from other foreigners, are considered on merits under the relevant instructions of the Government of India issued from time to time.

### Industrialization of Rural Areas

2158. Shri P. Venkatasubbaiah: Will the Minister of Planning be pleased to state:

(a) whether a study has been made in regard to the industrialisation of rural areas and its impact on farm output; and

(b) if so, the result thereof?

The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman): (a) The Government of India is not aware of any study having been undertaken in regard to industrialisation of rural areas and its impact on farm output.

(b) Does not arise.

### A.I.R. Broadcasts for Laccadives Island

2160. { Shri A. V. Raghavan:  
Shri Pottekkatt:

Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that the people of the Union Territory of Laccadives have no access to any newspapers;

(b) whether the only means of getting news is through weekly broadcasts from the All India Radio, Calicut; and

(c) if so, whether Government propose to introduce daily news broadcasts from Calicut to cater to the needs of the Islanders?

The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath): (a) Yes, Sir.

(b) No, Sir. In addition to the weekly broadcasts, the regional news bulletin in Malayalam is broadcast daily from 1800-1815 hrs. from Kozhikode and it caters to the needs of the residents of Laccadives also. Information regarding ships sailing to and from the Islands is also broadcast from time to time, between 1755 and 1800 hrs.

(c) Does not arise.

### भूतपूर्व सैनिक

२१६१. श्री कछवाय : क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि जो भूतपूर्व सैनिक अन्यत्र काम कर रहे थे और रिजर्व में थे उनको इस शर्त पर वापस बुलाया गया है कि उनको गैर-सरकारी सेवा में जो वेतन मिल रहा है उससे अधिक वेतन दिया जायेगा ;

(ख) यदि हां, तो उपरोक्त आधार पर कितने व्यक्तियों को वेतन मिल रहा है ;

(ग) क्या यह सच है कि कुछ ऐसे व्यक्ति भी हैं जिनको उससे भी कम वेतन मिल रहा है जो कि उन्हें प्राइवेट नौकरी में मिल रहा था ; और

(घ) यदि हां, तो इसके क्या कारण हैं ?

प्रतिरक्षा मंत्री (श्री यशवन्तराव चव्हाण) : (क) जी नहीं ।

(ख) प्रश्न नहीं उठता ।

(ग) जी हां, कुछ हालतों में ।

(घ) ऐसे सेविवर्ग रिजर्व में हैं और उन की सेवा की शर्तों के अनुसार सशस्त्र सेनाओं में सेवा करने के लिए उन्हें पुनः बुलाया जा सकता है । सशस्त्र सेनाओं में उन्हें, नियमों के अधीन उनके लिए निर्धारित, तन्खाह तथा भत्ते मिलते हैं ।

### नक़द पुरस्कार

२१६२. श्री श्रीकारलाल बेरवा : क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकार ने वीरचक्र के स्थान पर नक़द पुरस्कार देने की प्रथा अपनाई है ; और

(ख) यदि हाँ, तो प्रत्येक श्रेणी के अन्तर्गत कितनी नक़द रक़म दी जायेगी ?

प्रतिरक्षा मन्त्रालय में उपमन्त्री (श्री बा० का० चट्टाण) : (क) और (ख) : जी नहीं । शौर्य-पुरस्कारों के बदले में नक़द पुरस्कार देने का कोई मुज़ाव नहीं है । (कमीशंड अफसरों के अतिरिक्त) हर, वीर-चक्र पाने वाले को केन्द्रीय सरकार द्वारा २० रुपये मासिक नक़द भत्ता दिया जाता है । इसके अतिरिक्त हर, वीर-चक्र पाने वाले को, चाहे वह किसी रैंक का हो, उस राज्य द्वारा जिस से उसका संबंध हो, एक एकमुश्त धन राशि अथवा कुछ भूमि प्रदान की जाती है ।

### Recruitment to Army

2163. **Shri Yajnik:** Will the Minister of Defence be pleased to state:

(a) the number of persons recruited in the Army ranks as well as for training as officers from the various States; and

(b) whether special steps have been taken to speed up recruitment in those States where it has been inadequate?

**The Minister of Defence (Shri Y. B. Chavan):** (a) It is not in the public interest to disclose the information on the floor of the House.

(b) As regards officers, special attention is being paid to such States when publicity teams go out to speed up recruitment of suitable candidates for grant of emergency commissions.

In respect of recruitment of Other Ranks, the cooperation of the authorities in the States where recruitment has not been satisfactory, has been sought to improve the intake. Influential ex-officers of the Army/Navy/Air Force and civilian non-officials have been appointed as Honorary Assistant Recruiting Officers and Honorary Extra Assistant Recruiting Officers to help the Recruiting Staff in carrying out recruitment from such States. Recruiting Officers are also carrying out special recruiting drives and holding recruiting rallies to attract suitable material to join the Army.

### Emergency Commission

2164. { **Shri Kapur Singh:**  
**Shri Y. N. Singhia:**  
**Shri Buta Singh:**  
**Shri Yashpal Singh:**

Will the Minister of Defence be pleased to state:

(a) whether during the training period persons recruited for emergency commissions in the Army are not paid any thing;

(b) if so, whether persons who were in Government service previously continue to get the same pay;

(c) if so, the position of the persons who were previously in private firms; and

(d) whether there is any understanding with firms that they should pay to their employees at least during the training period?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Persons selected for emergency commission in the Army are entitled, during the period of training, to free accommodation and messing.

(b) Civil Government servants selected for emergency commissions continue to receive their civil pay and



allowances. A deduction of Rs. 25 p.m. is, however, made from the pay and allowances on account of food expenses.

Service cadets receive pay and allowances of their substantive rank.

(c) Persons selected from the open market are not given any salary as such.

(d) It is understood that some firms are considering this and Government would like to encourage it.

#### Technical Panel for 'Import Substitution'

2165. **Shri Buta Singh:** Will the Minister of **Planning** be pleased to state:

(a) when the technical panel for "import substitution" was formed;

(b) the foreign exchange saving achieved as a result of its recommendation; and

(c) whether Government have decided to dissolve this panel?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) to (c). The Technical Panel on Import Substitution was set up vide Government Resolution No. I & M.-11(2)62 dated 29th August, 1962. The Panel held its first meeting on 17th October, 1962 and set up some Sub-Committee to examine in detail the scope for import substitution in different groups of industries. Since then a state of emergency was declared. The Chairman of the Panel felt that in the new conditions the panel would not be able to continue work in the normal way. His suggestion was accepted and the Panel was dissolved. It did not submit any recommendations.

#### Emergency Commission

{ **Ehri Kapur Singh;**  
2166. { **Shri Buta Singh:**

{ **Shri Y. N. Singha;**  
{ **Shri Yashpal Singh;**  
{ **Shri Gushan;**

Will the Minister of **Defence** be pleased to state:

(a) the class to which persons recently recruited for Emergency Commission are entitled to travel in the railway during the course of their training;

(b) whether they are insisted upon to travel in the class higher than they are entitled to; and

(c) if so, who pays the balance?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):**

(a) Persons recruited for emergency commissions are entitled to travel by 2nd class on warrant for journeys performed during training.

(b) No, Sir.

(c) Does not arise.

#### Land for Ex-Servicemen in NEFA

2167. **Shri N. R. Laskar:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that Government have planned to make land available for ex-servicemen of our country in some parts of NEFA; and

(b) if so, the measures taken so far to make this scheme a success?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). A plan for the resettlement of ex-servicemen on land in the NEFA is under the consideration of the local Administration.

#### Central Projects in Orissa

2168. **Shri Ulaka:** Will the Minister of **Planning** be pleased to state:

(a) the total amount spent so far during the first two Five Year Plans on Central Projects in Orissa;

(b) the details thereof; and

(c) the amount likely to be spent on Central Projects in Orissa during the Third Five Year Plan period?

The Deputy Minister in the Ministry of Labour and Employment and for Planning Shri C. R. Pattabhi Raman): (a) to (c). Information is not available.

#### Monuments in Goa, Daman and Diu

2169. { Shri D. C. Sharma;  
Shri Ram Harkh Yadav:

Will the Prime Minister be pleased to state:

(a) whether any steps have been taken or are proposed to be taken to preserve the monuments in Goa, Daman and Diu; and

(b) if so, the details thereof?

The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru): (a) and (b). The Archaeological Survey of India has carried out an inspection of all monuments, antiquities and sites in Goa to determine their importance as national monuments. The Government of Goa, Daman and Diu have also appointed an Archaeological Committee to recommend measures for the preservation of monuments of historical, architectural and religious value, and to examine the feasibility of extending the Ancient Monuments and Archaeological Sites and Remains Act, 1958, and similar legislation existing in the neighbouring States to the Union Territory. The Committee will also go into the question of the establishment of an Archaeological Museum and an Art Gallery in Goa. The Committee is expected to submit its report within three months.

12.10 hrs

#### PAPER LAID ON THE TABLE

EMPLOYMENT EXCHANGES (COMPULSORY NOTIFICATION OF VACANCIES) AMENDMENT RULES, 1963.

The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman): Sir, I lay on the Table a copy of the Employment Exchanges (Compulsory Notification of Vacancies) Amendment Rules, 1963 published in Notification No. G.S.R. 450 dated the 16th March, 1963 under subsection (3) of section 10 of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959. [Placed in Library. See No. LT-1180/63].

12.10½ hrs.

#### RE: POINT OF PRIVILEGE

Mr. Speaker: Supplementary Demands for Grants (Railways). Shri Swaran Singh.

Shri U. M. Trivedi (Mandsaur): I want to draw your attention to a notice of motion of breach of privilege.

Mr. Speaker: He must have got my consent.

Shri U. M. Trivedi: I was told that immediately after the Question Hour I would have to move it.

Mr. Speaker: Under the rules it can be done only if I give my consent, not if I withhold consent. I will request him to come to me and discuss it.

12.11 hrs.

DEMANDS FOR SUPPLEMENTARY  
GRANTS (RAILWAYS), 1963-64..

The Deputy Minister in the Ministry of Railways (Shri Shahnawaz Khan): Sir, On behalf of Sardar Swaran Singh, I beg to present a statement showing the Supplementary Demands for Grants (Railways) for 1963-64.

12.11½ hrs

## PRESIDENT'S ASSENT TO BILL

Secretary: Sir, I lay on the Table the Marine Insurance Bill, 1963 passed by the Houses of Parliament during the current Session and assented to by the President since a report was last made to the House on the 8th April, 1963.

12.11½ hrs

## ESTIMATES COMMITTEE

## SIXTEENTH REPORT

Shri Dasappa (Bangalore): I beg to present the Sixteenth Report of the Estimates Committee relating to action taken by Government on the recommendations contained in the following Reports of the Estimates Committee (Second Lok Sabha) on the Posts and Telegraphs Department:—

- (i) Hundred and tenth Report on Posts and Telegraphs Directorate;
- (ii) Hundred and eleventh Report on Postal Services and Railway Mail Service;
- (iii) Hundred and twelfth Report on Telecommunications; and
- (iv) Hundred and thirteenth Report on Workshops and Stores Organisations.

12.12 hrs

STATEMENT BY THE MINISTER  
OF SCIENTIFIC RESEARCH  
AND CULTURAL AFFAIRS

Mr. Speaker: Shri Humayun Kabir.

Shri S. M. Banerjee (Kanpur): Shri Humayun Kabir is going to make a statement regarding certain allegations made by Shri Bagri when he is not present. Let it be postponed to some other day so that Shri Bagri may have an opportunity to have his say.

Mr. Speaker: The difficulty is I have been postponing for so many days simply on that account that Shri Bagri may be present. I informed him. We put it here on the Agenda and a special request was made to him and information sent that this statement was to be made today, that he should make it convenient to come to the House, to be present. He has been informed. If the House wants still that we should wait till it pleases him....

Shri S. M. Banerjee: Then it is all right.

The Minister of Scientific Research and Cultural Affairs (Shri Humayun Kabir): During the budget discussions on 23rd March 1963, Shri Mani Ram Bagri raised the issue of corruption against my Ministry and cited as an example what he said was a case of taking undue advantage of my official position as a Minister. According to Shri Bagri, I had obtained battery plates from the National Physical Laboratory without paying for them. He went on to say that the Auditors had in October 1960 objected to this and that he had a photostat copy of the audit objection.

I regret that Shri Bagri made statements that have no substance and are contrary to facts. It is not true that I obtained battery plates from N.P.L. without payment. It is not true that Auditors raised any

objection on that or any other account in respect of me. It is not true that Shri Bagri had a photostat copy of the audit objection, for how can there be a photostat copy of something which does not exist?

‘ What actually happened was that my car had taken some visitors to the National Physical Laboratory but at the time of return would not start because of some defect in the battery. As the car was stranded there, the battery was repaired at the Laboratory which undertakes such repairs for private parties on payment. A bill for full recovery of cost of material and labour charges was sent by the Laboratory on 22nd November, 1960 and payment made by cheque for which a receipt was issued on 13th January, 1961. Since the work was done in October 1960 and payment made well before the end of the financial year, there was and could be no question of any audit objection.

Shri Bagri had obtained a photostat copy of the purchase requisition form and therefore knew, or ought to have known, that this was not an audit objection but merely a memo asking that the cost should be recovered from me. In spite of this, he misled the House by suggesting that this demand for payment was an audit objection for non-payment of dues.

When Shri Bagri took the trouble of securing a photostat copy of this memo, he ought to have known, if he did not know, that payment for the Bill had been made in due course in accordance with normal practice. He should also have known that what the Laboratory did for me was nothing unusual and such urgent and immediate repairs on behalf of private parties on payment are undertaken in the Laboratory as a matter of routine.

I now leave it to the House to judge whether Shri Bagri's remarks

show a proper sense of the responsibility which one has a right to expect from a Member of Parliament.

Mr. Speaker: The statement may be placed on the Table of the House  
.. (Interruptions)

Shri U. M. Trivedi (Mandsaur): The explanation of the hon. Minister may be very correct... (Interruptions.) I have got a right to say that it 'may' be very correct. I cannot say it is correct. It is not for me to judge. The only question is this. Shri Bagri is not inside the House. The House has suspended him. Has notice of this motion been given to him?

Mr. Speaker: Yes. There is only one thing that is worrying me and therefore when Shri Bagri is there I will just ask from him one question that concerns every hon. Member and not Shri Bagri alone. Because I had asked for it, he had sent me the copy of his statement along with the photostat copy that he had. The photostat copy is a copy of the demand made from Mr. Kabir and not of the audit objection. If an hon. Member has got a document in his own hand, it is presumed that he knows what it is. We believe what the hon. Member says; we ought to believe that. Certainly Shri Bagri could be expected to know what he had in his hand; the gentleman who had supplied him that photostat copy must also have told him what it was. If he did not know, then too it was his duty to verify what he was furnishing in the House and telling every hon. Member to believe that it was an audit objection. He must explain when he comes why he gave this impression to the House that it was an audit objection when it was actually a demand note.

Shri Tyagi (Dehra Dun): May I remind you of an old standing convention of Parliaments, not only here but at other places also? Members have surely the liberty to put forward any complaints that they have

[Shri Tyagi]

against any Member of the Treasury Benches or others. But as and when things are explained, as my hon. friend has come out with unequivocal statement denying those things, it is for the Member concerned to withdraw that statement or at least express regret. I wonder if you may be pleased to ask Shri Bagri to make amends after this statement?

**Mr. Speaker:** I want to put at least that one particular question. When I have verified that, then of course I will decide whether I need say anything else.

12.19½ hrs.

**CORRECTION OF ANSWER TO S.Q.  
NO. 654**

**The Deputy Minister in the Ministry of Law (Shri Bibudhendra Mishra):** In answer to a Supplementary Question by Shri Bhakt Darshan in connection with the Starred Question No. 654 relating to the Official Language (Legislative) Commission on the 29th March, 1963, I stated, *inter alia*, that the Presidential Order came in April, 1961 and in June, the Commission was constituted. The Presidential Order was actually issued on the 27th April, 1960 and not April, 1961. The Commission was, however, constituted in June, 1961.

श्री भक्त दर्शन (गढ़वाल) : अध्यक्ष महोदय, मैं ने उस समय जो पूरक प्रश्न पूछा था उस के शब्द ये थे :

“क्या यह सत्य है कि राष्ट्रपति के आदेश के निकलने के बहुत देर बाद इस कमीशन की स्थापना की गई ?”

उस समय माननीय मंत्री जी ने कहा कि देरी नहीं हुई । पर आज वे स्वीकार करते हैं ।

अतः मैं जानना चाहता हूँ कि १४ महीने के बाद इस कमीशन की नियुक्ति करने के क्या कारण हैं ?

**Shri Bibudhendra Mishra:** The reasons are mainly two: the Presidential Order states that the Commission has to consist of experts drawn from the different national languages of India, and therefore the State Governments were also to be consulted in the matter before the Commission could come into being. Secondly, office accommodation also had to be sought for the Commission. These are the two main reasons for which there was a delay of about 13 to 14 months.

**Shri U. M. Trivedi (Mandsaur):** Admit the delay.

**Shri A. P. Jain (Tumkur):** The new explanation of 14 months' delay has made the situation worse.

12.21 hrs.

**ELECTION TO COMMITTEE**

**CENTRAL ADVISORY COMMITTEE FOR  
NATIONAL CADET CORPS**

**The Minister of Defence (Shri Y. B. Chavan):** I beg to move:

“That in pursuance of sub-section (1) (i) of section 12 of the National Cadet Corps Act, 1948, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Central Advisory Committee for the National Cadet Corps for a term of one year commencing from the 1st June, 1963, subject to the other provisions of the said Act and the Rules made thereunder.”

**Mr. Speaker:** The question is:

“That in pursuance of sub-section (1) (i) of section 12 of the National Cadet Corps Act,

1948, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Central Advisory Committee for the National Cadet Corps for a term of one year commencing from the 1st June, 1963, subject to the other provisions of the said Act and the Rules made thereunder."

*The motion was adopted.*

12.22 hrs.

## BUSINESS ADVISORY COMMITTEE

### SIXTEENTH REPORT

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** I beg to move:

"That this House agrees with the Sixteenth Report of the Business Advisory Committee presented to the House on the 20th April, 1963."

**Mr. Speaker:** Motion moved:

"That this House agrees with the Sixteenth Report of the Business Advisory Committee presented to the House on the 20th April, 1963."

**Several Hon. Members** rose—

**Mr. Speaker:** If they want to discuss it, there is a time limit of five minutes that has been laid down in the rules for each Member. **Shri S. M. Banerjee**,

**Shri Hari Vishnu Kamath (Hoshangabad):** Rule 290. The total is half an hour.

**Mr. Speaker:** Yes. It is not for **Shri Banerjee** that I am saying it, but it is for other Members.

**Shri S. M. Banerjee (Kanpur):** My submission is, the time allotted for the

Official Languages Bill is 12 hours and as you have the discretion it may be increased by three hours more. That is one thing. Secondly, we were told that the report of the Vivian Bose Commission is not being discussed or if it is to be discussed, only five hours are being allowed to it. I submit with all humility. . . .

**Mr. Speaker:** Does it come under this?

**Shri S. M. Banerjee:** It is not in this.

**Mr. Speaker:** It is a different question. I will allow him that opportunity. But let us confine the remarks first to the items that are contained in this report.

**Shri S. M. Banerjee:** I want to finish the whole thing.

**Mr. Speaker:** **Shri Kamath.**

**Shri Hari Vishnu Kamath:** **Mr. Speaker,** Sir, I submit for your consideration that the time allocation for all the three items listed in this report is, with all respect, grossly inadequate. I shall refer to these three items only. I will briefly dispose of the last two, first. The Demands for Excess Grants should get at least two hours, and not one hour. Item 2—the Government of Union Territories Bill—was referred to a Joint Committee and it has come back to the House with certain definite changes, important changes, recommended by the Committee. I submit, therefore, that the time allocation should be increased from six hours to at least 10 hours for this Bill.

Then I take up the first item. I am taking it up last. It is a most important item. Unfortunately, the Official Languages Bill has raised a very acute controversy not merely in the House but in the country outside. I would have been happy and the House would have been happy, I am sure, if the Government had thought better of it and referred the Bill for consideration by a Joint

[Shri Hari Vishnu Kamath]

Committee of both the Houses. It could have been discussed in the calm and cool atmosphere of the Committee; it would have been better. . . .

**Mr. Speaker:** That is a different thing.

**Shri Hari Vishnu Kamath:** If that cannot be done, I submit that the time allocation is very, very inadequate. It should be increased from 12 hours to at least 16 hours if not 20 hours.

**Mr. Speaker:** There was a proposal of 15 hours by Shri S. M. Banerjee. Does he agree to that?

**Shri Hari Vishnu Kamath:** No, Sir. I want more than that.

**Shri U. M. Trivedi (Mandsaur):** The time given for Official Languages Bill should be increased at least to 18 hours. It should not be 12 hours, because it is raising a great deal of controversy, and many Members will have to participate in the discussion.

**Dr. L. M. Singhvi (Jodhpur):** One matter which I want to raise and which is not in this report is that, there was a definite assurance given, now that the other matters have been exhausted, . . . .

**Mr. Speaker:** We could dispose of the amendments, the suggestions about the points contained in the report, first.

**Dr. L. M. Singhvi:** In that case, so far as the matters raised in the report are concerned, my submission is this. The Constitution Amendment Bill should certainly receive more time.

**Mr. Speaker:** It is not here in the report. So far as Mr. Kamath's point regarding the Demands for Excess Grants is concerned, I have always got the discretion of allowing 1 hour more. So, he should not worry. If it is required, I will use that discretion.

So far as the Government of Union Territories Bill is concerned, the unanimous decision was that 6 hours would do. There is one difficulty which I must point out. None of his party representatives was present there. We sent special messengers also. The Members were there in the Central Hall.

**Shri Hem Barua (Gauhati):** We were holding our party meeting, Sir.

**Mr. Speaker:** I was just going to say the same words, as Mr. Hem Barua said, that they were holding their party meeting.

**Shri Hari Vishnu Kamath:** It was fixed earlier.

**Mr. Speaker:** If they had fixed that earlier, they should have given intimation to us earlier, so that this might have been adjusted. They did not give us any information. They held their own meeting just at the same time when we were holding this meeting. We did not know about their meeting, while they knew that our meeting was being held.

**Shri Hari Vishnu Kamath:** I thought my colleague, Mr. Dwivedy, had given the intimation, Sir. I am sorry.

**Mr. Speaker:** So far as the Official Languages Bill is concerned, 12 hours have been proposed. We had earlier also in the Business Advisory Committee fixed two days tentatively. Day before yesterday we met and we thought that 12 hours would be enough. A demand has been made that it should be increased to 15 hours, 16 hours or 18 hours.

**Shri Hem Barua:** Mr. Kamath said "if not 20 hours".

**Mr. Speaker:** If it is preceded by "if", we can omit both "if" and "20". We are only left with 12, 15 or 16 hours.

**Shri U. M. Trivedi:** I suggested 18 hours.

**Mr. Speaker:** I would only suggest to the hon. Members that if they agree to 15 hours, I can make that amendment and then also, I can keep one hour with me, if it is really needed at that moment.

**Some Hon. Members:** Yes.

**Mr. Speaker:** With this modification, I will put the motion.

**Shri Hari Vishnu Kamath:** What about the Government of Union Territories Bill?

**Mr. Speaker:** I will request him to give up that demand. I will now put the motion to the vote of the House, with the modification I have suggested already.

The question is:

"That this House agrees with the Sixteenth Report of the Business Advisory Committee presented to the House on the 20th April, 1963, as modified."

*The motion was adopted.*

**Mr. Speaker:** The House will take up further consideration of....

**Shri H. N. Mukerjee** (Calcutta Central): Sir, you had already assured Mr. Banerjee that you would allow him to raise his point about the Vivian Bose Commission's report.

**Mr. Speaker:** I am sorry; Mr. Banerjee.

**Shri S. M. Banerjee:** Sir, previously it was decided that 12 hours would be given to the discussion of the Vivian Bose Commission's report. Even that time was considered less. Now I understand—I speak subject to correction—that only 5 hours are being given and that it should go over to the next session. My submission is that since this matter has engaged the attention of the entire country, the country expects some verdict from Parliament on this matter. Sir, we are

prepared to sit even on Saturday. The entire report should be discussed. Let us sit for another day. I would also request the Minister, through you, Sir, that the report of the Attorney General and Mr. Justice Viswanatha Sastry should be made available to the Members of this House. I am sorry that nothing has been done about it. I have a fear and apprehension that the report is being shelved for the next session.

**Shri Satya Narayan Sinha:** That sub-committee's report has not been received yet. How can it be made available now?

**Dr. L. M. Singhvi:** Sir, an assurance was given repeatedly by the various Ministers of the Government that definite measures will be taken to bring before the House an official resolution in respect of public sector undertakings. In the first instance, the Minister of Parliamentary Affairs said that the Minister of Commerce and Industry would give us a definite indication of the Government's intention to bring forward that resolution for the creation of a Joint Committee.

Sir, the hon. Minister of Commerce and Industry, when he was questioned about this after the discussion on the Demands relating to his Ministry, was unable to give a definite indication of the Government's decision in this matter. We would like to know whether it is going to be shelved and postponed from one session to another, for how long it is going to be done like that and whether it is going to be left in this animated suspense for ever?

**Mr. Speaker:** Could the Minister say something about the Committee on Public Undertakings?

**Shri Satya Narayan Sinha:** I do not know whether my colleague, the Minister of Commerce and Industry said that this thing would come up in this session. I think, unfortunately, I was not present on that occasion. Anyway, I would consult the Government on this point.



**Mr. Speaker:** He may look into it.

**Shri Daji (Indore):** Sir, we would like to know your decision on the point raised by Shri Banerjee.

**Mr. Speaker:** About the discussion on the Vivian Bose Report, I am just going to disclose to the House how we felt when we were discussing this question of allotment of time to this business in the Business Advisory Committee. Of course, we were very much tight with the amount of time available. Therefore, we had thought that—this was the opinion and no decision—the other House shall discuss it threadbare, we also would start the discussion and devote five or six hours that we had left at our disposal and then we might continue this discussion during the next session also, and we might devote more time like that. There was no time that we could find during this session. Therefore it was that we thought that at least six hours we will devote this time and as much in the next session as possible. We also thought that when the other House had also discussed it, the purpose for which the Members wanted this discussion would also be served by our discussing it here for six hours, and if we desire we can spend some more time in the next session. That was the real view.

**Shri H. N. Mukerjee:** I realise that. But my submission is that this matter of the Vivian Bose Commission Report is before the country and after a certain amount of tussle with the Government this House got the advantage of having copies supplied to Members. There has already gone abroad an impression in the country that unconscionable delay is taking place as far as Parliament is concerned in discussing this report which has been there for quite some time. I do not quite understand why you, Sir, as the Speaker of this House, could countenance such ideas as that the other House would have a greater opportunity at least in point of time to discuss this report and that might con-

ceivably be a consideration in getting us to be fobbed off with very much lesser time. I submit in all humility.

**Mr. Speaker:** That was not the intention.

**Shri H. N. Mukerjee:** I wish to make my position clear, and I am sure that is the position of the entire House. This House is the House of the people elected by the people, a House to which alone the Ministers are responsible. This is the House which has not only the prior right constitutionally but also morally, spiritually and psychologically to have the priority of right regarding this kind of thing (*Interruption*). From that point of view, only the other day the Minister for Parliamentary Affairs....

**Mr. Speaker:** My views are already known on this point. I have expressed them so many times. Therefore, I should not be brought in, because I have expressed it so many times here.

**Shri Ranga (Chittoor):** The whole trouble is because of the prior understanding, or whatever it is, that this session should come to an end on the 4th. I do recognise the strength of feeling expressed by my hon. friend, Shri Mukerjee, in regard to this particular matter. I think it is only fair to this House as well as to the country as a whole that we should have that discussion once for all, whether you have it for 8 hours or 12 hours or for 15 hours. I would really beg of you, Sir, to use your good offices with the Government to see, if necessary, that we meet on Monday and complete this discussion so that the country would know what this House feels about this particular matter. Already a very large section of patriotic and morally-minded industrialists have dissociated themselves from this report and from what it contains and also what it connotes by refusing themselves to continue their membership of the Federation of Indian Chambers of Commerce and Industry.

**Shri A. C. Guha** (Barasat): Sir, whatever may be the time given, I do not think the debate should be left unfinished and continued from this session to another session. If there is no time then the debate may not be started. The debate should be concluded in this session if at all taken up.

**Mr. Speaker:** If that is the desire of the House, let me know what the Government has to say.

**Shri Ranga:** Where is the difficulty in sitting for one more day?

**Shri Satya Narayan Sinha:** As you have yourself explained, Sir, the suggestion did not come from the Government. As you know, it was some of our hon. friends from the Opposite side who suggested this. I made my position perfectly clear. So far as Government is concerned, we are committed for 12 hours, but other considerations weighed there.

**Shri Ranga:** What are those considerations? Sit on the 6th and be done with it.

**Mr. Speaker:** Order, order.

**Shri Satya Narayan Sinha:** Unfortunately, my hon. friend was not present there. But a representative of his party was present. He may ask him what happened there and how it happened there.

**Mr. Speaker:** That was a suggestion made by one of the members. Now I am also being accused that I countenance such ideas. That was the only escape we found at that moment.

**Shri Satya Narayan Sinha:** The hon. House must know that it did not come from Government. I made my position perfectly clear, and I am sure, Sir, you will bear me out. The Government did not say that the time for discussion should be curtailed. It was a suggestion made by hon. Members that we may discuss it for 5 or 6 hours in this session and it may be

carried over to the next session. I said, if that suited their convenience, we can do like that and we decided that the House must adjourn on the 4th.

**Shri Ranga:** Why? Is there anything special (*Interruptions*)?

**Shri Satya Narayan Sinha:** Why? It was scheduled like that. If the House wants that the time of 12 hours should be adhered to and we must finish this discussion during this session . . .

**Shri Ranga:** What for?

**Shri Satya Narayan Sinha:** What for? You do not want the discussion? The hon. Member does not follow anything and then goes on commenting.

**Mr. Speaker:** He is only repeating what Professor Ranga said, and then also he objects and asks "What for?".

**Shri Satya Narayan Sinha:** That is the trouble. Even when I agree with him, he says I am disagreeing (*Interruption*).

**Mr. Speaker:** Order, order.

**Shri Satya Narayan Sinha:** So, Sir, we will see. If the House has to sit on Monday, we will sit on Monday also.

**Shri Hari Vishnu Kamath:** By your leave, Sir, may I seek guidance from you on a matter that I raised on Saturday? On Saturday, I brought to your notice a Press report to the effect that the import policy statement was to be made by the Government outside when the House is in session. Has the decision been changed now?

**Mr. Speaker:** That is being done today, I suppose.

**Shri Hari Vishnu Kamath:** In the House?

**Mr. Speaker:** In the House. We will go now to the next item.

**Shri H. N. Mukerjee:** I am sorry to interrupt you, Sir, but the Minister for Parliamentary Affairs, as far as I can make out, said that he was agreeable to the House sitting on Monday.

**Mr. Speaker:** The House shall have 12 hours for this discussion. Whatever ways are there will be looked into, and it would be known to the House whether we will sit on Monday or not.

**Shri H. N. Mukerjee:** We can take a decision here and now.

**Mr. Speaker:** Hon. Members want 12 hours for this discussion. Whether we sit on Monday or take out some business that is already put down, it is their job to find out.

**Shri H. N. Mukerjee:** When in the name of the Deity are we going to find out?

**Mr. Speaker:** This is their job. Why should hon. Members get anxious about it?

**Shri H. N. Mukerjee:** We shall have to find out how long we are to stay in Delhi.

**Shri Satya Narayan Sinha:** I would let the House know tomorrow.

**Shri U. M. Trivedi:** The hon. Minister was saying just now that he was agreeable to our sitting on Monday.

**Mr. Speaker:** If it is necessary he shall have to agree because he has to find out 12 hours.

**Shri U. M. Trivedi:** That is not my submission. What I say is, if he has agreed, where is the question of finding out now?

**Shri Ranga:** We are not quite sure whether he is saying 'yes' or 'no'. He is saying 'yes' and 'no' at one and the same time.

**Mr. Speaker:** Hon. Members desire that they must have 12 hours and

a conclusive discussion on this during this session. That they have been assured. Whether the Government now decides to sit on Monday or whether it takes out some business that is already fixed, it is their job.

**An Hon. Member:** Take the Language Bill out.

**Mr. Speaker:** When he says that he would let the House know tomorrow, where is the harm?

12.39 hrs.

SUPER PROFITS TAX BILL, 1963—  
Contd.

**Mr. Speaker:** The House will now take up further consideration of the following motion moved by Shri Morarji Desai on the 20th April, 1963, namely:—

"That the Bill to impose a special tax on certain companies be taken into consideration."

Out of 3 hours allotted for this Bill 50 minutes have already been taken up and 2 hours and 10 minutes now remain.

**Shri Daji (Indore):** Sir, the Super Profits Tax Bill has now been amended almost beyond recognition, and it is hardly what it was before the present set of amendments were moved. The logic behind this measure, as was stated by the hon. Finance Minister himself, is that up to now our tax structure bears no relation to profits earned. It was to correct this imbalance, a very real imbalance, in our fiscal system that the super-profits tax was brought in. It was estimated to collect some amount, which was a gross under-estimation, and we, from this side of the House, and Members of the other side of the House also, pointed out that the collections would be much higher. Anyway, that is not the important point. The important point was the principle behind the Bill. Following the discussions on the budget, I could see

the almost near-unanimity of support to the Government.

**Shri Ranga (Chittoor):** No, no.

**Shri Daji:** There is near-unanimity, excepting Professor Ranga, who can always be expected to back up big business. That can be taken for granted, and that is why I said "near-unanimity".

**Shri Ranga:** Why do you say even near-unanimity?

**Shri Daji:** Where was the logic or reason of bringing in so many amendments which amount to truncating the Bill beyond recognition and beyond measure? The Finance Minister was bold enough to say, to interrupt my hon. friend, Shrimati Renu Chakravartty, when she was speaking, and say "I shall yield neither to their pressure nor to your pressure." I would have been happy had the Minister stuck to those words. About kerosene, he has given a sort of concession. . . .

**Shri Ranga:** Half-hearted.

**Shri Daji:** It is not only half-hearted but it is a ear-washing concession, and he has justified it by saying, because there was general criticism so he must adjust himself to that. Very good. But even when there is no criticism in the House, why should he adjust himself? To whose criticism has he adjusted himself to this time while making these concessions? the pressure of big business, which is in evidence both inside and outside industry was going to die up. On that, the House, which crowded the issues and which bemoaned as if the whole or minor adjustments and have, by many hon. Members of the House, not only myself but even members of the Congress Party, Members who know something about industry and business, have pleaded only for little. Obviously, it is total succumbing to

and large, said this was a good measure. Now what has come about? I cannot recognize the amended Bill from the original version given to us. It is absolutely a new thing. Because, I can appreciate the concession given to new developing industries. Now I am speaking with great patience; I do not want to make any sweeping statements, though I know the hon. Finance Minister will find some motives, where nothing exists, and will start hitting somebody in order to avoid replying to the main issues. I am not saying that we have to mulct the private sector. Please do not impute such motives straightway. There were some concessions necessary, for example to new and developing industries. I can appreciate that. I even appreciate the one statement made by the hon. Finance Minister that if this measure harms the industrial development of the country, we shall have a second thought on this. That is a statement which is a good one. Having made that statement, what is the further point, particularly in giving that 10 per cent before profit relief? That 10 per cent before profit relief is the edge of the Bill. Now it is a mutilated and truncated measure that has come about; super-profits tax only in name, both from the point of view of tax collection and from the point of view of logic and principle. The logic and principle which were propounded so ably and defended by the hon. Finance Minister while announcing the budget, all that ability and all that defence has now collapsed. And what is the result? It is only a name-sake measure, which is completely devoid of the spirit.

May I point out with what glee that amendment to the Bill has been welcomed by the Calcutta Share Market, Bombay Share Market, this President and that President? There is almost a race for welcoming it. Of course, there is one thing. They will not be satisfied with any concession we could give them, because their whole logic is more and more money.

[Shri Daji]

But, for us, the logic was, as stated by the hon. Finance Minister, the introduction of a correlation in the tax structure so that tax has some relationship to the profit earned, which was till now absent. So, this is a baneful measure, especially when big business is playing ducks and drakes with the whole of our economy. That is the main reason why we are again and again raising the question that the national income rises, productivity rises, return on incomes rises but a fair share does not come to the people or to the exchequer. When this is pointed out and when we extend support to the measure and ask for concessions to the poor, the hon. Finance Minister says that the opposition to the indirect taxes is being whipped up and casts doubts on our *bona fides*. I do not want to enter into a controversy here. We are not opposed to taxes, not even to indirect taxes, but may I pose this question? What does this concession speak of? If I demand a concession on tobacco and kerosene, it is a doubt on my *bona fide* to resist the Chinese aggression. If the Finance Minister volunteers these concessions to big business, what does it speak of? Does the same logic extend to him also? What is the logic of this? I am really sorry to see this, though I do not want to use the same logic, because I know it is an absolutely wrong logic. The logic put forward by the hon. Finance Minister has pained me and hurt me because it is irrelevant. If we start bandying words, then no honest criticism can be made. If I start calling the Government names, or Government spokesmen start calling us names because we criticise the taxation proposals, saying "you do not want to raise revenues; therefore, you are certainly in favour of the Chinese aggression"—such allegations have been made on the floor of the House many a time—then no serious discussion or honest expression of opinion would be possible. Therefore, I say here that the Finance Minister has given in this Bill concessions totalling more than all the

indirect concessions that we have sought for. Therefore, if the same logic is to be applied to the Treasury Benches, shall I say that the Government is not prepared to resist the Chinese aggression with real might?

I glanced through the accounts of certain companies and what I found was quite revealing. I do not want to have any empty tub-thumping. What is the result of my investigation or calculation. The Buckingham and Carnatic Mills would have had to pay Rs. 11 lakhs as super-tax prior to the amendment of the Bill. Now it will be paying only Rs. 3 lakhs. Similarly, Kesavram would have had to pay Rs. 7 lakhs before the amendment; now it will pay nothing. Calico Mills would have had to pay Rs. 55 lakhs; now it need pay only Rs. 37 lakhs. Ambica Mills would have had to pay Rs. 21 lakhs; now it need pay only Rs. 14 lakhs. Birla Jute would have had to pay Rs. 6 lakhs; now it will pay nothing. TELCO would have had to pay Rs. 54 lakhs; now it will pay Rs. 35 lakhs. IISCO would have to pay Rs. 97 lakhs; now it will pay Rs. 36 lakhs. Mahindra and Mahindra would have had to pay Rs. 13 lakhs; now it will pay Rs. 9 lakhs. Texmaco would have had to pay Rs. 4 lakhs; now it will pay nothing. Jai-pur Cement would have had to pay Rs. 24 lakhs; now it will pay Rs. 3 lakhs. Central India Machines would have had to pay Rs. 11 lakhs; now it will pay just Rs. 1 lakh. Hind Motors would have had to pay Rs. 56 lakhs; now it will pay Rs. 32 lakhs. Similarly, India Tubes would have had to pay Rs. 29 lakhs; now it will pay Rs. 13 lakhs. The National Rayon would have had to pay Rs. 10 lakhs; now it will pay Rs. 3 lakhs.

I have just given a sample list. There are many other important companies, many flourishing companies, which under the new scheme, will have to pay nothing at all. This is

the result. If you take a general view, in one case, it is Rs. 1 lakh instead of Rs. 11 lakhs and in another case, Rs. 32 lakhs instead of Rs. 50 lakhs. So, on an average, one can say there is 50 per cent reduction. I am deliberately giving that figure to be on the safe side. Therefore, the result will be that the tax burden will be lessened by at least 50 per cent.

Then, I cannot and I do not understand the extension of the three-year rule to the super-profits tax. What is the point? I can understand what you have done in the case of income-tax in cases where the concerns are losing; there you may allow them to keep some balance. But if the company does not get super-profit for one year, two years or three years, why should it be allowed to adjust it when it earns super-profits?

Then, for the current year, ten per cent deduction is given generally. There is no provision for reserve; all those qualifications are removed. I find another interesting point. Big business has carried out its threat. I will invite the attention of the House to a very interesting fact. The new accounts that are now being published, you will find, are so worked out and manipulated that there will be hardly any super-profits tax liability. The accounts which were published before the taxes were announced and the accounts that are now published—if you examine them, if you scrutinise them, all sorts of book adjustments have been carried out. Even flourishing companies are showing accounts which will leave very little liability to tax. That is another interesting fact. Therefore, I submit to the House,—though it was submitted before, I submit again, that the cry that this is a tax on efficiency is a bogus cry. The profits, though a small portion may be the result of efficiency, by and large are the result of a protected and competitive market and economy which, because of our policies, we give to big business. They have earned these profits at the cost of the people and they cannot call it

as only the result of efficient management. That is wrong.

I was able to read a very interesting article after my speech on the Budget in the *London Economist* which is, certainly not a communist paper, not even a socialist paper, but a very respectable orthodox paper.

**An Hon. Member:** Conservative.

**Shri Daji:** Orthodox.

**Mr. Speaker:** Why contrast that respectability from the first that he has mentioned?

**Shri Daji:** Because the Finance Minister is not a socialist.

**Mr. Speaker:** When he says that, why should he say that?

**Shri Daji:** I am putting it to the Finance Minister.

**Mr. Speaker:** He should put it to me.

**Shri Daji:** Through you to the Finance Minister. The comment in the *London Economist* is revealing.

**Shri D. C. Sharma** (Gurdaspur): Don't think that the socialists are not respectable people. (*Interruption*).

**Shri Daji:** The *Economist* writes under the Title, Iron Chancellor Ji.

Writing under that title Iron Chancellor Ji, the article analyses the Indian Budget and says that the only classes which have reason to rejoice are the millionaires of India who have been let off lightly by the budget imposts of Morarji Desai. This comment has come before the amendment of the super-profits tax. The whole hullaballo created was that in the super profits tax, a revolutionary measure has been introduced, that the economy is going to collapse that here is an instrument of direct taxation which has been used and which will be used effectively. After considering all that, the *Economist's*

[Shri Daji]

comment is this. It further adds, there is no possibility of disincentive to foreign investments because most of the foreign companies are working on margins well above this and they are prepared to pay. The title is very interesting, Iron Chancellor Ji. I find that when we come to the end of the budget, the iron is left only for the indirect imposts on the common people and the Chancellor Ji becomes a chancellor of big business and they get real concessions. With the full steam of the super profits tax, the *London Economist* says that the millionaires of India will be let off with very little by the Finance Minister and they are the only class which can rejoice, because the requirements were so large and they should have expected something more. This truncated measure is beyond recognition. It is this that we oppose. It is here that we join issue with the Finance: not on any other issue. Taxation, certainly there should be. But, in the initial stages, the total scheme of taxation was different. We criticised. More impositions are necessary: that was the tone of the House; that was the mandate of the House. From outside, there was pressure of big business: no; please reduce. The tone of the House has been violated and ignored. The support which we wholeheartedly extended to the Finance Minister has been ignored and the illegal, subtle pressure of the big business houses outside has been honoured and the Government has succumbed.

One last point. I do not understand this. In the whole total scheme of things, one thing that strikes me is this. We are taxing incomes. We are taxing profits. This is as it ought to be, as it should be, though we may have a quarrel with the rate of taxation here and there. Why, during the emergency are we not taxing accumulated wealth? Logic demands that accumulated wealth should be taxed higher during the emergency.

Why this clean bill to accumulated wealth? The same is the case with the Gold control. Future ornaments to be restricted. Accumulated ornaments; carry on with whatever you have accumulated. However you have got, ill-gotten, goodgotten, are allowed. Similarly, good-gotten wealth, ill-gotten, all accumulated wealth left untouched. Future earnings are to be taxed. That seems to be illogical. I think the Finance Minister should extend his arms which are very long and very effective. If he means to use them, they are very effective. He should extend them also to accumulated wealth: iron hand, golden hand, silver hand: different categories, let him extend to accumulated wealth. I think the House would require the Finance Minister to give us an assurance as he has given an assurance to big business that he will examine the working of the Act and if it works hard he will revise. I demand an assurance the other way, that let him assure that after one year at least, after a few months, if he finds that the concessions are not necessary, the concessions shall be withdrawn and the super profits tax which is a just tax shall be imposed.

**Shri Ranga:** Mr. Speaker, what has fallen from the lips of my hon. friend who represents the Communist party justifies the charge that Rajaji has been making that this Government willy-nilly is going the way of the Communists. They have been so happy that this baby....

**Mr. Speaker:** That is why I called the learned Professor to follow the Communists.

**Shri Ranga:** ...the nursing of which has been placed as a charge, according to me, as an unenviable charge in the hands of my hon. Friend Shri Morarji Desai. It is because of this that we are so much opposed to the present Government along with so many other reasons. I agree with my hon. friend that it is true that I

am opposed to this Bill. I shall tell him also and other friends that it is not a lone voice that is opposed to this. It is not we alone in this House who represent the whole country. People there are behind us. Their point of view also has got to be examined.

**An Hon. Member:** Which people?

**Shri Ranga:** If it is only a few thousands of rich people who alone could possibly influence the Finance Minister, then, it would not be democratic India. All these people are there. Behind those who may be rich, lakhs and lakhs of people have invested their money in this corporate sector in the various private and public sector enterprises. Their interests have got to be safeguarded. It is just because of the efforts that are being made by our people to save money and invest it in various industrial concerns and achieve industrial and economic development that during the plan period, the Government has been undertaking, according to me, very great risks and oftentimes unjustifiable risks also, a number of State enterprises. That was the reason why the other day, I drew attention to the fact that quite a large number of these industrial enterprises have become losing concerns. My hon. friend was at pains to show that State enterprises after all, are not all losing. I advisedly said that they were not yielding even one-tenth of the net income that the Government had expected from them according to their plan. That is found to be a fact if they were to compare what they got from these public enterprises with what the Planning Commission had expected to obtain from these concerns. All these industrial concerns have got to be helped. It is in the national interests that they should be helped. It is true, I can leave the main responsibility of answering the points made by my hon. friend to the able Finance Minister himself. But, I wish to say this. My hon. friends, if they were to have their

own way, they would not like to give any place to private enterprise at all.

**Shri Daji:** That is wrong.

13 hrs.

**Shri Ranga:** That is what you are exactly aiming at. You are egging on the Finance Minister and the Congress Government behind him only to go in that direction, (*Interruption*) so that the sooner if not later, in this country, there would not be any place for private enterprise and there would be only nationalised industries managed in that bad way in which they are being managed generally today in that corrupt, inefficient, wasteful manner as they are managed in Soviet Russia as is borne out by themselves and by Khrushchev. We do not want that, and, therefore, we are opposed to this legislation. But my charge against the present Government is this. They should have given sufficient time for this House to refer this Bill to a Select Committee to examine this Bill carefully and properly and to assist this House in amending it suitably. But they have not done that. In fact, they should have taken into consideration long before they published their own bill, the leaders of all the people's enterprises, and small and medium-scale as well as large-scale industries, so that they would have come to the House as well as to the Select Committee fortified with all the viewpoints that would have been placed before them. They should have given an opportunity to the Select Committee to examine the witnesses. But they have set at nought most unfortunately all this democratic procedure, I fear, under the stress of the communist and socialist action that is now being propounded and propelled by some of the members of the Cabinet itself.

In regard to all these amendments, I find that there are about thirty-four of them, and more of them seem to be coming in, and only this morning, two of them have come in the name of the Deputy Minister. We do not have sufficient time and also sufficient ability to study these



[Shri Ranga]

things within the time that is placed at our disposal. All these amendments go to show and prove the correctness of the criticisms that have been made ever since this Bill has been introduced. Government have not given as much response to these criticisms as was expected, but almost everyone of the important criticisms that has been made, has had to be responded to and has had to be acceded to by the Finance Minister. Surely this Bill would have fared much better if Government had followed the democratic procedure which we had suggested earlier.

My hon. friend was talking about the principles. Now, what are the principles? The principle is that there should be a corporate tax. And they have had it. But there has never been this super-profits tax. My Communist friend has been quoting the *London Economist*. There was also another London economist, not a paper but an economist himself, who had actually made a suggestion befitting a genius. But his suggestions were not accepted by the Government in his own country, but they were accepted here by the predecessor of my hon. friend who claims to be a financier, and we know the fate of those suggestions. At that time, we protested against those tax proposals, but he would not listen to any of us because the Prime Minister was very much in love with those proposals. But what has been the fate of the expenditure tax? Government have had to drop it. And what about the fate of the gift tax? It has proved to be more or less a still-born baby. . .

**The Deputy Minister in the Ministry of Finance (Shri B. R. Bhagat):** The gift tax is there.

**Shri Ranga:** It has not been able to yield any appreciable income. On the other hand, it has done a lot of harm to the social aspects of our own economy.

There was also another occasion when there was a gentleman known as Mr. Liaquat Ali Khan. He became the Finance Minister most unfortunately for our country, and when he introduced his budget proposals, the Communist Party was in love with them, and the Socialist Party galore was also in eloquent support for it, and the social economy of this country received almost a death-blow for four years. Our industrialists and our industries reeled under the blows of those proposals. My hon. friends here want our country to go ahead in that way, and of course, they will be able to achieve it when they attain power in this country. But, fortunately for us, we seem to find that the Finance Minister is not in favour of going in that direction, but his Government seems to be much too powerful for him; it may be that he would not agree with me, but I feel that his Government is going that way slowly and steadily.

I find that the ideology and basis of this tax is regressive, and the correlation of the rate of tax and the percentage of profits is unsound in principle and 'inequitable' in its burden. It is opposed to accepted principles of corporation taxation. The tax is an impediment to foreign collaboration. My hon. friend has conceded that point by the concessions that he has made. The tax will particularly hit new companies. And the communists at long last are prepared to give this small mercy for the new companies and the small companies which are unable to build up reserves.

**Shri Morarka (Jhunjhun):** The new companies of which my hon. friend is talking have been exempted.

**Shri Ranga:** Surely, my hon. friend who is an incumbent for something to come is all in favour of it.

**Shri Morarka:** That shows that my hon. friend has not read the amendments tabled.

**Shri Ranga:** The tax will impair the ability of existing industries, repay the loans which they have acquired for expanding their facilities. Government have conceded this particular point also. The tax will adversely affect the new class of *entrepreneurs*, the new companies and the small-scale industries, as these units have been built from savings by persons with moderate means, who have extremely limited resources and are unable to raise increased finance required from institutions or the capital issues market. Banks are particularly hard hit. My hon. friend has already conceded that point. Of course, he has conceded only to some extent. All these concessions are only some small concessions but not acceptance of these principles, and, therefore, in revolt of the concerned principles. In substance and in effect, the proposal amounts to a penal tax on efficiency and economy, as under the same conditions, higher tax rates will apply to the more efficient than to the less efficient units in the same industry.

The tax particularly affects companies which have fluctuating fortunes. Here also, the principle has had to be conceded to by Government. For instance, in the plantation industry, and as has been mentioned, in the jute industry—now, I suppose the coal industry also has been added to it; I speak subject to correction—and also in the coal industry, the same income will be taxed, it is said—and I say that subject to correction, because I have not been able to satisfy myself about the correctness of it—at two or three different corporate stages, leaving hardly two or three or five per cent of the operating companies' profits in the hands of the ultimate shareholders.

I have quoted these objections from a memorandum which has already been placed before my hon. friend the Finance Minister, and, I suppose also, the Prime Minister by a section of our industrialists who have had the moral

courage to protest against the manner in which some of the industrialists had behaved in our country about whom the Vivian Bose Commission's report has been published, and therefore, who have resigned from the Federation of Indian Chambers of Commerce and Industry as a protest against the refusal of....

**The Minister of Finance (Shri Morarji Desai):** Only one or two of them have resigned, not all of them.

**Shri Ranga:** Some of them have resigned.

**Shri Morarji Desai:** Only one or two of them have resigned.

**Shri Ranga:** It may be that two of them have resigned. That stands to their credit. At least two of them have subscribed to this criticism. And I underline that criticism.

Then, according to me, this tax discourages saving even on the part of the ordinary shareholders and the ordinary people too. It absorbs as much as 65 to 75 per cent of the profits. There is a national need now to save and invest in corporate capital, and we must encourage corporate industries. Instead of doing that, Government seems to be too keen on discouraging this channel in which people's savings are to flow, and I do not know with what ulterior motive. I do not know, but it is quite possible that one of the motives or objectives which Government on the whole have in their mind is to discourage the people from going to the corporate industry so that they can all be obliged to go only to Government and governmental institutions for public investment. I say that if that were the motive or the object of Government, then it is a very wrong objective. I hope Government would dissociate themselves from any such idea at all.

I take it that it is not the object of Government to discourage the will to save, the ability to save, and the readiness also with which they can save and the institutions in which these savings can be safely and profitably

[Shri Ranga]

invested by the public. If that be so, then I request my hon. friend to withdraw this Bill. But I know that he is not going to withdraw it. Therefore, he has placed this carrot before our investing public in our country by saying 'I am making an experiment; if it proves to be a failure, if it really comes in the way of development, then I am prepared to withdraw.' This was what Mr. Liaquat Ali Khan also said. And this was also what Shri T. T. Krishnamachari had said in the past. On both occasions, the national economy of our country has suffered terribly. Therefore, it is wrong to make such experiments on our national economy, especially in an emergency like this. It is true that my hon. friend has said that this is the measure specially needed for this emergency, and this has been brought forward as an emergency measure, and, therefore, it need not be treated as a permanent taxation measure. But even in that case, I consider it improper for Government to begin to make such experiments as these because these are likely to have dangerous, costly, wasteful and suicidal effects on our national economy. Therefore, I oppose this Bill.

If you would give me a few minutes more, I would say a few words on one particular clause only so that I need not speak again when it comes up for discussion. On page 12, we have the First Schedule. I would like clause 3 there to be deleted and would make a few points in support of my view. This provision (clause 3 of it) is intended to enable the income tax officer to disallow expenditure on account of commission, entertainment and advertisement which, in his opinion, is excessive, having regard to the circumstances of the case. I am opposed to giving so much discretionary power to the ITOs. Indeed, instead of proving to be a discretion, it may prove to be an onerous responsibility placed on his shoulders, which he may find it very difficult to exercise with justice, *ex hypothesi*. Clause

3 deals with where expenditure is wholly and exclusively incurred for the purpose of business and yet it is not to be deducted in making assessment of super profits tax. This is irrational and unjust. In paragraph 55 of the Finance Minister's speech, he has himself said that it is proposed to disallow expenses on commission, advertisement and entertainment to the extent that there is reason to believe that they are inflated for reducing profits artificially. But the point is, who is to know how much is to be spent in these various directions. Is it the man who is placed in charge of the management of a concern who is prepared to take the responsibility for its losses or its profit or is it the income tax officer who may not know as much as the managing director of that particular concern and who would not be expected to have as much consideration also for the welfare of that concern as the managing director?

**Shri Morarji Desai:** May I say that he will have full chance to explain everything? It is also appealable. Therefore, it is not so.

**Shri Ranga:** The difficulty is that you place these managing directors at the mercy of these people. We are talking all the time of corruption and all the rest of it. When so much discretionary power is vested in the hands of the income tax officer in regard to these very important things which are very essential for the running of industry, it would be difficult thereafter to put down corruption and also to encourage honest managing directors who do not deal in corruption. That is why I would like him to give some consideration to this. I do not know whether he would be willing to do it now. If not now, at least some time later let him give some relief in regard to this particular matter to the industry concerned.

**Shri Heda (Nizamabad):** I will take one or two points from the last two speeches. Shri Ranga said this

is a tax on efficiency and economy. If he looks into the various companies of the two gentlemen whom he referred to, he will find that though the ventures are similar, in one case the company is making good profits while in the other it is not so. So to say that if any company makes huge profits, it is due only to efficiency and economy is not correct. It is due to various factors, availability of raw materials, transport charges etc.

13.15 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

So there are so many factors and it does not necessarily mean efficiency or economy.

Here the principle is quite correct, when the Finance Minister comes forward and charges super profits tax on profits beyond a certain percentage.

I will come to one or two points made by Shri Daji. He was saying that the Bill now has become a truncated Bill and the entire tax is gone. His main burden was that the 10 per cent concession granted to industry for reserves—exempt from SPT—is the sole villain of the piece. If he looks at it without any bias or prejudice, he will find that the Finance Minister has proceeded very intelligently. What is he doing? Is he allowing this money to go into the pockets of the big business or the shareholders or the individual members? No. He is asking them to put this money into the reserves. Through the various powers of Government under the company law these reserves can be channelised so that the money would be put to proper use.

So he has to make a difference, that this amendment has benefited the corporate sector but not the individual members thereof, not the shareholders, not the managing agents, not the members of big business. No money is allowed to go into their pockets. The hon. Member gave a number of instances showing what the SPT would have been under the original provision and how it would be reduced so

much, saying that in many cases the entire SPT is wiped out and in some cases it is cut to 50 or 75 per cent and all that. I am not challenging those figures. I have studied some figures. No doubt, the profits assessable come down and the taxes, SPT come down. But what is the effect? If the tax has been reduced by Rs. 5 lakhs in any company, it means that the company has to put Rs. 10 lakhs into reserves. In other words, had this provision not been there, there would have been ample money for distribution to shareholders and others. But now the Finance Minister has persuaded them—is prompting them—not to distribute the money to the shareholders, but rather put it into a reserve. Thereby he is developing the corporate sector without allowing the individual members, shareholders or partners or managing agents to benefit. This difference he has to make. So this concession goes a long way in contributing to the development of the corporate sector, but in no way does this give any advantage to the individual members of the corporate sector.

Another objection was on the score of the concession granted for adjustment of the super profits tax over a course of years. He could not understand it. The whole point is that there are certain industries whose profits vary according to various conditions beyond their control. In one year they make huge profits and in another they may not, and it is likely that they may incur a loss also. So for this type of companies, this concession was necessary, otherwise, it would have entailed untold difficulties on them, because when they earn they are not able to pool the money and reserve it for losses that they may incur in the subsequent year. So by this concession, the company is enabled to go on. Otherwise, what happens is that when they make a profit in one year, they distribute it—taxes and dividends—and when there is a loss next year, they have to bear the entire loss. Here some effort was made to prevent that. I think it was also a judicious effort. Therefore, this

[Shri Heda]

concession is not wrong or unnecessary.

It is good that Shri Daji has said that he is able to understand the concession granted to new industry. I am glad he has said so. Otherwise, he would have come out with the same criticism about that also. In the case of new industries also, the concession granted appears a very big one, but it is not actually so big. After all, it is not so much. The only difference is that the 6 per cent granted to them is deducted before the corporation tax and not afterwards. In other words, it amounts to about 12 per cent which would be there after the deduction of the corporation tax. This much is the only difference. It is not very much, but it will go a long way to help the new industry. They will have the psychological satisfaction that their case was considered, and that by itself would go a long way.

It would have been very good had the Finance Minister come forward and exempted industries in the small-scale sector.

Small industries have to build themselves very fast, and for that they cannot depend upon resources from other sources. If they had been exempted from super profits tax, that sector would have benefited very much, and the treasury would not have lost much. After all, what is the percentage of the super profits tax that would be coming from them? The total quantum would be very nominal, and the psychological effect would have been very favourable.

I fully support this Bill, and I am very happy that the Finance Minister has come forward with these two concessions. When I spoke on the Budget, I had pleaded that these very concessions might be given to new industries so that they might build themselves up, and as the old companies, particularly those without sizable reserves, would be hard hit, they might be shown some concession and persuaded to make a good reserve. The general feeling in the country was

that the corporate sector had been hard hit. That feeling has gone now, and the corporate sector has gained confidence. Scrips have moved up by 10 to 20 per cent, which shows that the stock exchange has reacted very well and is showing confidence. This buoyancy will no doubt take the industrial development of the country further.

**Shri Morarka:** The super profits tax introduces a new scheme of taxation in our fiscal system. It is new not only to this country, but to the whole world. There is no parallel.

Shri Daji talked about the principle underlying this new measure. The hon. Finance Minister in his Budget speech said:

"In our system of corporate taxation, there is no correlation between the rate of tax and the percentage of profits."

This is the principle underlying this new measure, and I submit that this principle has not been given up at all. The idea of super profits tax has been preserved, only some concession or change here and there has been made.

Shri Daji accused the Finance Minister of succumbing to the pressure of big business. Shri Daji knows, as also the other Members, that pressure from big business was not to have super profits tax at all. Instead, they wanted that the rate of corporation tax or income-tax on companies might be increased by 6 or 8 per cent as the case might be. They were totally opposed to super profits tax. The Finance Minister has not accepted that plea and rightly so, if I may say so with respect. But, the concessions which he has given are, according to me, quite generous and liberal. If the scheme of these people who 'brought pressure' on the Finance Minister had been accepted, the companies making smaller profits would have suffered more, and companies making bigger profits would have suffered less, paid less tax. It would have

been more rigorous compared to the scheme of the super profits tax.

As I said previously in this House, the very justification for this tax is the revenue needs of the country. Today, the entire industrial economy of this country is controlled and managed by these corporations. Unless and until you levy a tax on the corporations, you cannot hope or expect to get any sizable revenue. The question, therefore, was what should be the scheme of taxation of these companies, and I think the scheme enunciated by super profits tax is progressive and rational. It does not tax the companies with big capital but small profits, it taxes more heavily small companies with big profits.

Shri Daji said that the Bill had been changed beyond recognition. Before I come to that, I must, of course, admit that the concessions given by the Finance Minister are quite generous. Even then, I wish to quote with your permission the reaction in the press to these concessions including that of a very responsible paper, the *Hindustan Times*. This is what it said on the 17th after the concessions were announced:

"Financial circles were disappointed over Mr. Morarji Desai's concessions in regard to super profits tax."

"There was particular disappointment that the anticipated increase in the exemption limit from the present 6 per cent to at least 8 per cent did not materialise."

Then it says:

"It was generally felt that the deduction of 10 per cent of the total income from the profits chargeable to SPT was only a minor concession."

Next day the *Hindustan Times* wrote an editorial under the caption "Disappointing", and in that it had something more to say. It said:

"Mr. Desai has been unnecessarily mean in regard to the ceiling of Rs. 60,000 on annual income and perquisites as deductible expenses."

This is a concession, as you will remember, given to foreign technicians, because it was pleaded that it might affect our obtaining technical services. On the one hand Shri Daji says that the Bill is mutilated beyond recognition, and on the other the press says that those concessions are very disappointing, very minor and that they would not meet the needs of industry. I think the truth lies in between the two extremes.

The concessions which the Finance Minister has given can be divided into three categories. The first includes those which were absolutely necessary such as the provision for carrying forward of deficiency, exemption of Rs. 50,000 for the small companies and exemption of intercorporate dividends.

The second category is of concessions which are fair and reasonable. In that category I would include the exemption to the new companies, extending the definition of capital employed, royalties paid to foreigners, contributions made to the National Defence Fund, charitable institutions etc.

The third category, according to me, is where the Finance Minister has been more than generous in giving concessions, and in that I would include the deduction from chargeable profits a sum equal to 10 per cent of the total income before payment of any tax. This is a substantial relief to the companies, there is no doubt about that. The total relief in the actual super profits tax which the companies would get would vary from 30 to 100 per cent. The *Hindustan Times* has quoted four examples, two of new companies and two of old com-

[Shri Morarka]

panies. In the old companies, the relief that can be obtained under the new scheme is 30 per cent in one case would 50 per cent in another. So far as new companies are concerned, it is 84 per cent in one case and 100 per cent in another case. Even after quoting these examples, they have the temerity to say that the concessions are minor and disappointing and that the Finance Minister has been unnecessarily mean.

There are a few amendments in my name and that of my hon. colleague Shri Ravindra Varma, which will be moved at the appropriate time when the clause by clause consideration of the Bill is taken up.

About this ten per cent deduction, there are certain conditions prescribed. These are three conditions, and any one of them must be fulfilled: the amount must be utilised for (1) the repayment of money borrowed or (2) for acquisition of capital assets or (3) payment of dividends to preference shareholders above 6 per cent. It is not necessary that this amount of ten per cent should be utilised in any single year. It could be credited to a fund and that amount can remain there for five years. If they do not utilise it during the period of five years, it becomes taxable in the relevant year. I think it is a very substantial concession and it should allay the fears of the people who were feeling that it would retard the development or stop investments.

We have another amendment standing in our name and that was about the banking companies. I am happy to find that the Government are accepting that amendment because I saw some new amendments given notice of by the hon. Deputy Minister. I find that they go even a step further and are improvement on our amendment. I am grateful to the hon. Minister for that. In the case of banking companies the concessions given are still more. Actually it would

work out to 20 per cent of the gross profits. The Reserve Bank's directive is that each bank must credit 20 per cent of the declared profits to the reserve fund till the reserve fund becomes 6 per cent of its deposits liabilities. I think it is a very substantial concession and the banks should feel quite happy over it. There are fears that they would have to curtail their activities such as branch expansion, etc., have, I think, been allayed.

Sir, I would speak about the remaining few things when we come to clause-by-clause discussion.

**उपाध्यक्ष महोदय :** श्री बेरवा । पांच मिनट में आप खतम कर दें ।

**श्री श्रीकारलाल बेरवा (कोटा) :** हमारी पार्टी में से कोई बोला नहीं है और आप मुझे सिर्फ पांच मिनट दे रहे हैं । बाकी लोगों को आप ने पंद्रह पंद्रह मिनट दिये हैं ।

**उपाध्यक्ष महोदय :** सब को ऐसे ही समय मिला है  
Nobody has taken more than 7-8 minutes. Even the Member from the Communist Party has taken only ten minutes.

**श्री श्रीकारलाल बेरवा :** हम को भी दूसरों की तरह से पंद्रह मिनट मिलने चाहियें । हमारी तरफ से कोई बोला नहीं है ।

**उपाध्यक्ष महोदय :** आप शुरू कीजिये ।  
I have to call the hon. Minister at 1.45.

**श्री श्रीकारलाल बेरवा :** उपाध्यक्ष महोदय, अभी अभी जो भाषण माननीय श्री होमी दाजी ने दिया है, उस से साफ़ ज़ाहिर हो जाता है कि वे चाहते हैं कि यहाँ पर हमारे देश में उद्योग बंधे न चलें और उन का भट्ठा बैठ जाय । वह चाहते हैं कि कम्युनिस्ट चीन सरीखे यहाँ भी सारे उद्योग बंधे सरकार के

हाथ में चले जायें। इस चीज़ को हम नहीं चाहते हैं। हम नहीं चाहते हैं कि सरकार सारे देश में उद्योग धंधों को अपने हाथ में ले ले। हम चाहते हैं कि पैसे का समान वितरण हो। लेकिन उस के साथ साथ हम यह भी चाहते हैं कि सरकार को प्राइवेट सैक्टर की मदद करनी चाहिये। पूँजीपतियों को भी हमारे देश में अनापगनाप पैसा इकट्ठा नहीं करना चाहिये। सरकार का हित जिस में हो, जनता का हित जिस में हो और मजदूरों का हित जिस में हो, वह भी ध्यान रखा जाना चाहिए और इस दृष्टि से उन पर लगाम भी लगनी चाहिये। रेलवे, पोस्ट आफिस वगैरह जैसी भी जोकि इंडस्ट्रीज़ हैं, उन को सरकार को अपने हाथ में ले लेना चाहिये। यदि ऐसा किया जाता है तो यह बड़ी अच्छी चीज़ होगी। सरकार समस्त उद्योगों का राष्ट्रीयकरण करे, यह हम नहीं चाहते हैं।

आप ने जो यह सुपर-प्राफिट टैक्स लगाया है, उस से फायदा कम और नुकसान ज्यादा होने वाला है। इस से देश का औद्योगिक और आर्थिक विकास रुक जायेगा और आर्थिक विकास के रुकने से समस्त विकास कार्यों में बाधा उत्पन्न हो जायेगी। इस से हमारे सुरक्षा के काम भी रुक जायेंगे और विकास कार्य ठप्प हो जायेंगे। आर्थिक विकास के कार्य का गला घूट जायेगा और लोगों में पूँजी लगाने का सत्साह खत्म हो जायेगा। टैक्स को पालिसी वह होनी चाहिये जिस से देश के नए नए उद्योगों को उत्तेजन मिले, उन को प्रोत्साहन मिले। हमारी मिश्रित अर्थ व्यवस्था है। शासन ने भी इसे माना है। इसलिए प्राइवेट सैक्टर की अगर उन्नति होती है तो सरकार का काम भी चलता रह सकता है। अगर यह टैक्स लगाने का आप का हट है तो आप इसे पचास फीसदी की जगह पचास फीसदी और साठ फीसदी की जगह तीस फीसदी कर दें क्योंकि पूँजी पर आम ब्याज सात आठ फीसदी आज मिल ही जाता है। फिर इतना लम्बा अर्सी ला कर और इतना टैक्स

दे कर कौन पूँजी का नुकसान करना चाहेगा। इस से बड़े बड़े, नए नए उद्योगों को ही नुकसान नहीं होगा बल्कि छोटे छोटे जो उद्योग हैं, जो लघु उद्योग हैं, उन को भी काफी नुकसान होगा। मैं तो यहां तक कहूंगा कि बड़े बड़े उद्योगों का नुकसान तो इतना ज्यादा नहीं होगा, हां जो छोटे छोटे उद्योग हैं, वे खत्म हो जायेंगे, लघु उद्योग खत्म हो जायेंगे। इन में नए उद्योग गठन नहीं सकते हैं। आप ने बैंकों सम्बन्धों नए तथा उद्योगों सम्बन्धों जो कर्नलेशन दिए हैं, वे भी तिल के बराबर हैं। आप को जितने कंसेशन देने चाहिये थे, आप ने नहीं दिए हैं।

आप ने कहा है कि यह कर संकटकालीन स्थिति की वजह से लगाया जा रहा है। मैं कहना चाहता हूं कि इस में कोई पॉरियड होता तो मैं मान सकता था कि संकटकालीन स्थिति से निपटने के लिये आप इस कर को लगा रहे हैं। लेकिन आप ने इस में कोई पॉरियड भी तय नहीं किया है कि इतने पॉरियड के लिए आप इस को लगा रहे हैं। चीन तो आया और वापिस चला भी गया। लेकिन यह सुपर प्राफिट टैक्स का संकट आया है और जाने का बिल में कोई रास्ता नहीं दिखता। यह सच है कि एमरजेंसी के आने से यह टैक्स लगाया जा रहा है। लेकिन यह साफ लिखना चाहिए कि एमरजेंसी खत्म होते ही यह टैक्स भी खत्म कर दिया जायेगा। यह तो आप ऐसा कर रहे हैं कि जो मुर्गी सोने के अंडे देती है, उसे हां मारना चाहते हैं, उसे ही खत्म करना चाहते हैं।

आप कहने हैं कि इस सुपर प्राफिट टैक्स से आप को पचास करोड़ रुपये मिलेगा लेकिन मैं कहना चाहता हूं कि इस से कई सैकड़ गुना देश को नुकसान हो जायेगा और सारे उद्योग धंधे खत्म हो जायेंगे और बेकारी बढ़ जायेगी।

अब मैं एक उदाहरण देता हूं। मान लीजिये मेरे पास घर का पूँजी दस लाख रुपये



### [श्री श्रीकारलाल बेरवा]

है और दस लाख रुपये शयर कैपिटल है। तो यह बीस लाख रुपया लगा कर हम ने चालीस लाख का बिजिनेस शुरू किया और चालीस लाख की बिक्री की। उस में से कुल मान लीजिये मुझे दस परसेंट फायदा हुआ क्योंकि इस से कम से तो कोई धंधा करने को तैयार नहीं हो सकता। इस तरह से मुझे चार लाख का फायदा हुआ। अब उस में से कारपोरेशन टैक्स और इनकम टैक्स जो पचास परसेंट है चला गया यानी दो लाख चला गया। अब दो लाख पर मुझ पर सुपर टैक्स मौजूद है जिस में एक लाख आठ हजार छोड़ दिया गया और चालीस हजार रह गए और चालीस हजार का पचास परसेंट यानी बीस बीस हजार सुपर प्राफिट टैक्स हो गया। अब बाकी बचा एक लाख। उस में से साठ परसेंट का साठ हजार टैक्स हो गया। इस तरह से हम ने दो लाख में से अस्सी हजार रुपये टैक्स दिये तो हमें चालीस लाख का धंधा करने पर एक लाख बीस हजार रुपये का फायदा हुआ। आप देखें कि इस धंधे में इस तरह से बारह परसेंट का फायदा हुआ तो क्या यह काफी? जब बाजार में ही बिना किसी झंझट के आठ दस परसेंट मिल जाता है तो इतनी बड़ी पूंजी लगाने और दुनिया भर के झंझट करने को कौन तैयार हो सकता है। इतनी भारी पूंजी फसाने के लिए कौन बिजिनेसमैन तैयार हो सकता है। इन टैक्सों के झंझटों को देखते हुए विदेशी लॉग भी जो पूंजी लगाते थे, उन का दिल दहल जायगा और वे भी अपने हाथ खींच लेंगे और पूंजी लगाना बन्द कर देंगे। देश वालों ने और विदेश वालों ने इन पिछले आठ दस सालों में बड़ी बड़ी फैक्ट्रिज व इंडस्ट्रीज तैयार की हैं, यहां पैसा लगाया है, वह इस आशा से लगाया है कि उन्हें आठ दस साल में पैसा वापस मिल जायगा। लेकिन अब ऐसा नहीं हो पायगा और यह उन के प्रति एक अन्याय होगा। इस का परिणाम यह होगा कि बाहर वाले आप को लाल झंडी दिखा देंगे। मैं जानना चाहता हूँ

कि क्या वित्त मंत्री महोदय ने इस पहलू पर भी विचार किया है कि आप ने जो सारे टैक्स लगाये हैं, कारपोरेशन टैक्स, इनकम टैक्स और यह सफाचट टैक्स यानी सुपर प्राफिट टैक्स इन सब को मिला कर इन लोगों को कितना देना पड़ता है? यह सब मिल कर ११० परसेंट से भी ज्यादा होता है। क्या कम्पनियां ११० परसेंट से भी ज्यादा टैक्स बरदाश्त कर सकेंगी, यह देखना भी हमारे लिए जरूरी है।

हम यह नहीं चाहते हैं कि सरकार सारे धंधे अपने हाथ में ले। हां, हम यह जरूर चाहते हैं कि पैसे का वितरण समान होना चाहिये और प्राइवेट सेक्टर की सरकार को मदद करनी चाहिये।

टैक्स तो काफी लगा दिए गए हैं। लेकिन आप देखें कि हमारा खर्चा भी कम हो। मैं मंत्री महोदय का ध्यान खर्च की तरफ दिलाना चाहता हूँ। वह निरन्तर बढ़ता जा रहा है। जितने ज्यादा टैक्स बढ़ते जा रहे हैं, उतना ज्यादा हमारा खर्च भी बढ़ता जा रहा है, बल्कि उस से कहीं ज्यादा बढ़ता जा रहा है। १९५४-५५ में हमारा खर्चा ७२६ करोड़ था। १९५५-५६ में वह ९८३ करोड़ हो गया, १९५६-६० में १५१६ करोड़, १९६०-५१ में १७१५ करोड़, १९६१-६२ में १८२० करोड़ और १९६३-६४ में १८५२ करोड़ होने जा रहा है। यह खर्च की बढ़ोतरी है। चूंकि हम संकट कालीन स्थिति में से हो कर गुजर रहे हैं और पैसे की हमारे पास कमी है, इस वास्ते हम ने २५६ करोड़ के नए टैक्स लगाये हैं। खर्च की बढ़ोतरी में और इन टैक्सों में कैसे मिलान हो, इस को आप देखें। मेरे कहने का मतलब यह है कि अगर हमारा टैक्सों का रुपया बड़ी बड़ी कम्पनियों की तरफ पड़ा हुआ है और बसूल नहीं हुआ है, तो हम को उसे बसूल करने की कोशिश करनी चाहिये। अगर वह कर लिया जाता है

तो हमें इन टैक्सों को लगाने की आवश्यकता ही नहीं होगी। आप डिफेंस की आड़ लेते हैं। लेकिन उस के लिए तो आप ने सिर्फ ८६७ करोड़ रुपया ही रखा है और वह भी शायद खर्च न हो सकेगा क्योंकि १९६२-६३ में ५०५ करोड़ खर्च हुआ था। हमारी नीति से साफ़ जाहिर है कि हम लड़ना ही नहीं चाहते क्योंकि हम सिर्फ़ कागज़ों की लड़ाई चाहते हैं जो चल रही है और उस कागज़ी लड़ाई में कोई रुपया खर्च नहीं होता है। अभी पाकिस्तान ने चीन को चौदह हजार वर्गमील भूमि हमारी दे दी। उस के लिये हम ने क्या किया? चीन ने २०,००० वर्ग मील भूमि दबा ली, हम ने उस के लिये क्या किया? यह तो लड़ाई का एक हीवा खड़ा कर लिया गया है, जैसे कि एक बार्जिंगर किसी लड़के को जमीन पर लेटा देता है और उस पर लाठ कपड़ा बिछा कर कहता है कि भाइयों, इस की मदद करो तभी इस की जान बचेगी। इस तरह का हीवा सरकार ने खड़ा कर रखा है कि अगर मातृ भूमि की रक्षा करनी है तो पैसा दो, और जनता दिल खोल कर पैसा देती है। लेकिन आज जनता सरकार की तरफ़ देख रही है कि सरकार हमारे खून पसीने की गाढ़ी कमाई के पैसे का क्या करती है। खाली ट्रेनिंग देने या गड़बड़ खोदने से काम नहीं चलेगा। जनता खून का बदला खून से लेना चाहती है और जो गई हुई भूमि है उसे वापस करना चाहती है।

हमारे वित्त मंत्री ने किरोस्तिन आरल पर व अन्ध कारो में करीब १६ करोड़ रु० की कटौती की है, लेकिन उस से गरीब जनता खुश नहीं होगी क्योंकि रिफ़ तेल से ही काम नहीं चल सकता। यह तो टैक्स लगाने की राज्य सरकारों और केन्द्र सरकार में होड़ सी लगी हुई है और इन दो पाटों के बीच में जनता पिसी जा रही है। जब केन्द्र सरकार कर लगाती है तो राज्य सरकार छोड़ती है और जब राज्य सरकार कर लगाती है तो केन्द्र सरकार छोड़ती है। इस तरह से जनता पिसी जा रही है।

अब अगर आप आज्ञा दे तो मैं एक छोटी सी कविता पढ़ कर ही अपना भाषण समाप्त कर दूंगा। वह कविता इस प्रकार है :

“कोई वारंपोरेशन टैक्स व इनकम टैक्स टैक्स वरुफाचट टैक्स लगा दिये,  
पहिले ही दबे हुये चीनी दुश्मन से  
और टैक्सों से दबा दिये।

पड़े पीछे राजाओं के प्रीवी पर्स को बन्द कर दो।

उन्होंने कटौती कर दी है लेकिन मिनिस्ट्रों की तरफ़ भी ध्यान घर दो,

वे सतयुग के राजा थे और ये बलियुग के राजा होते हैं,

उन को दुहाई देते थे और उन को गालियाँ देते हैं।

जैसे जैसे संविधान में संशोधन करते जाते हैं,

उसी तरह धीरे धीरे अपनी इज्जत भी कम करते जाते हैं।

पहले मिनिस्ट्रो की दुनिया फूल माला से स्वागत करती थी,

इनके थोड़े से इशारे पर जी जान से दुनिया मरती थी।

लेकिन जमाना बदल गया ये स्वेक से स्वामी बन बैठे,

दुनिया भी इन की बदल गई जो दोस्त थे दुश्मन बन बैठे।

फूल और मालाओं की जगह ईंट और पत्थर फेंके जाते हैं,

पहले जनता में हंसते हंसते जाते थे अब भगते ही नजर आते हैं।

अगर चाहते हो दुनिया में मोहब्बत तो टैक्सों का बोझा कम कर दो,

और चाहते हो चीन से लड़ना तो फिर देश को आगे कर दो।

तत्कार बिजनेस का बहाना ले कर लाखों सुनार बेकार किये,

[श्री श्रीकार लाल बेरवा]

दुहाई देते थे अम्बर चबू की,  
वह भी न जाने कहाँ फेंक दिये।

असली सोना विकता था उस में  
तावां भिला दिया,

असली घी की जगह हमें नकली  
डालडा खिला दिया।

अरे रोको, उन्हें जो असली में  
मिलावट करते हैं,

लेकिन इन्हें कौन रोक सके,  
जो सोने में तावां धरते हैं।

बापू का नाम लेकर आजादी की  
दुहाई देते हैं,

अफसोस है लेकिन फिर भी  
हिन्दी की बुराई करते हैं।

अंग्रेज गये आज उनको पन्द्रह साल  
हो गये,

लेकिन हिन्दी को अंग्रेजी भाषा कोट पेट  
और अंग्रेजी बाल दे गये।

अगर चाहते हो आजादी तो हिन्दी  
को राज भाषा बनाना होगा,

और अंग्रेजी भाषा के अलावा किसी  
भाषा को सहभाषा बनाना होगा,

अष्टाचारी बढ़ी, बेकारी बढ़ी मोरारजी से  
टैक्सों को हटाया न गया,

नाम है श्री शास्त्री जी इन से भी  
अंग्रेजी को हटाया न गया।

पन्द्रह सालों के बाद में भी अंग्रेजी  
ठूँसी जाती है,

अफसोस है इन मिनिस्ट्रों से  
हिन्दी न सीखी जाती है।

**Mr. Deputy-Speaker:** Shri Subbaraman. Only five minutes.

**Shri Subbaraman (Madurai):** Mr. Deputy-Speaker Sir, I thank you very much for the opportunity given to me to speak on this Bill. The Finance Minister was kind enough to give us

certain concessions after he brought forward this Super Profits Tax Bill. He similarly gave concessions in certain matters regarding the Finance Bill and with respect to the compulsory deposit scheme. During the general discussion of the budget, several representations were made and helpful criticisms and comments were also made. During his reply to those criticisms and comments, the Finance Minister assured us that he would study them without prejudice and to whatever was possible for him. With due regard to all the advice and suggestions given in the House as well as outside it, the Finance Minister came to the conclusion and informed us of certain concessions. It shows he was so responsive to the democratic demands.

His position is very unenviable. He has to find funds for the defence, especially in view of the situation in which we are now placed, when we require huge amounts. At the same time, the developmental schemes should not also be stopped. They should be continued. So, his responsibility is really very great. With all that, he has managed to find funds to meet the situation. If we feel that in certain sections the taxes are higher and are burdensome, it is our responsibility to suggest alternative ways and means. If we do not adopt one thing, we have to adopt another. There is no other way, there is no single other way which is bereft of criticism. Weighing all the things together, he has decided to bring these proposals and give the utmost possible concessions.

On the one side, while we all agree to the proposals, the communists feel and attack that the rebate and concessions which our Finance Minister has given are not at all necessary. On the other hand, certain hon. friends feel that these concessions are not at all sufficient. But our Finance Minister has followed a *via media* and decided in a way so that it can satisfy the

whole House and he can carry on the responsibility which he has undertaken.

The whole thing—the Super Profits Tax Bill as also the other two measures, the Compulsory Deposit Scheme Bill and the Finance Bill—should be viewed against the background of the present emergency. As soon as the Chinese attacked our land, we rose as one man and we were prepared to contribute our utmost. The same spirit should continue. The taxation proposals should not be taken as a burden on us. Everyone, in whatever category or section we are, should be prepared to contribute his utmost. We should never feel that is a burden. The feeling should be, not how much less we should pay; on the other hand, the feeling should be, we should pay to the utmost capacity, and we should be prepared to pay that. So, our Finance Minister has given due consideration to all the representations made in the House and he has been kind enough to accept and do the utmost possible.

With these few words, I finish.

**Shri Morarji Desai:** Mr. Deputy-Speaker, Sir, the Bill which is before this hon. House has been considered at this stage by several hon. Members who have offered their views on the amendments which I had proposed while moving for consideration. I was surprised, though I should not have been to hear the hon. Member **Shri Daji** saying that the Bill has been completely watered down and that I have succumbed to the pressure of the rich and have not been able to please him. He was pleased with the Bill as it was before and therefore, he supported it, he said. Now he thinks that I have done something which deserves a very strong criticism of my behaviour. He tries to use strong language, but when one analyses it, he feels offended. I do not want to attribute any motives to him. Why should I attribute any motives? I am perfectly willing to believe, if he

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agrees that it is not his intention to remove the private sector. I was glad to hear him say that at any rate, because my understanding of their philosophy is that they do not want any private sector.

**Shri Daji:** That was the old philosophy.

**Shri Morarji Desai:** I do not know when the old philosophy will revert again, because so many stands are taken at different times that it is difficult to know which is the real stand; which is the one to mislead and which is the real one to lead, I do not know.

**Shri Daji:** We do not claim to lead.

**Shri Morarji Desai:** You propose to lead every moment, but unfortunately that is not getting successful. That is the difficulty. That is also one of the misleading statements that they do not want to lead. One thing for which I have always given credit to my hon. friends is that they are very sincere in their beliefs.

**Shri Tyagi (Dehra Dun):** Sincere?

**Shri Morarji Desai:** In their beliefs, I said, though their beliefs may be something different. That is a different matter altogether. They are not sincere in the expression of their beliefs, because they want to mislead others. But they are quite sincere and particular in their attempts to change the society. There they are determined and fanatic in his matter, which detracts from virtue. They are also very studious, I grant that.

He reeled out several figures, saying what effects the amendments will have on the different companies. I do not know whether the figures that he has quoted are an approximate estimate of what will happen. It may or may not be right; I cannot immediately say that they are right or wrong, because I have not examined it from that view. But to say that the amendments give up the principle of the Bill or for the matter of that, the substance of the Bill even, would be a complete misrepresentation of the action taken

[Shri Morarji Desai]

by me, and the effects that the Bill would have on the industrial development of this country. If it is granted by my hon. friend, Shri Daji, that the industries in the private sector should exist, I hope he will also grant that they should exist in such a way that they produce results and that they are not throttled. The word he used was "mulet"; he said he did not want to mulct those industries. Therefore, I say that he wants to see that they are not removed. If that is so, it does mean that whatever taxes we may take from them must leave sufficient to them for working the companies and for carrying on the industries. That is all that I have tried to do in the amendments that I have put before the House.

After all what has been done? I have not given up the six per cent that I have fixed in the Bill for the profits at which the super-profits tax will be taken. What I have done is to give them certain deductions. Are those deductions justified or not? That is what has to be seen. If 6 per cent alone is left to any company, then what would happen? Many companies have preference shares for which they pay up to 9 per cent. They will have to pay 9 per cent on preference shares, but they will get only 6 per cent, according to the scheme of the Bill. Then that 3 per cent which will go to the preference shares will go out of the equity shares. That means others will get much less. That was not the intention. Therefore, we have said that there will be a 10 per cent deduction from the gross profits, i.e. before the tax is taken, which will cover this liability, which will also cover the liability of the payment of their debts. Debts means debts which are there for capital expenditure, not for running the industry. That is not what is sought to be paid out of this 10 per cent. But I hope it will be agreed that if debts are incurred for buying capital goods and for building up the industry, they have got to be paid. If they are not

paid, the industries will die out or become bankrupt. So, we have got to provide for that. These are the things which we say they will pay from this and that is why 10 per cent is allowed. We have said, for five years, they will remain as reserves and they would not be utilised for anything else, even for paying more dividends, if it is necessary for them to do so.

My hon. friend cites some London economist. I do not know what he has said, because I have not seen it or read it. He said, he called me "Iron Chancellor" and now he says the word "iron" has gone. If iron has gone from me, he should be happy. If iron has entered in me against him, I do not know what would happen to him. Therefore he should be happy that iron has gone.

**Shri Daji:** I did not say that iron has gone. I said, iron is being kept for the people and Chancellor for the big wigs.

**Shri Morarji Desai:** That is also good, if Chancellor is for the big people, taking more money from them. What is the meaning of Chancellor? Chancellor always takes taxes.

**Shri Daji:** Chancellor means giving reliefs.

**Shri Morarji Desai:** It ought to be seen what reliefs are given. The relief only means this. This relief is only meant to enable them to carry on the industries in a proper manner and in such a manner that they may go on expanding and benefiting the industrial development of this country. That surely is the purpose of this Government, even if it is not the purpose of my hon. friend. His purpose is also development, but in a different manner. But that is a different issue altogether. Surely he does not expect that if my arms are long, strong and efficient enough, they can be attached to his body. They have to be attached only to my body and I can use them not with his brains, but with my brains.

**Shri Daji:** You can borrow that brain.

**Shri Morarji Desai:** I do not want to borrow any brains which are not useful to me.

**Shri Daji:** First borrow and then you will see whether it is useful or not.

**Shri Morarji Desai:** I have sense enough not to borrow wrong things. My hon. friend knows that I am not going to borrow.

It is only my hon. friend Prof. Ranga—he is not present here—who thinks that we are being egged on by the hon. Members of the communist party. But he is entirely wrong. We can be egged on neither by them nor by him nor by anybody else. We are only impelled by the principles in which we believe, by the traditions in which we have been brought up and by our ideal of making this country happy and rich and in a democratic frame. This is the only impelling force which governs. Therefore, let my friend, Prof. Ranga not be worried in any way about me. He thinks that the Government is forcing me, as if I am different from the Government. This is something which is not the act of a friend at all, because if I am doing something in which I do not believe, but because the Government wants me to do it, then I am dishonest, and I do not deserve to be his friend. What good has he of dishonest friends? What good have I of a friend who calls me dishonest? I do not think that is a good thing at all. This is not how friendship can prevail or be extended. I do not think such motives should be attributed or such inferences should be drawn. That does not do any good. We ought not to do that. After all, I may be wrong. He may say that I am wrong in my attitude. He can also say I am also impelled by my Communist friends.

He can say so. I can only say that is not true.

14 hrs.

But, as will be seen from what I have said, the concessions that have been given are given only with a view to remove the evil effects that appeared to me and that would deter the development of the industries and will not help in the industrial development. But they are just as should be given and nothing more. I have not been more liberal than I should have been nor have I been more miserly than I should have been. In the same way, what has to be done has got to be done whether others ask for it or not. But when my hon. friend, Shri Daji said that it was accepted by all people in the House, he was not making a correct representation, not even a near correct representation.

**Shri Daji:** Almost all.

**Shri Morarji Desai:** Not even 'almost'. There are several Members on this side of the House also who had pointed that there will be certain bad effects regarding which action will have to be taken. He himself agrees that it is good to have exempted new companies from the operation of this Bill. If he has done that, then it is on the same lines that other also have been given concessions; otherwise the defects would not have gone. If new companies are to come in and are to flourish, they will do so only if old companies go on; otherwise new companies also won't flourish. But he has a very very curious way and a very subtle way of killing things that he wants to kill while maintaining that they should remain alive. If that is the purpose, I cannot say anything here. He will immediately tell me that I am attributing a motive. But I do not want to say so. I get a suspicion when he says such things. He is a very intelligent person. I cannot say he is not intelligent. He is shrewd enough to know all these implications.

[Shri Morarji Desai]

In spite of that he wants me to believe he is very simple. Well, I think I have sense enough not to commit that mistake.

**Shri Daji:** What all compliments are being paid!

**Shri Morarji Desai:** I pay compliments where they are deserved; but they are both ways.

**Shri Daji:** Back-handed compliments.

**Shri Morarji Desai:** They are not back-handed, they are straight from the shoulder.

My hon. friend, Shri Banerjee, while welcoming the amendments regarding new industrial undertakings also made a mild criticism of something being given more in the matter of other amendments. But what I have said will also be a fitting reply to what he has said. When we have said that we have given them an opportunity for covering the deficiency for the next three years, I do not know what wrong has been done. What is the deficiency that is to be covered? The deficiency is of the 6 per cent interest which they are going to get. If it is less than 6 per cent in one year then it can be carried forward for the next three years. That is all that is given and nothing for the back years. As a matter of fact, in the EPT and other taxes which were there before, they had to be carried even backwards and also forwards. Here we have not said that they can be carried backwards, they can be carried only forwards so that industries do not suffer and they go on prospering with the result that the country goes on prospering with industrial development. That is why this has been done.

Then, my hon. friend, Shri Banerjee quoted Dr. Hazari's report as regards concentration in industry. I do not

know how this arose from this Bill. Yet, as he has referred to these things, I should give him facts about this matter. He made one statement which I could not understand. He said that out of a total of 215 industrial licences issued in 1960-61, 143, or something like that had gone only to a group of six families. He is entirely wrong. I do not know from where he has got these figures.

**Shri Daji:** The Ministry of Commerce and Industry has supplied me and Shri Banerjee a list.

**Shri Morarji Desai:** The licences issued could not have been less than a thousand. In any case, they cannot be 215 at all. Therefore, the figure given for comparison is not a correct figure at all. But, let us, at any rate, look at the two studies. He asked whether it is going to be published. Dr. Hazari has made two studies so far and he is going to make a third study for rounding it off, and he has said that until the third study is also completed these should not be published. The third study has just been completed and the Planning Commission received it only about two or three weeks ago. This will have to be fully considered. After it is considered and a review is taken, I am quite sure these things will be published and my hon. friend will have the full benefit of these things with any commentaries that are necessary to be put on it.

But it is not as if the Government are not aware of the problem of concentration. It is one of the objectives of our industrial policy, as defined by the 1956 Resolution, to prevent private monopolies and concentration of economic power in different fields in the hands of small numbers of individuals. At the same time, we have, as the Resolution itself states, to accelerate the rate of economic growth and speed up industrialisation. In our desire to prevent concentration, we cannot, therefore, ignore the prime necessity of setting

up industrial units which are viable and operate at optimum economic capacity. We cannot break up our targets of production into such small units that each unit operates below optimum, thereby increasing the cost of production and retarding not merely further growth but possibilities of export.

In the licensing of industries, we give preference to new entrants in the field, other things being equal. When suitable application from new entrants are not available, licence is given to those already in the field, since we do not also want to delay the implementation of the programmes set for the private sector. A large number of new entrepreneurs have in fact come on the industrial scene during the last ten years.

We also give special assistance to small industries. Apart from financial assistance through the State Finance Corporation and other agencies, small industries get facilities for hire purchase of machinery from the National Small Industries Corporation. The commercial banks have also been given the facility of obtaining additional funds from the Reserve Bank to the extent that they increase their advances to small industries. There is a credit guarantee scheme operated by the State Bank.

There has been a rapid growth of small industries, and it is often forgotten that half the net output from manufacturing originates in small industries and hand trades. It is also worth mentioning that around 80 per cent of new companies registered every year are companies with a capital of Rs. 10 lakhs or less.

The growth of the public sector itself checks undue concentration of economic power in private hands. To give but one instance: if the development of the steel industry had been entirely in the private sector, a few companies would have acquired

control over another Rs. 600 to Rs. 700 crores of capital investment. But that investment has now been made by Government and therefore the concentration is with Government rather than in private hands.

Shri Hazari's conclusions, in any case, are not so much about concentration in the ownership of wealth as in control of wealth. As regards ownership, there is enough evidence to show that there has been some diffusion in recent years. According to a Reserve Bank study, published in the Reserve Bank Bulletin (December 1960), there has been a tendency for investment in shares to percolate down from the top income groups to middle and lower middle income groups, especially among the salaried classes. The study, which is based on income-tax data, shows that the number of individual shareholders among the salaried classes as a whole increased from 23,274 in 1955-56 to 32,302 in 1958-59—an increase of 39 per cent. Among the salary earners with an income of Rs. 5,000 or less per annum, the number of shareholders had doubled from 2,521 in 1955-56 to 5,144 in 1958-59. The actual number of shareholders in this group may be many times larger. Because, all these people, that is, everyone who has a share claim refund of income-tax, especially in this sector of below Rs. 5,000, does not have to file the tax return and, therefore, the actual number of shareholders in this group may be many times larger.

The question of concentration of wealth, therefore, cannot be answered merely by reference to concentration of control of assets of large-scale industries. The wealth of large industries is only a part of the total wealth of the country. Even in the field of large industry, the concentration will decline with the growth of the public sector and advent of new entrepreneurs in the private sector, which it is Government's policy to encourage. The spread of



[Shri Morarji Desai]

investment habit has already begun and with it will come a diffusion of ownership of industrial wealth. Above all, the rapid and continuing growth of small industries with Government assistance will provide the surest answer to emergence of private monopolies. We should not oppose large-scale industry just because of its size. Modern technology and business methods require large-scale operations in many fields. We have enough power under the Company Law and other legislations to check misuse of economic power which often goes with the scale of industry.

Then, it was argued that we are not touching accumulated wealth. That also is not true. There is the wealth-tax, the rate of which was increased only last year. There is also the estate duty. Therefore, we are taxing the accumulated wealth at two stages. Also, there is the gift-tax. All these take note of the accumulated wealth, and the position is that in several cases—of course, a small number, because the number of very wealthy people in this country is very small—they pay more than 115 or 120 per cent of their actual income in the form of taxes. When they complain that they have to pay out of their wealth. I say that wealth-tax must be paid out of wealth and not out of the current income. That is what I say and that is what is being done by Government in this matter.

But, if the intention of the hon. Member who says that the accumulated wealth should be touched is that all wealth should be taken away, Sir, I am afraid, that is not the policy of this Government, and that is not going to be the policy of this Government. Therefore, it is no use trying to make this criticism all the while. Of course, they are certainly free to make this criticism. But I will be forced to repeat my reply every time. I hope this Bill will be taken into consideration and accepted.

**Mr. Deputy-Speaker:** The question is:

"That the Bill to impose a special tax on certain companies be taken into consideration."

*The motion was adopted.*

**Clause 2—(Definitions)**

**Mr. Deputy-Speaker:** We will now take up clause by clause consideration. On clause 2 there are some amendments.

**Shri V. B. Gandhi (Bombay Central South):** I beg to move:

Page 1,—for lines 16 to 19, substitute—

'(5) "chargeable profits" means the total income of an assessee computed under the Income-tax Act, 1961 for any accounting period falling wholly within the term beginning of the 1st day of October, 1962 and ending on a day six months next after the day the emergency is withdrawn, and adjusted in accordance with the provisions of the First Schedule;' (1).

**The Deputy Minister in the Ministry of Finance (Shrimati Tarkeshwari Sinha):** Sir, I beg to move:

Page 1, line 10, after "due to him" insert "or of the chargeable profits of any other person in respect of which he is assessable or of the amount of refund due to such other person".(8)

This amendment relates to sub-clause (1) of clause 2 of the Bill, which defines the term "assessee". A non-resident company can be assessed to Super-profit's tax either directly or through any person, who has been treated to be its agent under section 163 of the Income-tax Act, 1961. Under that section, a person can be treated to be an agent of the non-resident assessee under certain conditions e.g. where that person is employed by or on behalf of the non-resident or has any business connection with him etc. When a person is

appointed as an agent of a non-resident, he is assessed to tax as an assessee representing the non-resident for all purposes. The proposed amendment seeks to include within the definition of the term "assessee" a person who has been so treated to be an agent of a non-resident company.

Sir, I beg to move:

Page 1, after line 19, insert,—

'(5A) "deficiency" in relation to an assessment year means—

- (i) where there are chargeable profits in respect of the previous year relevant to that assessment year, the amount by which such profits as increased by the sum excluded under clause (xi) or clause (xii), as the case may be, of rule 1 of the First schedule falls short of the standard deduction;
- (ii) where there are no chargeable profits in respect of the previous year relevant to that assessment year, the amount of the standard deduction;' (9)

As stated by the Finance Minister in his speech moving for consideration of the Bill, it is proposed to provide for a relief from the super-profits tax when a deficiency occurs in relation to an assessment year. The proposed amendment seeks to insert a new sub-clause (5A) in clause 2 of the Bill defining the term "deficiency".

In regard to a case where there are chargeable profits, "deficiency" has been defined to mean the amount by which the chargeable profits, before providing for the ten per cent deduction in the case of non-banking companies and the provision for reserves in the case of banking companies, fall short of the standard deduction. As the ten per cent deduction and the provision to reserves do not represent actual

revenue outgoings, they are not taken into consideration in calculating the deficiency.

In regard to a case where the company has no chargeable profits, e.g. where there is a loss, the deficiency will be taken to be the amount of the standard deduction.

Sir, I beg to move:

Page 1, for lines 23 to 29, substitute—

'(8) "standard deduction" means an amount equal to six per cent of the capital of the company as computed in accordance with the provisions of the Second Schedule, or an amount of fifty thousand rupees, whichever is greater:

Provided that where the previous year is longer or shorter than a period of twelve months, the aforesaid amount of six per cent or, as the case may be, of fifty thousand rupees shall be increased or decreased proportionately:' (10).

This amendment seeks to provide that the amount of the standard deduction will be either an amount equal to six per cent of the capital and reserves of a company or an amount of Rs. 50,000, whichever is greater. The purpose of providing an alternative minimum standard deduction is to safeguard small companies or newly-started companies having a small capital base from a high incidence of super-profits tax.

Sir, I beg to move:

Page 2, lines 1 and 2, for "Provided further that where an assessee has different previous years in respect of his income", substitute "Provided further that where a company has different previous years in respect of its income". (11)

[Shrimati Tarkeshwari Sinha]

This is an amendment to the second proviso of the definition of the term "standard deduction" contained in sub-clause (8) of clause 2 of the Bill. The amendment is purely of a drafting nature. It substitutes the word "assessee" by the word "company" and the word "his" by "its".

**Shri V. B. Gandhi:** Mr. Deputy-Speaker, the main object of my amendment is to make it a little simpler and also to make it psychologically a little more acceptable. This is in two parts. In the first part, it is desired that no super-profits tax shall be taken into consideration for accounting periods commencing before 1st October 1962.

The reason for this amendment is quite obvious. After all, the emergency was declared after some time, in October. It should only be rational that we should not collect taxes for a period earlier than October, 1962. The other part of my amendment deals with the duration for which the emergency should be considered to be in effect. What I have tried to provide here is that the duration of the emergency should be considered as lasting for the duration of the emergency period plus 6 months. Psychologically, I think it should be more helpful for the people to know that after all, since this is going to be an emergency measure, it will be kept going only until the emergency lasts and not after. It is quite possible that after some years, on a reconsideration, the Government may feel inclined to want, inclined to continue this super profits tax in one form or another. But, then, the Government is free to come back to this House again and seek fresh approval and continue the super profits tax or a new tax in whichever form they desire. But, I thought that it will be more straightforward and more acceptable to the people in general to have the period of emergency stated clearly in this Bill.

**Mr. Deputy-Speaker:** Do you accept this amendment No. 1?

**Shrimati Tarkeshwari Sinha:** No. I oppose it. I oppose it because of this. The hon. Member pointed out about the fixing of a particular year. As the hon. Member knows, all proposals in the budget for additional taxation are with reference to the income of the entire previous year. There is no anomaly between this proposal and the other taxation proposals. Secondly, he wants that this taxation should not be levied after the emergency period. It is very premature for us at this stage to put any time limit about anything, either about the emergency or the duration of some proposals. This is a matter to be decided in future. The hon. Member must accept the word of the Finance Minister when he categorically said that he does not want to retard the industrial development of this country and if he feels that these proposals are basically retarding the industrial progress of the country and development of the country as a whole, he will see whether any changes are desirable and if so, then he will make them. This is not the stage and the time to propose any such changes or any proposals for withdrawal of this tax.

**Mr. Deputy-Speaker:** Do you press it?

**Shri V. B. Gandhi:** No; I do not press.

*The amendment No. 1 was, by leave, withdrawn.*

**Mr. Deputy-Speaker:** The question is:

(i) Page 1, line 10, after "due to him" insert "or of the chargeable profits of any other person in respect of which he is assessable or of the amount of refund due to such other person". (8).

(ii) Page 1, after line 19, insert—

'(5A) "deficiency in relation to an assessment year means—

(i) where there are chargeable profits in respect of the previous year relevant to that assessment year, the amount by which such profits as increased by the sum excluded under clause (xi) or clause (xii), as the case may be, of rule 1 of the First Schedule falls short of the standard deduction;

(ii) where there are no chargeable profits in respect of the previous year relevant to that assessment year, the amount of the standard deduction;" (9).

(iii) Page 1, for lines 23 to 29, substitute,—

'(8) "Standard deduction" means an amount equal to six per cent. of the capital of the company as computed in accordance with the provisions of the Second Schedule, or an amount of fifty thousand rupees, whichever is greater:

Provided that where the previous year is longer or shorter than a period of twelve months, the aforesaid amount of six per cent. or, as the case may be, of fifty thousand rupees shall be increased or decreased proportionately:' (10).

(iv) Page 2, lines 1 and 2, for "Provided further that where an assessee has different previous years in respect of his income", substitute "Provided further that where a company has different previous years in respect of its income." (11).

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

"That clause 2, as amended, stand part of the Bill".  
Those in favour may say 'Aye'.

**Some Hon. Members:** 'Aye.'

**Mr. Deputy-Speaker:** Those against may say 'No'.

**Some Hon. Members:** No.

**Mr. Deputy-Speaker:** The Ayes have it.

**Shri Daji:** The 'Noes' have it.

**Mr. Deputy-Speaker:** Do you want a division?

**Shri Daji:** Yes. We will take it at 2.30.

**Mr. Deputy-Speaker:** We will take it at 2.30. Clause 3: there are no amendments. The question is:

"That clause 3 stand part of the Bill."

*The motion was adopted.*

*Clause 3 was added to the Bill.*

**Clause 4.— (Charge of tax)**

*Amendment made:*

*Page 2, for clause 4, substitute,—*

"4. Subject to the provisions contained in this Act, there shall be charged on every company for every assessment year commencing on and from the 1st day of April, 1963, a tax (in this Act referred to as the super profits tax) in respect of so much of its chargeable profits of the previous year or previous years, as the case may be, as exceed the standard deduction, at the rate or rates specified in the Third Schedule." (12).

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-Speaker:** The question is:

"That clause 4, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 4, as amended, was added to the Bill.*

**Clause 4A.**—(*Relief on occurrence of deficiency*)

*Amendment made:*

Page 2, after line 33, insert,—

*“Relief on occurrence of deficiency.*—4A. Where there is a deficiency, in relation to any assessment year, the assessee shall be entitled to relief in accordance with the following provisions, namely,—

- (i) the amount of the deficiency shall be carried forward and set off against the net chargeable profits of the assessee assessable for the next following assessment year and, if there are no net chargeable profits for that year or the amount of the deficiency exceeds the net chargeable profits for that year, the whole or the balance of the deficiency, as the case may be, shall be set off against the net chargeable profits of the assessee for the next following assessment year and if and so far as such deficiency cannot be wholly so set off, it shall be set off against the net chargeable profits of the assessee for the next following assessment year;
- (ii) in no case shall the deficiency or any part thereof be carried forward beyond three assessment years immediately following the assessment year to which the deficiency relates;
- (iii) where there is more than one deficiency and each such deficiency relates to a different assessment year, the deficiency which relates to an earlier assessment year shall be set off under clause (i) before setting off the deficiency relating to a later assessment year.

*Explanation.*—In this section and sub-section (1) of section 7, ‘net chargeable profits’ means the amount by which the chargeable profits exceeds the standard deduction.”. (13).

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-Speaker:** The question is:

“That New clause 4A be added to the Bill.”

*The motion was adopted.*

*New Clause 4A was added to the Bill.*

**Clause 5.**—(*Return of income*)

*Amendment made:*

(i) Page 2, for lines 36 to 41, substitute,—

“amount of standard deduction, its principal officer, or where in the case of a non-resident company any person has been treated as its agent under section 163 of the Income-tax Act, such person shall furnish a return of the chargeable profits of the company during the previous year and of the amount of any deficiency available for being set off against such profits under the provisions of this Act, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be”. (14).

(ii) Page 3, for lines 7 to 12, substitute,—

“its principal officer, or where in the case of a non-resident company any person has been treated as its agent under section 163 of the Income-tax Act, upon such person, requiring him to furnish within thirty days from the date of service of the notice a return of the chargeable profits of the company during the previous year and of the amount of any deficiency available for being set off against such profits under the

provisions of this Act, in the prescribed form and varified in the prescribed manner". (15)

—[*Shrimati Tarkeshwari Sinha*]

**Mr. Deputy-Speaker:** The question is:

"That clause 5, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 5, as amended, was added to the Bill.

Clause 6.—(Assessments)

Amendment made:

(i) Page 3, line 29, for "as the Income-tax Officer" substitute "or evidence as the Income-tax Officer". (16).

(ii) Page 3, line 38, after "assessment" insert "or, if there is a deficiency, the amount of that deficiency". (17).

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-Speaker:** The question is:

"That clause 6, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 6, as amended, was added to the Bill.

Clause 7.—(Provisional assessments)

Amendment made:

(i) Page 3, for lines 39 to 41, substitute,—

"7. (1) The Income-tax officer, before proceeding to make an assessment under section 6 (in this section referred to as the regular assessment) may, at any time after the expiry of the period allowed". (18).

(ii) Page 4, after line 5, insert,—

"Provided that in making any such provisional assessment, the Income-tax Officer shall make allowance for any deficiency in relation to any earlier assessment year which under the provisions of this Act is to be set off against the net chargeable profits for the assessment year in respect of which the provisional assessment is being made, and where such deficiency has not been assessed under the provisions of sub-section (2) of section 6, he shall estimate the amount thereof to the best of his judgement." (19)

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-Speaker:** The question is:

"That clause 7, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 7, as amended, was added to the Bill.

Clauses 8 to 10 were added to the Bill.

Clause 11.—(Appeals to the Appellate Assistant Commissioner)

Amendment made:

Page 5, line 40, after "Income-tax Officer" insert "or to the amount of any deficiency as assessed by the Income-tax Officer". (20).

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-Speaker:** The question is:

"That clause 11, as amended, stand part of the Bill."

*The motion was adopted.*

Clause 11, as amended, was added to the Bill.

Clauses 12 and 13 were added to the Bill.

**Clause 14.—(Other amendments)**

**Shrimati Tarkeshwari Sinha:** I move:

(i) Page 8, line 5, after "14" insert "(1)". (21)

(ii) Page 8, after line 14, insert—

"(2) Where at any time before the expiry of the five years referred to in sub-clause (ii) of the proviso to clause (xi) of rule 1 of the First Schedule, a company utilises the amount credited by it to the special reserve account under that sub-clause for a purpose other than—

- (a) repayment of any moneys borrowed or debt incurred by it; or
- (b) acquisition of capital assets in India for the purposes of its business; or
- (c) payment of dividends on its preference share capital of any sum exceeding six per cent. of such capital,

the exclusion or ten per cent. of the amount of total income originally made under clause (xi) of rule 1 of the First Schedule in computing the chargeable profits of the company shall be deemed to have been wrongly made and the Income-tax Officer may, notwithstanding anything contained in this Act, recompute the chargeable profits of the assessee for the relevant previous year and make the necessary amendment, and the provisions of section 13 shall, so far as may be, apply thereto, the period of four years specified in sub-section (1) of that section being reckoned from the end of the previous year in which the amount was so utilised." (22)

**Shri Morarka:** I want to move our amendment No. 38 to Government Amendment No. 22. As the hon. Finance Minister has just now said in his speech, my amendment only carries out the intention that 10 per cent

concession would be utilised for repayment of money borrowed or debt incurred provided that the money borrowed or debt incurred is for acquisition of capital assets and not for the purpose of repaying working capital. I wish to move the amendment with a slight drafting change. It would read like this: I move:

"That in the amendment proposed by Shri Morarji Desai, printed as No. 22 in List No. 3 of amendments,—

for the proposed sub-clause (a) substitute—

"(a) repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets; or". (38).

It will carry out the intention of the hon. Finance Minister as he said in his speech just now.

**Shrimati Tarkeshwari Sinha:** We accept that.

**Mr. Deputy-Speaker:** Please read it.

**Shri Morarka:** "(a) repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets; or".

**Mr. Deputy-Speaker:** The question is:

"That in the amendment proposed by Shri Morarji Desai printed as No. 22 in List No. 3 of amendments,—

for the proposed sub-clause (a), substitute—

"(a) repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets; or" (38).

*The motion was adopted.*

**Mr. Deputy-Speaker:** I am putting to the House amendment No. 22 as amended by No. 38, be accepted. The question is:

Page 8, after line 14, insert—

“(2) Where at any time before the expiry of the five years referred to in sub-clause (ii) of the proviso to clause (xi) of rule 1 of the First Schedule, a company utilises the amount credited by it to the special reserve account under that sub-clause for a purpose other than—

- (a) repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets; or
- (b) acquisition of capital assets in India for the purposes of its business; or
- (c) payment of dividends on its preference share capital of any sum exceeding six per cent. of such capital,

the exclusion of ten per cent. of the amount of total income originally made under clause (xi) of rule 1 of the First Schedule in computing the chargeable profits of the company shall be deemed to have been ‘wrongly made and the Income-tax Officer may, notwithstanding anything contained in this Act, recompute the chargeable profits of the assessee for the relevant previous year and make the necessary amendment, and the provisions of section 13 shall, so far as may be, apply thereto, the period of four years specified in sub-section (1) of that section being reckoned from the end of the previous year in which the amount was so utilised.” (22 as amended by 38).

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

Page 8, line 5, after “14” insert “(1)”. (21).

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

“That clause 14, as amended, stand part of the Bill.”

*The motion was adopted.*

Clause 14, as amended, was added to the Bill.

#### **New Clause 14A**

*Amendment made:*

Page 8, after line 14, insert,—

“Super profits tax deductible in computing distributable income under Act 43 of 1961.—14A. Notwithstanding anything contained in clause (i) of section 109 of the Income-tax Act, in computing the distributable income of a company for the purposes of sections 104 and 105 of that Act, the super profits tax payable by the company for any assessment year shall be deductible from the total income of the company for that assessment year.” (23).

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-Speaker:** The question is:

“That New Clause 14A be added to the Bill.”

*The motion was adopted.*

*New Clause 14A was added to the Bill.*

*Clauses 15 and 16 were added to the Bill*

(*Application of provisions of Act 43 of 1961*)

*Amendment made:*

Page 9, line 38, for “instead of income-tax” substitute “instead of to income-tax and super-tax”. (24).

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-Speaker:** The question is:

“That clause 17, as amended, stand part of the Bill.”

*The motion was adopted.*



Clause 17, as amended, was added to the Bill.

Clause 18 was added to the Bill.

Clause 19. (Failure to deliver returns, etc.)

Amendment made:

Page 10, line 16, for "time any return under section 5" substitute "time any return under sub-section (2) of section 5". (25).

(Shrimati Tarkeshwari Sinha).

Mr. Deputy-Speaker: The question is.

"That clause 19, as amended, stand part of the Bill".

The motion was adopted.

Clause 19, as amended, was added the Bill.

Clauses 20-25 were added to the Bill.

Mr. Deputy-Speaker: Before we take up the first Schedule, we shall finish clause 2 which was held over.

Shri Daji: You can finish it by a voice vote.

Mr. Deputy-Speaker: You do not challenge? Very well. I am now putting to the vote of the House clause 2 as amended by amendments Nos. 8, 9, 10 and 11.

The question is:

"That clause 2, as amended, stand part of the Bill".

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Mr. Deputy-Speaker: We will now take up the First Schedule.

Shrimati Tarkeshwari Sinha: Sir, before you take up the First Schedule, there is one printing error in amendment No. 20 (to clause 11) which has to be corrected. The word should be "Officer" and not "Officers".

Mr. Deputy-Speaker: As regards clerical mistakes and printing mistakes, there are inherent powers to correct them. So that can be done.

### First Schedule

Shrimati Tarkeshwari Sinha: I wish to move amendments Nos. 26, 27, 28 and 29.

Mr. Deputy-Speaker: I take it that Nos. 40 and 41 are also moved.

Shrimati Tarkeshwari Sinha: And No. 42 also.

Shri V. B. Gandhi: I am moving my amendment No. 3.

Sri S. M. Banerjee (Kanpur): As regards amendment No. 42, it has been circulated only an hour before. I would like to submit to you, Sir, that the Minister should take steps to see that amendments are given in advance, so that we can table our amendments to those amendments, if we want. We cannot even read it carefully now.

Mr. Deputy-Speaker: That will be kept in view.

Is Shri V. B. Gandhi moving his amendment No. 6 also?

Shri V. B. Gandhi: No, Sir.

Shri Morarka: I am moving my amendment No. 39.

Mr. Deputy-Speaker: What about amendment No. 36, by Dr. L. M. Singhvi? He is not here. So it is not moved.

Shri Ranga: I hope the voting will be taken up only at 3 o' clock.

Mr. Deputy-Speaker: No. 37 is also by Dr. Singhvi. He is not here. It is not moved.

No. 7 is by Shri Yashpal Singh. He is also not present. It is not moved.

Shrimati Tarkeshwari Sinha: I beg to move:

(i) Page 12, for lines 7 and 8, substitute—

"1. Income, profits and gains and other sums falling within the following clauses shall be excluded from such total income, namely:—". (26)

(ii) Page 12, line 10, for "capital gains" substitute "Capital gains". (27)

(iii) Page 12, after line 13, insert—

"(iv) any income referred to in sub-section (2) of section 41 of the Income Tax Act;

(v) the amount of profits and gains derived from an industrial undertaking or hotel, on which under section 84 of the Income tax Act income-tax is not payable,

(vi) income chargeable under the Income tax Act under the head 'Interest on Securities' derived from any security of the Central Government issued or declared to be income tax free or from any security of a State Government issued income-tax free, the income tax whereon is payable by the State Government;

(vii) any sum in respect of which a deduction of income-tax is allowed under the provisions of section 88 of the Income-tax Act;

(viii) income by way of dividends from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India;

(ix) income by way of royalties received from Government, or a local authority, or any Indian concern;

(x) in the case of a non-resident company which has not made the prescribed arrangements for the declaration and payment of dividends within India, its income by way of any interest or fees for rendering technical services re-

ceived from Government or a local authority or any Indian concern;

(xi) in the case of a company not being a banking company a sum equal to ten per cent of the amount of total income computed under the Income-tax Act, as reduced by the amounts referred to in clause (i) or clause (ii) or clause (iii);

Provided that in the case of a company not being a banking company and not being a licensee within the meaning of the Electricity (Supply) Act, 1948, (54 of 1948) either—

(i) an equivalent amount is spent during the previous year on the repayment of any moneys borrowed or debt incurred by it, or for acquisition of any capital assets in India for the purposes of its business, or for payment of dividends on its preference share capital of any sum exceeding six per cent of such capital; or

(ii) in so far as the amount, if any, spent during the previous year on the purposes aforesaid falls short of the said ten per cent of the total income so reduced, a sum equal to the amount so fallen short is debited by the company to its profit and loss account of the relevant previous year and credited to a special reserve account to be utilised by it during a period of five years next following only for one or more of the purposes specified in sub-clause (i) of this proviso;

*Explanation 1.*—If any amount credited to the special reserve account referred to in sub-clause (ii) of the proviso is utilised for any purposes other than the purposes specified in sub-clause (i) of the proviso, the exclusion referred to in this clause shall

[Shrimati Tarkeshwari Sinha]

be deemed to have been wrongly made for the purposes of this Act and the provisions of sub-section (2) of section 14 shall apply accordingly;

*Explanation 2.*—The proviso shall not apply in making any assessment under this Act for the assessment year commencing on the 1st day of April, 1963;

(xii) in the case of a banking company, any sum credited by it during the previous year to any reserves including reserves not shown as such in its published balance sheet, in so far as the sums credited to such reserves are attributable to income chargeable to tax under the Income tax Act and have not been allowed as a deduction in computing its total income under that Act:

Provided that—

(i) the amount of the aforesaid exclusion shall not exceed the highest of the aggregate sum of such reserves, if any, created during any of the three years prior to the previous year;

(ii) the said exclusion shall not be made unless the banking company produces a certificate from the Reserve Bank of India certifying that the amount of the reserves created by it during the previous year was reasonable having in view the needs of the company's business;

(xiii) the amount of any deduction from the income-tax and super-tax chargeable on the total income allowed under the annual Finance Act in connection with export of any goods or merchandise out of India or the sale by a manufacturer of any articles to any person who exports them out of India." (28)

(iv) Page 12, for lines 14 to 21, substitute,

"2. The balance of the total income arrived at after making the exclusions mentioned in rule 1, shall be reduced by—

(i) the amount of income tax and super tax payable by the company in respect of its total income under the provisions of the Income tax Act after making allowance for any relief, rebate or deduction in respect of income-tax and super-tax to which the company may be entitled under the provisions of the said Act or the annual Finance Act, and after excluding from such amount—

(a) the amount of income-tax and super-tax payable by the company in respect of the profits and gains of any business of life insurance included in the total income;

(b) the amount of income-tax and super-tax payable by the company under the Income-tax act in respect of any income by way of compensation or other payment referred to in clause (ii) of section 28 of that Act included in the total income;

(c) the amount of income-tax and super-tax payable on any income chargeable under the head 'Capital gains' under the Income Tax Act, included in the total income;

(ii) in the case of a company which has been charged to tax in a country outside India on any portion of its income, profits and gains included in its total income as computed under the Income-tax Act, the tax actually paid in respect of such income in the said country in

accordance with the laws in force in that country after allowance of every relief due under the said laws: •

Provided that the aforesaid reduction shall not be allowed unless the assessee produces evidence of the fact of the payment of the aforesaid tax in that country." (29)

**Shri Morarka:** I beg to move:

- (i) That in the amendment proposed by Shri Morarji Desai, printed as No. 28 in List No. 3 of amendments,—

in the proposed sub-rule (xi), to the proviso, omit Explanation 1. (40).

- (ii) That in the amendment proposed by Shri Morarji Desai, printed as No. 28 in List No. 3 of amendments,—

in the proposed sub-rule (xii), omit clause (ii). (41).

**Shrimati Tarkeshwari Sinha:** I beg to move:

That in the amendment proposed by Shri Morarji Desai, printed as No. 28 in List No. 3 of amendments,—

for proposed clause (xii), substitute:—

"(xii) in the case of a banking company—

(a) any sum which during the previous year is transferred by it to a reserve fund under sub-section (1) of section 17 of the Banking Companies Act, 1949 or is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of sub-section (2) of section 11 of that Act, not exceeding the amount required under the aforesaid provisions to be so transferred

or deposited, as the case may be, or

(b) any sum transferred by it during the previous year to any reserves in India including reserves not shown as such in its published balance sheet in so far as the sums transferred to such reserves are attributable to income chargeable to tax under the Income-tax Act and have not been allowed as a deduction in computing its total income under that Act and in so far as the aggregate of such sums does not exceed the highest of the aggregate of such sums, if any, so transferred during any one of the three years prior to the previous year, whichever is higher;" (42)

**Shri V. B. Gandhi:** I beg to move:

Page 12,—

after line 13. insert—

"(iv) profits and gains of newly established industrial undertakings or hotels to the extent to which income-tax and super-tax are not payable on such profits and gains under section 84 and 101 respectively of the Income-tax Act, 1961;

(v) donations for charitable purposes and contributions to the National Defence Fund;

(vi) if the assessee is a company, any dividend received by it from an Indian company subject to the provisions contained in the Fifth Schedule to the Income-tax Act, 1961." (3).

**Shri Morarka:** Sir, as regards my amendment No. 39, I only wish to say that it is a consequential amendment to the one which has already been accepted by the House. I beg to move the amendment with some change, that is, "for acquisition of capital assets" instead of the words "for acquiring capital asset". I will give the copy at the Table, and this small change may be incorporated.

**Mr. Deputy-Speaker:** It has been circulated, I hope.

**Shri Morarka:** My amendment circulated, but.....

**Mr. Deputy-Speaker:** You want to further amend it.

**Shri Morarka:** I want to make a small drafting change.

**Mr. Deputy-Speaker:** While moving the amendment you may read it out in the modified form.

**Shri Daji:** We are not able to follow anything.

**An Hon. Member:** Is the Minister accepting it?

**Shri Morarka:** The amendment is being accepted. It is only consequential.

I beg to move:

That in the amendment proposed by Shri Morarji Desai, printed as No. 28 in List No. 3 of amendments,—

in the proposed sub-rule (xi), for sub-clause (i) of the proviso, substitute—

“(i) an equivalent amount is spent during the previous year on the repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets or on acquisition of any capital assets in India for the purposes of its business or on payment of dividends on its preference share capital of any sum exceeding six per cent. of such capital; or”. (39)

**Mr. Deputy-Speaker:** It is only a verbal change. Are the Government accepting it?

**Shrimati Tarkeshwari Sinha:** We accept those changes.

**Mr. Deputy-Speaker:** So I will not put them to vote.

**Shrimati Tarkeshwari Sinha:** I am accepting only amendment No. 39. I am not accepting No. 40.

**Mr. Deputy-Speaker:** I will now put amendment No. 39, as read out by Shri Morarka.

The question is:

That in the amendment proposed by Shri Morarji Desai, printed as No. 28 in List No. 3 of amendments,—

in the proposed sub-rule (xi), for sub-clause (i) of the proviso, substitute—

“(i) an equivalent amount is spent during the previous year on the repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets or on acquisition of any capital assets in India for the purposes of its business or on payment of dividends on its preference share capital of any sum exceeding six per cent. of such capital; or”. (39)

*The motion was adopted.*

**Mr. Deputy-Speaker:** I will now put amendment No. 28, as amended by amendment No. 39.

**Shri Daji:** We want division on that.

**Shri Morarka:** Sir, on a point of order. When the substantial clause 14 has been accepted, this is only a consequential and incidental amendment in the First Schedule. What will be the position now? Suppose this division is successful and this amendment falls? The hon. Member must realise that he has already accepted the principle, the substantive provision in clause 14. How can he challenge it in the Schedule?

**Shri Tyagi:** Because you have moved it.

**Shri Morarka:** There also I moved it.

**Shri Daji:** In the clause we accepted a principle. In amendment No. 28 we

are working it out. We might not have any objection to the principle, but we might have an objection in the working out.

**Mr. Deputy-Speaker:** The question is:

Page 12, after line 13, insert, —

“(iv) any income referred to in sub-section (2) of section 41 of the Income-tax Act;

(v) the amount of profits and gains derived from an industrial undertaking or hotel, on which under section 84 of the Income-tax Act income-tax is not payable;

(vi) income chargeable under the Income-tax Act under the head ‘Interest on securities’ derived from any security of the Central Government issued or declared to be income-tax free or from any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(vii) any sum in respect of which a deduction of income-tax is allowed under the provisions of section 88 of the Income-tax Act;

(viii) income by way of dividends from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India;

(ix) income by way of royalties received from Government, or a local authority, or any Indian concern;

(x) in the case of a non-resident company which has not made the prescribed arrangements for the declaration and payment of dividends within India, its income by way of any interest or fees for rendering technical services received from Government or a local authority or any Indian concern;

(xi) in the case of a company not being a banking company, a sum equal to ten per cent. of the

amount of total income computed under the Income-tax Act, as reduced by the amounts referred to in clause (i) or clause (ii) or clause (iii):

Provided that in the case of a company not being a banking company and not being a licensee within the meaning of the Electricity (Supply) Act, 1948, (54 of 1948) either—

(i) an equivalent amount is spent during the previous year on the repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets or on acquisition of any capital assets in India for the purposes of its business or on payment of dividends on its preference share capital of any sum exceeding six per cent. of such capital; or”

(ii) in so far as the amount, if any spent during the previous year on the purposes aforesaid falls short of the said ten per cent. of the total income so reduced, a sum equal to the amount so fallen short is debited by the company to its profit-and-loss account of the relevant previous year and credited to a special reserve account to be utilized by it during a period of five years next following only for one or more of the purposes specified in sub-clause (i) of this proviso;

*Explanation 1.*—If any amount credited to the special reserve account referred to in sub-clause (ii) of the proviso is utilized for any purposes other than the purposes specified in sub-clause (i) of the proviso, the exclusion referred to in this clause shall be deemed to have been wrongly made for the purposes of this Act and the provisions of sub-section (2) of section 14 shall apply accordingly.

[Mr. Deputy Speaker]

*Explanation 2.*—The proviso shall not apply in making any assessment under this Act for the assessment year commencing on the 1st day of April, 1963;

(xii) in the case of a banking company, any sum credited by it during the previous year to any reserves including reserves not shown as such in its published balance sheet, in so far as the sums credited to such reserves are attributable to income chargeable to tax under the Income-tax Act and have not been allowed as a deduction in computing its total income under that Act:

Provided that—

(i) the amount of the aforesaid exclusion shall not exceed the highest of the aggregate sum of such reserves, if any created during any of the three years prior to the previous year;

(ii) the said exclusion shall not be made unless the banking company produces a certificate from the Reserve Bank of India certifying that the amount of the reserves created by it during the previous year was reasonable having in view the needs of the company's business;

(xiii) the amount of any deduction from the income-tax and super-tax chargeable on the total income allowed under the annual Finance Act in connection with export of any goods or merchandise out of India or the sale by a manufacturer of any articles to any person who exports them out of India." (28 as amended by 39).

Let the lobbies be cleared.

The Lok Sabha divided:

## Division No. 10

Akkammatt Devi, Shrimati  
Alva, Shri A.S.  
Aney, Dr. M.S.  
Ankineedu, Shri  
Arunachalam, Shri  
Babunath Singh, Shri  
Balmiki, Shri  
Basappa, Shri  
Bhanja Deo, Shri L.N.  
Bhargava, Shri M.B.  
Bhattacharyya, Shri C.K.  
Bist, Shri J.B.S.  
Borooh, Shri P.C.  
Brajeshwar Prasad, Shri  
Chanda, Shrimati Jyotsna  
Chaudhuri, Shri D.S.  
Chaudhuri, Shrimati Kamala  
Dasappa, Shri  
Desai, Shri Morarji  
Dhuleshwar Meena, Shri  
Deghe, Shri  
Dewivedi, Shri M.L.  
Gajraj Singh Rao, Shri  
Gandhi, Shri V.B.  
Heda, Shri  
Hem Raj, Shri  
Jedhe, Shri  
Jyotishi, Shri J.P.  
Karuthiruman, Shri  
Krishna, Shri M.R.

## AYES

Kurreel, Shri B.N.  
Lakshmikanthamma, Shrimati  
Mahishi, Shrimati Sarojini  
Mansaen, Shri  
Mandal, Dr. P.  
Mandal, Shri Yamuna Prasad  
Maniyangadan, Shri  
Mehta, Shri Jashvant  
Mishra, Shri Bibhuti  
Misra, Shri Mahesh Dutta  
Morarka, Shri  
Mukane, Shri  
Muthiah, Shri  
Naidu, Shri V.G.  
Pandy, Shri R.S.  
Paramasivan, Shri  
Patel, Shri Man Singh P.  
Patel, Shri P.R.  
Patil, Shri D.S.  
Patil, Shri M.B.  
Patil, Shri S.B.  
Pillai, Shri Nataraja  
Pratap Singh, Shri  
Raju, Shri D.B.  
Ram, Shri T.  
Rananjai Singh, Shri  
Rane, Shri  
Ray, Shrimati Renuka  
Reddiar, Shri

14.42 hrs.

Sahu, Dr. S.K.  
Sahu, Shri Rameshwar  
Satyabhama Devi, Shrimati  
Shankaraiya Shri  
Sharma, Shri A.P.  
Shinde, Shri  
Shidhanappa, Shri  
Siddiah, Shri  
Siddheshwar Prasad, Shri  
Singh, Shri D.N.  
Singha, Shri G.K.  
Sinha, Shrimati Ramdulari  
Sinha, Shrimati Tarkeshwari  
Sonavane, Shri  
Subbaraman, Shri.  
Subramanyam, Shri T.  
Swamy, Shri M.P.  
Tantia, Shri Rameshwar  
Thimmaiah, Shri  
Tiworthy, Shri R.S.  
Tyagi, Shri  
Uikey, Shri  
Varma, Shri Ravindra  
Venkatasubbiah, Shri P.  
Virbhadra Singh, Shri  
Vyasa, Shri Radhelal  
Wadiwa, Shri  
Yadab, Shri N.P.  
Yadava, Shri B.P.

## NOES

Banerjee, Shri S.M.  
Chakravartty, Shrimati Renu  
Daji, Shri  
Kakkar, Shri Gauri Shankar

Kar, Shri Prabhat  
Marandi, Shri  
Murmu, Shri Sarkar  
Nair, Shri Vasudevan

Swamy, Shri M.N.  
Utiya, Shri  
Warior, Shri

**Mr. Deputy-Speaker:** The result of the Division is: Ayes—88; Noes—11.

*The motion was adopted.*

**Mr. Deputy-Speaker:** Now, I come to the other amendments. Is Shri V. B. Gandhi pressing his amendment No. 3 to vote?

**Shri V. B. Gandhi:** I beg leave of the House to withdraw it.

*The amendment No. 5 was, by leave, withdrawn.*

**Shrimati Tarkeshwari Sinha:** There is another correction that has to be made in amendment No. 28. It is again a printing mistake. In item (v), in the third line of the item as shown in the printed list of amendments, the word which appears is 'in'. The actual word that should be there is 'is' and not 'in'. It has been printed wrongly.

**Mr. Deputy-Speaker:** Printing mistakes can be corrected later on.

**Shrimati Tarkeshwari Sinha:** But it is my duty to point them out to you.

**Mr. Deputy-Speaker:** It is not necessary to put it to the House.

**Shri Prabhat Kar:** If you send it to the press they will correct it.

**Shri S. M. Banerjee:** We should have our own press.

**Mr. Deputy-Speaker:** I shall now put the other Government amendments to vote, namely amendments Nos. 26, 27, 29 and 42.

The question is:

(i) Page 12, for lines 7 and 8 substitute:—

"1. Income, profits and gains and other sums falling within the following clauses shall be excluded from such total income, namely:—". (26)

(ii) Page 12, line 10, for "capital gains" substitute "Capital gains". (27)

(iii) Page 12, for lines 14 to 21, substitute:

"2. The balance of the total income arrived at after making the exclusions mentioned in rule 1, shall be reduced by—

(i) the amount of income-tax and super-tax payable by the company in respect of its total income under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax and super-tax to which the company may be entitled under the provision of the said Act or the annual Finance Act, and after excluding from such amount—

(a) the amount of income-tax and super-tax payable by the company in respect of the profits and gains of any business of life insurance included in the total income;

(b) the amount of income-tax and super-tax payable by the company under the Income-tax Act in respect of any income by way of compensation or other payment referred to in clause (ii) of section 28 of that Act included in the total income;

(c) the amount of income-tax and super-tax payable on any income chargeable under the head 'Capital gains' under the Income-tax Act, included in the total income;

(ii) in the case of a company which has been charged to tax in a country outside India on any portion of its income, profits and gains included in



[Mr. Deputy-Speaker]

its total income as computed under the Income-tax Act the tax actually paid in respect of such income in the said country in accordance with the laws in force in that country after allowance of every relief due under the said laws:

Provided that the aforesaid reduction shall not be allowed unless the assessee produces evidence of the fact of the payment of the aforesaid tax in that country." (29).

(iv) That in the amendment proposed by Shri Morarji Desai, printed as No. 28 in List No. 3 of amendments,—

for proposed clause (xii) substitutes—

"(xii) in the case of a banking company—

(a) any sum which during the previous year is transferred by it to a reserve fund under subsection (1) of section 17 of the Banking Companies Act, 1949 (18 of 1949) or is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of subsection (2) of section 11 of that Act, not exceeding the amount required under the aforesaid provisions to be so transferred or deposited, as the case may be, or

(b) any sum transferred by it during the previous year to any reserves in India including reserves not shown as such in its published balance-sheet in so far as the sums transferred to such reserves are attributable to income chargeable to tax under the Income-tax Act and have not been allowed as a deduction in computing its total income under that Act and in so far as the aggregate of such sums does not exceed the highest of the aggregate of such sums if any, so transferred during any one of the three years

prior to the previous year, whichever is higher;" (42)

The motion was adopted.

Mr. Deputy-Speaker: I will now put amendment No. 28 as finally modified by amendments Nos. 39 and 42. the question is:

Page 12, after line 13, insert,—

"(iv) any income referred to in sub-section (2) of section 41 of the Income-tax Act;

(v) the amount of profits and gains derived from an industrial undertaking or hotel, on which under section 84 of the Income-Tax Act income-tax is not payable;

(vi) income chargeable under the Income-tax Act under the head 'Interest on securities' derived from any security of the Central Government issued or declared to be income-tax free or from any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(vii) any sum in respect of which a deduction of income tax is allowed under the provisions of section 88 of the Income-tax Act;

(viii) income by way of dividends from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India;

(ix) income by way of royalties received from Government, or a local authority, or any Indian concern;

(x) in the case of a non-resident company which has not made the prescribed arrangements for the declaration and payment of dividends within India, its income by way of any interest or fees for rendering technical services received from Government or a local authority or any Indian concern;

(xi) in the case of a company not being a banking company, a sum equal to ten per cent, of the amount of total income computed under the Income-tax Act, as reduced by the amounts referred to in clause (i) or clause (ii) or clause (iii):

Provided that in the case of a company not being a banking company and not being a licensee within the meaning of the Electricity (Supply) Act, 1948, (54 of 1948), either—

(i) any equivalent amount is spent during the previous year on the repayment of any moneys borrowed or debt incurred by it for acquisition of capital assets or on acquisition of any capital assets in India for the purposes of its business or on payment of dividends on its preference share capital of any sum exceeding six per cent of such capital; or

(ii) in so far as the amount, if any, spent during the previous year on the purposes aforesaid falls short of the said ten per cent of the total income so reduced, a sum equal to the amount so fallen short is debited by the company to its profit-and-loss account of the relevant previous year and credited to a special reserve account to be utilized by its during a period of five years next following only for one or more of the purposes specified in sub-clause (i) of this proviso;

*Explanation 1.*—If any amount credited to the special reserve account referred to in sub-clause (ii) of the proviso is utilized for any purposes other than the purposes specified in sub-clause (i) of the proviso, the exclusion referred to in this clause shall be deemed to have been wrongly made for the purposes of this Act and the provisions of sub-section

(2) of section 14 shall apply accordingly.

*Explanation 2.*—The proviso shall not apply in making any assessment under this Act for the assessment year commencing on the 1st day of April, 1963;

(xii) in the case of a banking company—

(a) any sum which during the previous year is transferred by it to a reserve fund under sub-section (1) of section 17 of the Banking Companies Act, 1949 (10 of 1949) or is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of sub-section (2) of section 11 of that Act, not exceeding the amount required under the aforesaid provisions to be so transferred or deposited, as the case may be, or

(b) any sum transferred by it during the previous year to any reserves in India including reserves not shown as such in its published balance-sheet in so far as the sums transferred to such reserves are attributable to income chargeable to tax under the Income-tax Act and have not been allowed as a deduction in computing its total income under that Act and in so far as the aggregate of such sums does not exceed the highest of the aggregate of such sums, if any, so transferred during any one of the three years prior to the previous year, whichever is higher;" (28 as amended by 39 and 42)

*The motion was adopted.*

**Mr. Deputy-Speaker:** Now, I come to the amendments No. 40 and 41 in the name of Shri Morarka.

**Shri Morarka:** I beg leave of the House to withdraw them.

*The amendments (Nos. 40 and 41) were, by leave, withdrawn.*

**Mr. Deputy-Speaker:** The question is:

"The First Schedule, as amended, stand part of the Bill."

*The motion was adopted.*

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

### Second Schedule

**Mr. Deputy-Speaker:** There are some amendments to the Second Schedule. Is Shri V. B. Gandhi moving amendment No. 4 to the Second Schedule?

**Shri V. B. Gandhi:** No.

**Mr. Deputy-Speaker:** There are some Government amendments to this Schedule.

Amendments made:

(i) Page 12, for lines 37 and 38, substitute—

"up share capital and of its reserve, if any, created under the proviso (b) to clause (vib) of sub-section (2) of section 10 of the Indian Income-tax Act, 1922 (11 of 1922) or under sub-section (3) of section 34 of the Income-tax Act, 1961 (43 of 1961), and of its other reserves in so far as the amounts credited to such other reserves have not been allowed in computing its profits for the purposes."

(ii) Page 13, for lines 3 to 5, substitute,—

"income from which in accordance with clause (iii) or clause (vi) or clause (viii) of rule I of the First Schedule is not includible in its chargeable profits, exceeds the aggregate of—

(i) any money borrowed by it which remains outstanding; and

(ii) the amount of any fund, any surplus and any such reserves as is not to be taken into

account in computing the capital under this rule." (31)

(iii) Page 13, after line 12, insert—

"Explanation 3.—Where a company has different previous years in respect of its income, profits and gains, the computation of capital under rule 1 and rule 2 of this Schedule shall be made with reference to the previous year which commenced first." (32)

(i) Page 13, line 20, for "are" substitute "is". (33)

(*Shrimati Tarkeshwari Sinha*)

**Mr. Deputy-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.*

### Third Schedule

**Shrimati Tarkeshwari Sinha:** I beg to move:

Page 13, line 32, for "equal to" substitute "not exceeding". (34).

**Shri V. B. Gandhi:** I beg to move:

Page 13, for the Third Schedule, substitute—

### "THE THIRD SCHEDULE

(See section 4)

### RATE OF SUPER PROFITS TAX

Super Profits Tax shall be charged on the amount by which the chargeable profits exceed the amount of the standard deduction at 30 per cent, provided that where the total of the income-tax, super tax and super profits tax payable by a company exceeds 57½ per cent of the profits of the

company computed for that year under the Income-tax Act, the Super Profits Tax payable shall be reduced by such excess." (5)

**Mr. Deputy-Speaker:** These three amendments are now before the House.

**Shri V. B. Gandhi:** The purpose of my amendment is that the whole pattern of our new taxation should be made simpler and more rational. The Finance Minister has said in one place only a few days ago that he knows that he has interjected certain ideas which are admittedly unorthodox; and there certainly are some very unorthodox principles involved in the way that the Third Schedule stands today. The purpose of my amendment will be to secure that the standard deduction should be at 30 per cent and that the total of the income-tax super-tax and super-profits tax all combined should not exceed 57½ per cent. This saves us from two errors: The first is that there cannot be a super-profits tax twice over in one process. Super-profits tax is a corporate tax and it can be levied only at a standard rate for once. It is in the case of the other tax, the income-tax, where the canon or standard of judgment is the tax-payers' ability to pay, where the total income of an individual is considered and then the appropriate slab or rate of taxation fixed for that individual. In income-tax, it is the individual who is the central figure in the whole process, I mean the individual taxpayer. In the corporation tax, the dividend earner usually has what we call an anonymous face; every dividend earner is just like any other; we do not know whether he is rich or poorer, and we are not concerned. It is these two particularly unorthodox ideas from which I thought an amendment such as I have moved here would save us.

**Shri Morarka:** I hope in view of the concessions given by Government, Shri Gandhi would not press his amendment and would withdraw it. It

is true that the rates contemplated are very high, but the concessions given, the deductions etc. are such that no real hardship would be caused. As you know, the rate of corporation tax in this country is very high. Even then, some companies, when they actually come to the question of paying the tax, find that the actual tax liability is very low. I would give Shri Gandhi one example though it is extreme. But this was circulated by the Calcutta Stock Exchange after making a thorough study of about 500 companies. I would not give the name of the company. But in one year the company made a profit of Rs. 365 lakhs but the total tax paid by it was only Rs. 15 lakhs.

**Shri Daji:** How?

**Shri Morarka:** Because of the various deductions to which the company was entitled.

Therefore, my hon. friend must also recognise that in view of the various concessions and facilities which exist in our tax structure, there is no necessity of reducing the tax. I think the scheme of the Third Schedule may be accepted as it is.

**Shrimati Tarkeshwari Sinha:** There is nothing I can add to what Shri Morarka has said in answer to the hon. Member. This amendment seeks basically to reduce the super profits tax. So I cannot accept it.

**Mr. Deputy-Speaker:** Is the hon. Member pressing his amendment?

**Shri V. B. Gandhi:** No, I beg leave of the House to withdraw it.

*The amendment No. 5 was, by leave, withdrawn*

**Mr. Deputy-Speaker:** The question is:

Page 13, line 32, for "equal to" substitute "not exceeding". (34).

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

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

*The motion was adopted.*

*The Third Schedule, as amended, was added to the Bill.*

**Shrimati Tarkeshwari Sinha:** I beg to move:-

"As a result of the insertion of certain new clauses, consequential amendments in regard to numbering of clauses and cross-references may be made." (35)

**Mr. Deputy-Speaker:** The question

"As a result of the insertion of certain new clauses, consequential amendments in regard to numbering of clauses and cross-references may be made." (35)

*The motion was adopted.*

#### Division No. 11

Akkamma Devi, Shrimati  
Alva, Shri A.S.  
Aney, Dr. M.S.  
Ankineedu, Shri  
Arunachalam, Shri  
Babunath Singh, Shri  
Balmiki, Shri  
Banerjee, Shri S.M.  
Bansappa, Shri  
Besra, Shri  
Bhagat, Shri B.R.  
Bhakat Darshan, Shri  
Bhargava, Shri M.B.  
Bhattacharyya, Shri C.K.  
Borooah, Shri P.C.  
Brajeshwar Prasad, Shri  
Chakravartty, Shrimati Renu  
Chandz, Shrimati Jyotsna  
Chaudhuri, Shri D.S.  
Chaudhuri, Shrimati Kamla  
Daji, Shri  
Das, Shri Sudhansu  
Dasappa, Shri  
Desai, Shri Morarji  
Dhuleswar Meena, Shri  
Dighe, Shri  
Dwivedi, Shri M.L.  
Gajraj Singh Rao, Shri  
Gandhi, Shri V.B.  
Hansda, Shri Subodh  
Heda, Shri  
Hem Raj, Shri  
Jedhe, Shri  
Jyotishi, Shri J.P.  
Kakkar, Shri Gauri Shankar  
Kar, Shri Prabhat  
Karuthiruman, Shri

Kedaria, Shri C.M.  
Khan, Dr. P.N.  
Krishna, Shri M.R.  
Kunhan, Shri P.  
Kureel, Shri B.N.  
Lakshmikanthamma, Shrimati  
Lalit Sen, Shri  
Mahtab, Shri  
Mahishi, Shrimati Sarojini  
Manan, Shri  
Mandal, Dr. P.  
Mandal, Shri Yamuna Prasad  
Maniyanganadan, Shri  
Melkote, Dr.  
Mishra, Shri Bibhuti  
Mishra, Shri Bibudhendra  
Misra, Shri Mahesh Dutta  
Mararka, Shri  
Mukane, Shri  
Naidu, Shri V.G.  
Naik, Shri D.G.  
Nair, Shri Vasudevan  
Pandey, Shri R.S.  
Paramasivan, Shri  
Patel, Shri P.R.  
Patel, Shri Rajeshwar  
Patil, Shri D.S.  
Patil, Shri M.B.  
Patil, Shri S.B.  
Pillai, Shri Nataraja  
Prabhakar, Shri Naval  
Pratap Singh, Shri  
Raja, Shri G.R.  
Raju, Shri D.B.  
Ram, Shri T.  
Rananjay Singh, Shri  
Rane, Shri

#### AYES

14.58 hrs.

Rao, Shri Rameshwar  
Ray, Shrimati Renuka  
Reddiar, Shri  
Sahu, Shri Rameshwar  
Samanta, Shri S.C.  
Satyabhama Devi, Shrimati  
Shah, Shri Manubhai  
Shankaraiya, Shri  
Sharma, Shri A.P.  
Sharma, Shri D.C.  
Siddanajappa, Shri  
Siddiah, Shri  
Singh, Shri D.N.  
Sinha, Shri B.P.  
Sinha, Shrimati Ramduluri  
Sinha, Shrimati Tarkeshwari  
Sonavane, Shri  
Subbaraman, Shri  
Subramanyam, Shri T.  
Swamy, Shri M.N.  
Swamy, Shri M.P.  
Swamy, Shri Sivamurthi  
Tantia, Shri Rameshwar  
Thimmiahiah, Shri  
Tiwar, Shri K.N.  
Tiwar, Shri R.S.  
Tyagi, Shri  
Uikey, Shri  
Varma, Shri M.L.  
Varma, Shri Ravindra  
Veerabhasappa, Shri  
Venkatasubbaiah, Shri P.  
Virbhadra Singh, Shri  
Vyasa, Shri Radhela  
Wadiwa, Shri  
Warior, Shri  
Yadab, Shri N.P.

**Mr. Deputy-Speaker:** The question is:

"That clause 1, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

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

**Shri Morarji Desai:** I beg to move:

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

**Shri S. M. Banerjee rose—**

**Mr. Deputy-Speaker:** We have already exceeded the time limit. I am putting the motion straight to the vote of the House. The question is:

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

The Lok Sabha divided:

# NOES

Bade, Shri  
Brij Raj Singh, Shri  
Buta Singh, Shri  
Kapur Singh, Shri  
Marandi, Shri

Rajyalaxmi, Shrimati  
Ram Singh, Shri  
Ranga, Shri  
Reddy, Shri Narasimha  
Shashank Manjari, Shrimati

Singh, Dr. B.N.  
Singh, Shri Y.D.  
Soy, Shri H.C.  
Utiya, Shri  
Vijaya Raje, Shrimati

**Mr. Deputy-Speaker:** The result of the division is: Ayes 111; Noes 15. The 'Ayes' have it; the 'Ayes' have it. The motion is carried.

*The motion was adopted.*

14.59 hrs.

## PAPER LAID ON THE TABLE

### IMPORT TRADE CONTROL POLICY STATEMENT

**The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah):** I beg to lay on the Table a copy of the Import Trade Control Policy for the year April 1963 to March 1964. [Placed in Library. See No. LT-1181/63].

**Shri D. C. Sharma (Gurdaspur):** Can we get copies?

**Shri S. M. Banerjee (Kanpur):** It should be circulated.

**Mr. Deputy-Speaker:** Copies will be placed in the Library.

15 hrs.

### SUSPENSION OF PROVISO TO RULE 66

**The Minister of Finance (Shri Morarji Desai):** I beg to move:

"That the proviso to Rule 66 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the motions for taking into consideration and passing of the Compulsory Deposit Scheme Bill, 1963, be suspended."

**Shri Tyagi (Dehra Dun):** On a point of order. I am afraid it is a

most unpleasant duty, but it is in the interests of the House. Although I support the idea....

**Mr. Deputy-Speaker:** I will place the motion first before the House.

Motion moved:

"That the proviso to Rule 66 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the motions for taking into consideration and passing of the Compulsory Deposit Scheme Bill, 1963, be suspended."

**Shri Tyagi:** It is a good scheme. I do not want to oppose this scheme because, after all, it is for the first time that the Finance Minister has made a wider basis of taxation, but my difficulty comes because I do not want the Bill to be passed and ultimately its validity to be questioned in courts.

**Mr. Deputy-Speaker:** What is the point of order?

**Shri Tyagi:** I am coming to that.

15.01 hrs.

[MR. SPEAKER in the Chair]

The point of order I was raising was that the Bill, in fact, looks to me so amended as to be in order, but I want to know whether it is a taxation measure or a measure of acquisition of property, because there are only two things we are permitted to do. Either we can tax, and there is a list of taxation measures.

**Shri Bade (Khargone):** On a point of order, Sir. When the Minister has moved for the suspension of the rule, he is raising a point of order on the merits of the Bill.

**Shri Tyagi:** I am not raising a point of order on the suspension of the rule.

**Shri U. M. Trivedi (Mandsaur):** I thought he was raising a point of order on that.

**Shri Tyagi:** That point comes first. We find that according to article 366 of the Constitution....

**Mr. Speaker:** I gather that the objection of the hon. Members is that the motion before the House is for the suspension of the rule. Is he going to raise any point of order about that?

**Shri Tyagi:** I was on the merits of the Bill.

**Mr. Speaker:** That will come afterwards.

**Shri Tyagi:** I will take my chance.

**Shri U. M. Trivedi:** As the rules stand, rule 66 provides:

"A Bill, which is dependent wholly or partly upon another Bill pending before the House.

—these are the most important words—

"...may be introduced in the House in anticipation of the passing of the Bill on which it is dependent."

Provided that the second Bill shall be taken up for consideration and passing in the House only after the first Bill has been passed by the Houses and assented to by the President."

What is the suspension that has been asked for?

**Mr. Speaker:** Does he mean to say that is not pending before the House, since it has just been passed?

**Shri Morarji Desai:** It must be pending before the two Houses.

**Shri U. M. Trivedi:** There is nothing pending before the House.

**Mr. Speaker:** I was trying to understand. Rule 66 says:

"A Bill, which is dependent wholly or partly upon another Bill pending before the House, may be introduced in the House in anticipation of the passing of the Bill on which it is dependent."

So, that has been introduced.

**Shri U. M. Trivedi:** It has been introduced.

**Mr. Speaker:** The second part says: that, though introduced, it shall not be passed by the House unless the first one has been assented to by the President. Therefore, we cannot pass it unless the first one has been assented to by the President, unless we suspend the rule. That is why he is asking for the suspension of the rule, because otherwise this Bill would remain in abeyance till the other Bill is assented to by the President, unless this rule is suspended.

**Shri U. M. Trivedi:** It says:

"Provided that the second Bill shall be taken up for consideration and passing in the House only after the first Bill has been passed by the Houses...."

**Mr. Speaker:** Therefore, we cannot even consider it unless the first has been passed and assented to by the President.

**Shri U. M. Trivedi:** So, suspension is asked for only the second part. Introduction was already there.

**Mr. Speaker:** It is all right.

The question is:

"That the proviso to Rule 66 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the motions for taking into consideration and

passing of the Compulsory Deposit Scheme Bill, 1963, be suspended."

*The motion was adopted.*

15.09 hrs.

# COMPULSORY DEPOSIT SCHEME BILL, 1963

**The Minister of Finance (Shri Morarji Desai):** I beg to move:\*

"That the Bill to provide in the interest of national economic development for compulsory deposit and for the framing of a scheme in relation thereto, be taken into consideration."

**Shri Tyagi (Dehra Dun):** On a point of order, Sir.

**Mr. Speaker:** Would he not allow it to be moved and placed before the House?

**Shri Tyagi:** The question is if it is a formal motion. If he is making a speech on this Bill, then it will be too late for me to move the point of order.

**Mr. Speaker:** If he makes a speech, then it would become too late?

**Shri S. M. Banerjee (Kanpur):** The mischief will be done.

**Mr. Speaker:** By making the speech? If it is to stop him from making the speech, let me hear.

**Shri Tyagi:** My submission is that the Bill is so good in a way because it makes wider base of taxation for the first time in the history of this country. So, I do not want to oppose it on merits. Of course I have got some differences, and when the time comes I will discuss them, but constitutionally....

**Mr. Speaker:** Again I am tempted to bring to the notice of the hon. Members that the House can take objection to a thing only when it is placed before it, when the motion is placed before the House. Only when it has been placed before the House, the House is seized of it and objection can be taken or a point of order raised. So far, there is nothing. He has just begun. Let him make the speech also. Then the House gets possession of it when I place it before the House. The Speaker might refuse to place it before the House at all, and then there is nothing before the House.

**Shri Morarji Desai:** As I explained at the time of introducing this Bill, we have so far, apart from taxation, relied on voluntary savings of the community for financing our requirements. While voluntary savings are expected to continue to play their important role, a stage has come, owing to the situation created by the Emergency, when every possible alternative source has to be explored for augmenting our resources. The Compulsory Savings Scheme that I have placed before the House is intended to cover all the major sections of the community who can be expected to have some margin of savings and who will contribute their mite, however small it might be, for the use of the exchequer at this critical moment in our history. It has to be remembered that compulsory savings are not a tax but provide an earning asset. What is more important, however, is the saving habit that they would help inculcate.

I shall now briefly deal with the major amendments that I propose to move to the provisions of this Bill. Clause 2 (c) of the Bill does not draw any distinction between holders of immovable property in urban areas who are subject to income-tax and others. As income from property is already reckoned as income for the

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\*Moved with the recommendation of the President.



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purposes of income-tax and as income-tax payers are a separate category by themselves, this clause is proposed to be amended to refer to those property owners only who are not subject to income tax.

Clause 2(d) (iii) will be amplified to cover branches of foreign companies registered outside India so that their employees in India do not escape the liability for making compulsory deposits. A new clause is being inserted to cover employees of individuals and associations of persons liable to payment of income-tax and entitled to deduct the salary paid to their employees for the purpose of computing their income under that Act.

Clause 2(e) refers to the category of persons who are liable to the payment of sales tax and whose annual turnover is Rs. 15,000 or more but who are not subject to income-tax. In some States the limit of registration for the purposes of State Sales Tax Act is higher than Rs. 15,000. Accordingly, a provision is proposed to be added that wherever this is the case, the liability for payment of compulsory deposits will be determined with reference to the higher limit.

Clause 2(f) of the Bill refer to persons liable for payment of taxes on professions, trades or callings but below the income-tax bracket. These taxes are at present levied in a few States only. In consideration of the administrative difficulties involved in recovering the compulsory deposits from this small category of persons and the fact that the amount of deposits to be received from them would not be of any great magnitude I have decided, after consultation with the State Governments, to omit this clause.

The word 'person' as at present defined in the Bill does not include a

body of persons. This has the effect not only of excluding joint holders of land or property from the scope of the Bill but also of denying the benefit of earning a rebate to persons other than individuals who are liable for the payment of additional surcharge on their incomes. As this is not the intention, the definition of 'person' is being amended so as to conform to the definition given in the Income Tax Act. The definition of 'salary' is also being amended to exclude persons in receipt of pensions of Rs. 1500 per annum or more but who are not subject to income-tax. Accordingly, retired persons in this category will not be required to make a compulsory deposit. Pensioners subject to income-tax however, will continue to have the option to earn a rebate of additional surcharge by making the compulsory deposit.

Clause 4 (2). (a) prescribes the maximum rate of deposit in the case of land revenue payers at 50 per cent of the land revenue payable for the year 1959-60 in respect of the land held in the year in which the deposit is made. The year 1959-60 was taken as the base year to remove the hardship that would have been caused by linking the compulsory deposits with the current land revenue liability in the States in which land revenue rates had been increased substantially since 1959-60. The State Governments, however, have expressed considerable difficulties in linking the compulsory deposits with the land revenue payable for each holding for the year 1959-60. It is accordingly proposed that the maximum rate of deposit may be fixed at 50 per cent of the land revenue payable in the year in which the deposit is made. In drawing up the scheme, however, suitable allowance will be made wherever possible to ensure that, on the whole, compulsory deposits in each State are not in excess of half the amount of land revenue at the rates applicable in 1959-60.

Several Members have tabled amendments suggesting the exclusion of the category of land revenue payers from the scope of this Bill or to fix a higher exemption limit for them. As I have said, my object has been to make the Bill as comprehensive as possible. In fact complaints are often received that the savings movement has not yet made its mark in the rural areas. The agricultural classes also have had their fair share of the rising incomes and progressive improvements in production and economy. It would not, therefore, be fair to exclude them or any other equally important section of the community from the scope of compulsory savings. I have already announced that having regard to the general poverty of the land-revenue paying classes and the problems of administration, an exemption will be given to all those whose land revenue liability is less than Rs. 5 per annum. In fact, in fixing the exemption at this figure, I am going against the wishes of some of the States who were urging for a lower exemption limit. In doing so I have taken into account all the relevant factors, including its effect on the total amount to be realised. Of the total number of 5 to 6 crores of land-revenue payers in the country, nearly half are those whose annual liability for the payment of land revenue is less than Rs. 5 and who would now all be excluded. But this would mean a reduction of about Rs. 5 crores in the amount of deposits to be realised. Any further increase in the exemption limit would not, in my view, be a justifiable proposition. It would also prove disadvantageous to the less advanced States who are more in need of resources. I might add that on an average the land revenue liability less than 2 per cent of the total agricultural income and as such compulsory deposits at about 1 per cent of the land revenue payable for the year 1959-60 should not prove too onerous a burden.

The existing proviso to clause 4(2) (b) requires that a 'reasonable' rent of the property may be computed wherever property is taxed with reference to a standard other than its annual rental value. As this would involve considerable practical difficulties, the proviso is being amended fixing the maximum rate in all such cases at 12 per cent of the property tax payable annually, which would approximately be equal to 3 per cent of the annual rental value. It has been found that on an average the property tax is about one-fourth of the annual rental value.

In response to numerous representations received from the category of salary earners of Rs. 1500 or above but who are not subject to income-tax and who are already saving a good proportion of their earning, a new exemption clause is being inserted. Accordingly, if they are already contributing in all a sum not less than 11 per cent in the shape of life insurance premia, contributions to recognised provident funds or deposits in 10 or 15 year cumulative time deposit accounts, they would not be required to make any compulsory deposits. The existing proviso to clause 4(8) provides for the premature re-payment of the deposits in the event of the death of the depositor. As there may be other cases involving equal hardship, the clause is being amended to enable premature repayment in all such cases.

Power is also being taken to suspend, reduce or remit the liability for payment of compulsory deposits in cases where the liability for payment of land revenue is suspended, reduced or remitted. A new clause is proposed to be inserted enabling the Government to exempt by notification any person or class of persons from the operation of all or any of the provisions of this Act. The other amendments are of a procedural or

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clarificatory nature. I do not, therefore, propose to take the time of the House in explaining them here. As I mentioned in my statement of April 16, 1963, the scheme of compulsory deposits is somewhat novel and unorthodox, which we have had to undertake in the situation created by the Emergency. I would like to inform the House that it was only after State Chief Ministers and Finance Ministers had given their support that I decided to introduce this measure. It has been said that persons drawing Rs. 125 a month do not have any margin for savings. I agree that the capacity to save at this level of income is limited. But even this class whose income is considerably higher than the average income in the country must save at an increasing rate in the interest of the country and in their own interest. One must not overlook the basic fact that savings almost always entail a certain measure of sacrifice—a sacrifice of your present needs and comforts for the sake of securing your financial future. It is precisely for the fact that persons of lower income groups are relatively in greater need for safeguarding their financial position that I found it necessary to bring them within the scope of compulsory savings. In their case, compulsory savings should be viewed more as an important measure of social reform than as a means of raising resources for the Government. The money is returnable with interest at 4 per cent per annum after 5 years. The deposits will be protected from attachment in respect of any other liability. In fact, these deposits will be, like the provident funds, earmarked for meeting the future needs of the depositor and his family. These features by themselves should make the scheme a welcome proposition, particularly for persons of lower income groups.

Once the nation imbibes the habit of saving regularly, it would have laid solid foundations for its future pros-

perity and well-being. In fact, I would seek savings not only as an individual but as a national virtue. It is only then that the nation can with its own efforts and resolve succeed in pursuing its objectives.

**Mr. Speaker:** Motion moved:

"That the Bill to provide in the interest of national economic development for compulsory deposit and for the framing of a scheme in relation thereto, be taken into consideration."

**Shri Tyagi:** Sir, on a point of order. I would pray that I should not be misunderstood by the hon. Finance Minister. I entirely agree with the spirit of the Bill and the motive behind it. My difficulty is constitutional. I could not exactly hear what he said but he seems to have said that this is not a taxation measure. Now, article 366 (28) says that taxation includes the imposition of any tax or impost, whether general or local or special and 'tax' shall be construed accordingly. Entry 42 of List III refers to acquisition and requisitioning of property.

**Shri Tyagi:** Then—I do not want to take much time of the House...

**Mr. Speaker:** What is the article?

**Shri Tyagi:** Article 366 (28). It has laid down the scope of taxation. Certain details are given in the index, on what items taxes and duties can be levied. They have been mentioned there. I do not want to take much time of the House by reading all of them. Many items are mentioned such as corporation, advertisement, newspapers, agricultural income and so on. There is a complete list of them. But this type of taxation does not come in. We find that this is neither a tax nor it is acquisition. It can very well be termed that it is an acquisition for a temporary period for the emergency purposes. But about acquisition of property, there are rulings of the Supreme

Court. There was a case of land acquisition under the Land Acquisition Act, where the Bihar Government was acquiring land and also arrears of rent. That case was considered, and it was discussed threadbare, and if you do not mind, I would like to read portions of the decision given by the Supreme Court. Justice Mahajan said:

"It is a well accepted proposition of law that property of individuals cannot be appropriated by the State under the power of compulsory acquisition for the mere purpose of adding to the revenues of the State."

This is one objection. It is a big judgment. Justice Mukherjea has also made some observations. He has said:

"Money in the hands of a citizen can be reached by the exercise of the power of taxation, it may be confiscated as a penalty under judicial order and we can even conceive of cases where the State seizes or confiscates money belonging to or in the hands of a citizen under the exercise of its 'police' powers on the ground that such fund may be used for unlawful purposes to the detriment of the interest of the community."

He has mentioned Cooley and about the constitutional position, and says further:

"But, as Cooley has pointed out, taking money under the right of eminent domain when it must be compensated by money afterwards could be nothing more or less than a forced loan and it is difficult to say that it comes under the head of acquisition or requisitioning of property as described in entry 36 of List II and is embraced within its ordinary connotation."

This is the position of loans, where forced loans can be had. So, from that angle, if this question is examin-

ed, I am afraid that if the Bill is questioned or its legality is questioned from this angle, it might again have to go to the Supreme Court, and there it would be judged. This is one point, namely, whether forced loan could be had. If it is under acquisition, my submission is that compensation has to be paid. But you are acquiring money, and how shall it be, or with what shall it be compensated? Shall we compensate it with money, or will the compensation be in the shape of rice or wheat after money is acquired? If money is being acquired, how shall we compensate it? So, that is the question. It is not land acquisition or requisition. Therefore, the question is whether it could be termed as a taxation measure? I would suggest to the Finance Minister that he can think of the possibility of terming it as a tax which may be refundable. Do not call it loan, etc. I think he can give it such a shape so that it can be termed a tax which may be refundable.

**Shri Ranga (Chittoor):** Is a tax ever re-funded?

**Shri Tyagi:** It can be. *(Interruption).*

**Mr. Speaker:** Order, order. Let us hear him.

**Shri Tyagi:** There is also another point, and that is, eminent domain, and eminent domain is the only authority under which a State can acquire. But the question is whether money be taken under this authority. Nichols on Eminent Domain says:

"The question has arisen whether money can be taken by eminent domain and it has been held or intimated, at least in so far as a state or a private corporation is concerned, that it is not subject to such taking. The objection is not based on an implied inherent limitation upon the power of government, but upon the difficulty of effecting a

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taking of money that would be of any service to the public without violating the constitution. The use for which it was needed might well be public, but, as compensation must be paid in money, and, if not in advance, at least with such expedition as conveniently may be had, the seizure of money without compensation, or with an offer of payment in notes, bonds or merchandise,—in other words, a forced sale or loan—however it might be justified by dire necessity would not be a constitutional exercise of the power of eminent domain...”

This is what has been said under the heading “Money—as property subject to eminent domain.”

So, under the eminent domain also, this would not come. Therefore, I am only putting this difficulty. You, Sir, have been a judge and now I would request you to give this your interpretation. You have got practically a world-wide reputation now for your rulings. I hope you will kindly consider this and do justice to this thing.

**Mr. Speaker:** I do not deserve it as much!

**Shri Tyagi:** Sir, I have made the first about or the first objection. Then the second point is that according to the Constitution, you cannot discriminate between citizen and citizen. If this is a taxation measure, then, it is difficult for you to just discriminate between the rural people and the urban people. In the case of the rural people, a man may be paying just Rs. 5 as land revenue, and his total income cannot be more than Rs. 100 or Rs. 200 for a whole year. That man has to forcibly pay this tax, whereas the Government servants can go free with just three per cent. That is another difficulty. The incidence of the tax must be uniform on both the urban and the rural popula-

tion. My fears are this law will again be questioned on these grounds. These are the points which I wanted to submit. I hope you will kindly give your ruling on the matter.

**Shri S. M. Banerjee:** Sir, this issue was raised not in the form of a point of order but by Shri Yajnik at the time when he was speaking during the general discussion of the budget. He did raise this point and requested this House, especially the Finance Minister and the Law Minister—I remember he was also present then—to give a ruling on this matter, as to whether it is against the various articles of the Constitution or not. Shri Tyagi has referred to article 366(28). I would only like to supplement it, by referring to article 23—right against exploitation. It says:

“Traffic in human beings and begar and other similar forms of forced labour are prohibited and any contravention of this provision shall be an offence punishable in accordance with law.

Nothing in this article shall prevent the State from imposing compulsory service for public purposes, and in imposing such service the State shall not make any discrimination on grounds only of religion, race, caste or class or any of them.”

It is true that this amounts to a tax on movable or immovable property. If I have saved Rs. 10, the Government wants to acquire it. It virtually means that Government is going to acquire my movable property. I think this is a matter which should be referred to the law officers and if necessary to the Attorney-General. Nothing is so urgent. The Heavens are not going to fall. We require a correct ruling on this. Otherwise, this is going to be smashed to pieces some day.

**Shri Ranga:** I referred earlier to this point during my first speech on

these measures. This is a point whether any land revenue is entirely within the domain of the State Government and how this Government can bring in this legislation. Taking the agriculturist, on whom this is to be levied on the basis of the land revenue, even though they agreed to some kind of exemption up to Rs. 5, the question is how far this can affect him and so on. All these questions will be taken up later on by me. Now, the only justification my hon. friend offers in support of this measure is that the State Governments are going to be benefited. But then it is for the State Governments to make a special legislation in regard to this matter. Surely it is not going to be the Union Government which is going to collect this money and place it at the disposal of the State Governments. The States are to get the money by collecting it themselves. Now, even when a peasant finds it difficult to pay it or is unwilling to pay it, the State Government is going to be given power also to inflict penalties on him. How are they going to collect those penalties? They are going to do it under the usual civil procedure and the rest of it. All these are within the province of the State Governments. I personally feel that this is a matter which is likely to be taken up and brought up before the Supreme Court. Why should we now go into a province of legislation which even on the face of it appears to be liable to be challenged before the Supreme Court. As our friend suggested, I think it would be better for the Government to obtain authoritative views from the concerned legal authorities and thereafter again come back to the House with the Bill.

**Shrimati Renu Chakravartty** (Barackpore): I also think there is some force in what has been stated. After all, the Bill provides for a compulsory deposit and we have to examine the clauses of the Constitution. Unless we are quite sure about the constitutional position, maybe after the Bill is passed, it will be challenged and then it will be a reflection on

the House itself that we have passed something in a hurry, without having gone into the constitutional aspects. So, we should examine both the questions regarding taxation of land as well as the question of compulsorily taking deposits.

**Shri Bāde** (Khargone): Under the ordinary civil law, nobody can compel another person to do a certain thing. Government cannot compel any person to make any deposit. Any person cannot compel another person to do a certain specific thing or to perform a contract or to act in a drama or do a certain thing. They can stay, but there cannot be any compulsion. Here Government want a compulsory deposit to be made. Even under the common law, nobody can compel another person to do a certain thing.

**Dr. M. S. Aney** (Nagpur): Sir, I have been waiting for six days to participate in the debate. My main object was to bring to the notice of the House the point which my hon. friend, Shri Tyagi has raised. For certain reasons, no time could be given to me and I do not want to make a grievance of it.

The main point is this. The Finance Minister himself knows that he is following an unconventional method of taxation. He has himself mentioned that it is not an orthodox method at all. It means only the exigencies of the situation have compelled him to adopt that method. My point is, in a case like that, even an ordinary man will think whether any other nation has done like that before or not, which is analogous to what he has done here and on the basis of which he comes forward with a measure of this kind. Here he starts by saying that it is entirely unorthodox and there is no precedent for it and we should not object to it.

I submit that this is in disregard of the constitutional position and the legal position. The constitutional position is, you are touching the

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property of another man without providing any principle of compensation at all as prescribed in the Constitution. You are also simultaneously doing something which is contrary to the common law itself. You want to ask a man to save compulsorily and deposit it with the Government. So, the individual liberty, which has been sanctioned by the fundamental rights, has been completely curtailed. It is a serious position. We are prepared to vote for the Bill, because we know his difficulties. But still we want that the Finance Minister should be standing on *terra firma* and not on doubtful ground. Therefore, the legal aspect must be seriously examined. It does not matter if one or two days are gone. Let him take proper advice and make up his mind. We are here, to support him, but we want him to get out of the woods.

**Mr. Speaker:** The hon. Minister.

**Shri U. M. Trivedi** (Mandsaur): Primarily it will appear that it is a novel way of getting money, but it does not affect the fundamental rights in any way. It is neither taking away property nor is it deprivation of property in any manner. It is just a scheme for the purpose of helping the Government. But some of the provisions of this Bill itself, where penal provisions have been made of any sort, make it appear to be taking away property without providing for any adequate compensation in any manner. A taxation of this nature will be a very difficult problem in itself.

Therefore, it will be proper for the Minister to have a full consultation in this matter and not bring trouble for himself and for the country at large. I think there is some force in the argument that has been advanced. Nothing will be lost if this scheme is held over till such legal opinion is obtained in the matter.

**Mr. Speaker:** The hon. Finance Minister.

**Shri Radhelal Vyas** (Ujjain): In this connection, I may just submit one thing. Taxation has been defined in the Constitution in Part XIX, Miscellaneous, Article 366:

“‘taxation’ includes the imposition of any tax or impost, whether general or local or special and ‘tax’ shall be construed accordingly;”

I feel that this is an impost and a special tax.

**Shri U. M. Trivedi:** Not at all.

**Mr. Speaker:** The hon. Finance Minister.

**Shri Gajraj Singh Rao** (Gurgaon): May I submit . . .

**Mr. Speaker:** First of all, let me dispose of the first point of order. Then I will come to him.

**Shri Gajraj Singh Rao:** In this very connection, I wanted to make a submission.

**Mr. Speaker:** Some Members make up their mind after I have called the Finance Minister. I have called him thrice and he has stood up to answer, but every time there is some fresh point.

**Shri Morarji Desai:** Sir, the point that has been raised by my hon. friend, Tyagiji, is not new. I have considered it ever since this Bill has been considered or this step was taken. Therefore, I am well prepared to reply to him and it has not come as a surprise to me.

**Shri S. M. Banerjee:** You are not the Law Minister.

**Shri Morarji Desai:** It does not require a Law Minister to understand law.

**Mr. Speaker:** When the Government comes up, they must have consulted their legal advisers and others.

**Shri Morarji Desai:** We have consulted legal advisers. It is given to

every man of common sense to interpret law also. I have in my life for 10 or 11 years, without being a lawyer, interpreted law and given judgment. Therefore, it cannot be said that one is not entitled to do it. That does not mean that I am giving any authoritative views. Here also those who raise law points, neither Prof. Ranga nor Tyagiji is lawyer, but still nobody objects to that. I cannot see why this objection is raised against me. As a matter of fact, I am well provided with legal advice, while these other friends are not provided with it. (*Interruption*). They may be provided, but not as well as I am provided.

**Shri A. P. Jain** (Tumkur): Your legal advisers are no good.

**Shri Morarji Desai:** They were good only until about five years ago.

This is not a taxation measure, I agree; it has not been construed as a taxation measure. Nor is it imposing any tax or acquiring any property or any money. That also is not there. Therefore, I can say that the Constitution does not specifically provide for the introduction of a compulsory savings scheme of this type. There I agree. But that does not mean that it is not allowed under the Constitution. It is there. It can be construed to fall within the scope of Entry 20—Economic and Social Planning—and Entry 23—Social Security and Social Insurance—of the Concurrent List in the Seventh Schedule of the Constitution. But, irrespective of these considerations, the subject matter dealt with in this Bill can also be brought within the residuary powers of legislation available to the Parliament under article 248 and Entry 97 of the Union List which confer upon the Parliament exclusive powers to make any law in respect to any matter not enumerated in the State List or in the Concurrent List. The Parliament is, therefore, fully competent to make this law relating to compulsory savings as embodied in this Bill.

Then, Sir, it has been argued that you cannot compulsorily levy anything. This Parliament itself has made several compulsory levies in other fields. There is the Compulsory Provident Fund. It is compulsory.

**Shri Ranga:** It is contributory also.

**Shri Morarji Desai:** It is contributory, but it is compulsory. It cannot be evaded by anybody. There is the Coalmines Employees Provident Fund, and subscriptions to provident funds are made compulsory. Therefore, there is no question that this cannot be done.

Again, this is not a matter of land revenue. Land revenue is only the standard taken for recovering it. Therefore, it is not a question of land revenue at all. Again, all the incomes from those of the borrowings taken from the agriculturists are going to the States. That is the latest arrangement in this matter. It will be dealt with by the States. The law is made here and the Parliament is fully qualified to make this law.

If it is said that this is a matter of infringement of the right to acquire and hold or dispose of property under article 19(1) (f) of the Constitution, there too, sub-clause (5) of article 19 lays down that nothing in sub-clause (f) of the said clause shall affect the operation of any existing law or prevent the State from making any law imposing reasonable restrictions on the exercise of any of the rights conferred by the said sub-clause in the interest of the general public. This is a matter in the interest of the general public.

Again, may I mention that the provisions of this article are remaining suspended during the emergency. That also is a point which has to be borne in mind. I am not, therefore, much worried about whatever may be said about taking it to the courts. But,



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apart from this, I have no doubt that we are standing on strong grounds in the matter of this being within the Constitution and the right of the Parliament to make this law.

**Shri Bade:** Sir, may I ask one question. If this compulsory deposit scheme is to remain in force only as long as the emergency lasts, then he is right.

**Shri Morarji Desai:** At any rate, till then I am not affected.

**Mr. Speaker:** Shri Gajraj Singh Rao wanted to raise a point of order.

**Shri Gajraj Singh Rao:** Sir, I would submit that the difficulty of constitutional and legal points would arise as to the realisation of this compulsory deposit, and then it can be realised as arrears of land revenue. That is the only way. If that process of law is to be applied, how would it come within the Constitution? How can a compulsory deposit become a tax? Only taxes and certain things of that nature allowed by the Constitution or law can be realised as arrears of land revenue. An example was given of the provident fund rules. But they are service rules. If an employee does not pay provident fund amount, then the service rules come into play and he loses his service or is visited by some other penalty. That is governed by the civil service rules, because the provident fund rules are also under the civil service rules. If necessary, you may again look into it and examine it. But, if a person says that he shall not pay provident fund, it cannot be realised as arrears of land revenue. I have my own doubts on this point. What would be the method by which realisation of this compulsory deposit would be made? That would be made clear, as also the constitutional and legal aspect of it.

**Mr. Speaker:** Shri A. P. Jain.

**Shri Morarji Desai:** May I say in reply to the point raised....

**Mr. Speaker:** Shri Jain wanted to say something. He might hear that also and then reply.

**Shri Morarji Desai:** I will straightway reply to the point raised just now. In the preamble we have said:

"to provide in the interest of national economic development for compulsory deposit and for the framing of a scheme in relation thereto."

Then, in article 110, which provides for money Bills, sub-clause (1) (b) says:

"the regulation of the borrowing of money or the giving of any guarantee by the Government of India, or the amendment of the law with respect to any financial obligations undertaken or to be undertaken by the Government of India;"

Sub-clause (1) (f) speaks of:

"the receipt of money on account of the Consolidated Fund of India or the public account of India....".

So, they are all provided for there.

**Shri A. P. Jain:** I was forced to make the rather uncalled for and unorthodox remark that the legal advisers of the Finance Minister were not very competent, and I repeat it now with double force after hearing the Finance Minister. Firstly, he has based his argument on article 248, which is a residuary article.

**Mr. Speaker:** Here Ministers are responsible for Parliament. So, why should we comment upon the legal advisers? Certainly, comments can be against Ministers, in strong terms and as much as possible.

**Shri A. P. Jain:** It was the Finance Minister who started it by saying that his advisers were more competent than me (referring to Shri Tyagi).

**Shri Morarji Desai:** I did not refer to him; I referred to Shri Tyagi. I did not know that he was the legal adviser of Shri Tyagi.

**Shri Tyagi:** Sir, in this matter I have not sought for his advice. I spoke as a layman.

**Shri A. P. Jain:** Let us read the language of article 248. It says:

"Parliament has exclusive power to make any law with respect to any matter not enumerated in the Concurrent List or State List."

But the question is whether this is a measure of taxation. Now, the power of taxation of the Central Government has been provided for in Part XII of the Constitution, where there are a number of articles governing this subject.

"The following duties and taxes shall be levied and collected by the Government of India but shall be assigned to the States...."

What are those? All these powers of taxation are very well defined in Chapter XII. I submit very respectfully that the residuary power of legislation does not extend the Bill to Taxation can be confined only to the items which are specifically mentioned in the Constitution. If the Finance Minister wants to take shelter under these residuary powers, he must cover it by any of the items provided in Chapter XII. That is my first contention.

The hon. Minister has referred to article 19(f). Perhaps his contention that this article is suspended during the emergency is correct. It is possible, it is open to the Government to terminate the emergency tomorrow. If this law were enacted for the period of emergency, perhaps, he could have

taken shelter under the plea that the fundamental rights under the Constitution remain suspended during the period of the emergency. This levy is repayable after 5 years.

**Shri Tyagi:** It is not tax.

**Shri A. P. Jain:** We must examine the position that there is a possibility of article 19(f) being applicable to it. We must refer to exception to article 19(f) which says:

"Nothing in sub-clauses (d) (e) and (f) of the said clause shall affect the operation of any existing law in so far as it imposes or prevents the State from making any law imposing reasonable restrictions on the exercise of any of the rights conferred by the said sub-clauses either in the interests of the general public or for the protection of the interests of any Scheduled Tribe."

to acquire, hold and dispose of property.

He can impose restrictions. But, he cannot take away property. That is extinction of property, complete total extinction of property when he acquires it. Therefore, it may be a good layman's argument that this comes under the exception article 19 (f); but it is no argument for a lawyer.

**Shri J. P. Jyotishi (Sagar):** Is it taking away property when you return it with interest?

**Shri A. P. Jain:** Taking away my property is depriving me of that property.

**An Hon. Member:** There is no extinction.

**Shri A. P. Jain:** Lastly, there is a third argument, namely that so far as compulsory deposit on the basis of land revenue is concerned, land revenue is taken only as a measure. I accept his argument cent per cent.

[Shri A. P. Jain]

He says further that this will be passed on to the States. This money will be passed on to the States. May I ask the Finance Minister, where is the provision in the law that the Centre or the Union Ministry is authorised to raise finances for the State. The Union Ministry may raise money in a general way. Then, it can give a loan or subsidy. That is a different thing. But, to impose a specific levy, to recover it and then pass it on to the States, is not within the purview of the Central Government. I had raised this point in my speech on the general discussion of the Budget. Unfortunately, I was not present when the Finance Minister replied. But, the point is that powers of taxation all over the world are to be very strictly interpreted, because upon it lies the safety of the people and their welfare. Unless a particular levy or tax comes within the four corners of the law, no Government have the right to levy it. I question the authority of the Centre to raise money for the States. I can understand the States can impose surcharge on land revenue, and they can recover it. Surcharges have been imposed. But, the surcharges have been imposed by the State; not by the Centre. He is not very clear. This money will not go into the Consolidated Fund of India. All moneys which Government raise must necessarily go to the Consolidated Fund of India. If this money is to go to States, it is an illegal levy and it cannot be imposed by the Centre. I have no objection if the State imposes a levy or surcharge or works out a scheme or compulsory deposit, but the State will use it for its own purposes. If the Finance Minister wants it for the purpose of the Centre, and if he accepts land revenue as a measure, I have no objection. But since it is to go cent per cent to the States, I consider very humbly that neither is it morally the function of the Finance Minister at the Centre nor is he legally authorised to do it. I submit that this law is *ultra vires* the Constitution.

**Shri Tyagi:** May I remind you, Sir, of article 13(2) which reads thus:

"The State shall not make any law which takes away or abridges the rights conferred by this Part and any law made in contravention of this clause shall, to the extent of the contravention, be void."

**Shri S. M. Banerjee:** The hon. Minister in his reply has mentioned two things. Firstly, he has said that..

**Mr. Speaker:** Order, order. The hon. Member cannot go on incessantly. The Minister has already replied, and now if he would reply to the hon. Minister's points, again there would be a reply....

**Shri S. M. Banerjee:** I am not replying to anything. I only want to have some clarification.

**Mr. Speaker:** He has had his chance already.

**Shri S. M. Banerjee:** The hon. Minister has stated that article 19 remains suspended now. I would submit for the information of the House that even in an emergency, Parliament lacks competence to make laws taking away the rights guaranteed by articles of the Constitution except article 19. But the Supreme Court has held that article 19 has no application to a law providing for detention. I want to know whether article 19 is suspended for all purposes.

**Mr. Speaker:** That is a different thing altogether.

Really, several points have been raised. And our best legal heads have taken part in this discussion. I have had the benefit of all those opinions here. I also remember that Shri Tyagi works very hard when he has to take up a point. Since we were Members in the Constituent Assembly, I remember one or two points taken up by him, and our Law Minister had paid him a tribute; though he is not a

lawyer, still he works hard when he takes up a point. I give all that credit to him, and to the other Members also. But when these debates take place, I have all along been thinking over the matter whether I can give any decision on those objections or not. Supposing I hold that it is *ultra vires*, and Government go to the Supreme Court and they hold that it is *intra vires*.....

**Shri Tyagi:** Government go against you, Sir? How can a Government exist which go against you, Sir?

**Mr. Speaker:** If I hold that it is *intra vires*, then any member of the public can go and have a decision of the court that it is *ultra vires* as has been apprehended by so many Members here inside the House.

Therefore, it has always been left to the House itself to decide, taking this also into consideration whether a particular law or part of it is *ultra vires* or *intra vires* or offends any articles of the Constitution.

**Shri Ranga:** You can direct Government to obtain the view of the Attorney-General.

**Mr. Speaker:** May I be allowed to speak? It has always been left to the House to take that into account besides other considerations and then decide whether it would pass the Bill into law or not. And this House is competent enough to pass any law; then, it is left to the courts to interpret that and say whether really some law or fundamental rule or the Constitution has been offended or violated. That has happened so many times. The question is whether this House is competent to consider it at this moment. Therefore, I have allowed this debate at this moment so that the Members might take into account this aspect as well.

16 hrs.

When the House takes decisions, it remains uncertain whether it did it on any particular point. Never has this

been put to the House also. The Speaker does not take a decision on that; the House also does not take a decision on whether it is constitutional or unconstitutional. It remains uncertain always so that ultimately it might not be considered that the court had overruled that decision of the House, because that court does not know whether really it was only on the constitutional point, on the competence point or on other considerations that they considered that.

Therefore, it is always safe to place all the legal opinions before the House so that the House might consider them. Now, the hon. Minister says that he has considered the legal advisers. In order to be able to make up their minds, if hon. Members do desire that the hon. Minister of Law also might give his opinion so that they might come to a decision when they are ultimately required to vote on it, I can have that done as well. But if they expect me to give here a decision whether it is *ultra vires* or *intra vires* the Constitution or it contravenes any of its provisions or whether ultimately it would be thrown out by the court or not, I am not prepared to do it. And they will agree with me that it has never been done upto now by any Speaker since we began here in 1947. Never has the Speaker taken it upon himself to take such a decision that a measure is *ultra vires* or *intra vires*.

**Shri Vasudevan Nair** (Ambalapuzha): We can have the benefit of your personal advice.

**Mr. Speaker:** No, no.

**Shri Tyagi:** In the case of Beru Bari also, I raised that objection. The matter was discussed and ultimately it went to court—the President himself referred it to the Supreme Court. There the Speaker rightly did not give any ruling. But could you not advise the Finance Minister to give it legal shape by calling it a taxation measure and have a few words changed?

**Mr. Speaker:** I have only said that if the Members do desire that they might have the benefit of the advice and opinion of the Law Minister also. I can call him also.

**Some Hon. Members:** Yes, yes.

**Mr. Speaker:** That is a different thing altogether.

**Shrimati Renu Chakravartty:** It is surprising that when this discussion is going on no Minister representing the Law Ministry is present.

**Shri Dasappa (Bangalore):** Could we not hear the Attorney-General on this?

**Shri A. P. Jain:** Yes, that was what I was going to say. I want to say a word about the Attorney-General. There have been occasions when the Attorney-General has appeared in the House and has given his advice. The law provides that the Attorney-General can address the House. He cannot vote....

**Shri S. M. Banerjee** rose—

**Mr. Speaker:** When one Member is already speaking, why should he get up. There should be some rules of conduct.

**Shri A. P. Jain:** That provision was purposefully incorporated with a view to enable the House to have an independent advice. I have great respect both for the legal knowledge and the advice of the Law Minister who is one of the ablest lawyers in the country. But he is a member of the Cabinet. The provision about the Attorney-General was specifically made so that the House may have independent advice. I request you to call the Attorney-General. Let him give his advice on this matter so that the House may decide for itself.

**Some Hon. Members:** Yes.

**Shri Morarji Desai:** May I say that this is in contradiction to what my hon. friend said, that the legal advisers of the Government are not very competent?

**Shri Tyagi:** I see; the Attorney-General has already been consulted.

**Shri Morarji Desai:** He said that they are not competent. Why does he want their advice?

**Mr. Speaker:** I might say that though the House really cheered Shri Jain when he made that suggestion, uptill now the Speaker has never sought the advice of the Attorney-General. It is for the Government when they want to consult him to bring in the Attorney-General. Otherwise, the House proceeds with the normal business. The advice of the Law Minister is always available. If hon. Members desire, I will certainly ask Government to ask the Law Minister also to participate in this. He may also come and give his advice. Meanwhile, we can proceed with this.

**Shri Tyagi:** Government brings the Attorney-General only when they feel that his opinion is in their support, to convince us.

**Mr. Speaker:** Order, order. Only just now it was said that his was an independent advice.

There is an amendment also by Shri Banerjee.

**Shri S. M. Banerjee:** How can we speak in the absence of any legal advice?

**Mr. Speaker:** We do not need any. It is only for the convenience of our taking a decision at the end.

**Shri S. M. Banerjee:** When the Land Acquisition Bill was discussed in the House, there was difference of opinion about the interpretation of the Supreme Court judgment which warranted the ordinance which was later on replaced by a Bill, and you were kind enough to refer the entire matter to a committee comprising of Members, and the Attorney-General suggested certain amendments.

**Mr. Speaker:** That is a different thing altogether. That does not apply

here now. We can proceed because I have already told the House that I will not take the responsibility of declaring it *intra vires* or *ultra vires*. That has never been done.

**Shri S. M. Banerjee:** I do not ask you to do so.

**Mr. Speaker:** I will ask the Law Minister to come and participate in this debate. He will give us the benefit of his opinion. That is all.

**Shri S. M. Banerjee:** How can we speak now? The Law Minister must speak first.

**Mr. Speaker:** No, no. He will only give his opinion about the constitutional position. That is all. He will be one of the speakers only.

**Shri S. M. Banerjee:** I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the first day of the next session."

In moving my amendment for circulation I wish to mention that the general opinion of the salaried employees, especially the Central Government and State Government employees and other employees in the private sector, is against this Bill.

My hon. friends Shri Tyagi and Shri Jain have raised constitutional objections to the Bill. We could also have raised objections.

The hon. Finance Minister has tried to impress upon the House by referring to two or three points. Firstly he said that this was just like the Provident Fund which is also compulsory. May I invite his kind attention to the fact that in 1938 the Provident Fund was introduced purely as an optional thing? At that time it was called Contributory Provident Fund in some places, the Indian Ordnance Factories Provident Fund in other places, and the General Provident Fund in some other places. It was not compulsory. After the Government decided that in their own undertakings Government's contribution would be raised

from 50 to 75 per cent and then to cent per cent, it became almost compulsory, but actually it is not compulsory. I am prepared to go through the proceedings of the House when it passed the Provident Fund Act. In the States also it was never made compulsory. Had it been compulsory, the employees would have benefited much more. Today every employer who has 100 workers in his factory or unit has accepted this and is implementing the provisions of the Provident Fund Act.

16.09 hrs.

[DR. SAROJINI MAHISHI in the Chair]

The salaried employees throughout the country have paid more than Rs. 2 crores to the National Defence Fund. I remember that on 9th December, 1962 a conference was convened by the Home Minister, Shri Lal Bahadur Shastri, of all the associations and unions of the Central Government employees, and it was unanimously decided by about 107 unions belonging to the various shades, various political groups and Central trade union organisations, that every employee would pay one per cent of his emoluments to the National Defence Fund. The Central and State Government employees and the mill workers have already paid more than one per cent, and in certain places one day's salary. In the circumstances, I do not know why this compulsion was necessary. This is not only constitutionally wrong—we have yet to get the opinion of the Attorney-General or the Law Minister—but also otherwise. According to the Pay Commission and the various other wage reports and according to the Constitution, Government has assured a living wage to the workers. Shri Nath Pai, Shri Prabhat Kar and I appeared before the Pay Commission and made this point very clear. Today the workers get less than starvation wages; they are not getting a fair wage or a living wage. After 15 years of Independence and two Plans, it is a matter of regret that they are not crossing the starvation line. There is plenty

[Shri S. M. Banerjee]

and poverty moving together in this country.

I object to this Bill because the salaried employees have nothing to pay as compulsory deposit. Announcing certain tax reliefs, the Finance Minister said.

"Turning to the salaried classes we are not in the income-tax paying category, we must make a distinction between those who are already saving a good proportion of their earnings and those who are not. Accordingly, I feel that where an employee whose income from salary is Rs. 1500 or more per annum, but below the income tax level, is already saving 11 per cent or more of his income by way of contributions to provident fund, life insurance premia, or to 10 or 15-year Cumulative Time Deposits, no further liability to Compulsory Deposit should arise."

I submit if an employee gets Rs. 125 per month, an employee serving in the Central Government or statutory corporations pays 6 per cent to the provident fund; an employee in private employment pays 8 and 1/3 per cent as provident fund. If the overall percentage should be 11 as suggested by the Finance Minister, he should have an insurance for at least Rs. 2000. We know that these persons getting Rs. 125 or so whether in urban or rural area have nothing to save. An employee getting Rs. 125-150 in Delhi is normally indebted to the tune of Rs. 400-500. A survey of the Bombay middle class families reveals that persons who are in the group of Rs. 100-150 are indebted to the tune of Rs. 400-450; in the income group of Rs 150-250, to the tune of Rs. 350-400 income-group of more than 250, to the tune of Rs. 200. This is the condition of the middle class employees who will be compelled to pay this compulsory deposit. I do not know whether their indebtedness is going to increase further. These employees whether in Government or in private

employment have taken loan from the co-operative societies, from their own provident fund, from the money lenders at exorbitant rates of interest. When the pay-day comes, we know that this is no exaggeration—he gives the authority to the other workers to take his salary because he knows once he goes out, his salary will be snatched by the money-lenders. If this is the condition of the Central Government employee, of the State Government employee, the workers in the private and the State sectors, I do not know how they will be able to pay three per cent. The hon. Finance Minister says "I have given him a concession". What is the concession. "You need not pay 11 per cent; you could pay three per cent." What a concession? So, I would like to submit that this amount can be had by other measures I have suggested.

We have been pleading in this House month after month and year after year that the contribution to the provident fund should be increased from 6½ to 8-1/3 per cent. The Government have brought in a Bill, and we have passed a Bill to that effect for certain industries like cigarettes, etc., where the contribution will be raised from 6 per cent to eight per cent. But a similar measure has not been implemented in the case of jute industry, sugar industry, the textile industry—all these big industries which have been granted concessions just now by the Finance Minister in the shape of the Super Profits Tax Bill. If you raise the contribution from 6½ to 8½ in all these industries, I am sure much more could be saved and could be accrued to the Government exchequer for development and defence than this paltry amount which is likely to be got by squeezing the already squeezed workers, by bleeding them white which, I am sure, will be a wrong thing.

So I feel that this Bill is constitutionally wrong, and opinion should be sought for this. I have been told

that legal opinion has been taken. What happened to the Land Acquisition Bill? What happened to the other legal advice that was given even to the Prime Minister regarding the appointment of the Law Minister as the Attorney-General? It was smashed to pieces. I am sure that this Bill is going to do much harm. I am all for saving money. Money must be saved for the nation. Today, the salaried people are paying much more than what was expected. Still, they are paying I can assure the hon. Finance Minister that the Central Government employees and the State Government employees and the corporation employees have taken a pledge that they will pay one per cent of their salary to the National Defence Fund. Let it not be misunderstood by the imposition of this Bill. they will be taking away the goodwill of the salaried people.

Then, coming to the small shop-keeper, I am sorry that the shop-keepers have also been taxed. I suggest that for the salaried people at least the limit of Rs. 1,500 should be raised to Rs. 3,600. I shall move my amendment later on when the second stage comes. I would request the Finance Minister to see that this Bill is withdrawn because of the national unity which we have achieved, seeing the way in which the working classes and the toiling millions have donated their ornaments for armaments. They have devoted every ounce of their energy to the nation's cause. Therefore, I am sure that the passage of this Bill will be wrong. At the present juncture, in this country we cannot possibly afford to save more. The people have got to save more for their children, for the future generations, but then where there is a race going on between poverty and plenty, when the line between hunger and anger has become thinner, if we tax the people more, what will happen? Of course, to save the country, they will say 'Yes.' But what about the millowners and what about the exemption of tax? What happened, when the Finance

Minister yielded to the organised pressure of the millowners and granted an exemption to the tune of 50 per cent in the matter of super profits tax? So, why have this three per cent? They are already contributing six per cent. That is enough. So, I move that the Bill be circulated for public opinion. The employees should be asked to give evidence.

**Shri Sham Lal Saraf** (Jammu and Kashmir): What have we left for eliciting public opinion now.

**Shri S. M. Banerjee**: I have said that the contribution to the provident fund should be increased from 6½ to eight per cent, in all the industries so that we will get much more amount out of it. The salaried people will pay you one per cent on a voluntary basis. Do not make it compulsory which is constitutionally wrong.

**Mr. Chairman**: The amendment moved by Shri Banerjee is before the House. We will proceed with the debate on the motion moved by the Finance Minister.

**Shri Ranga**: Mr. Chairman, the Swatantra Party is total opposed to this Bill. But I do not think it would happen if the Finance Minister is kind enough to agree to circulate it. I will certainly favour that suggestion. As my hon. friend, Shri Banerjee, has already stated, the peasants are not in a position to pay. It is no secret even for the hon. Finance Minister, because he said that half of them who are today paying a land revenue of Rs. 5 are not in a position to save compulsorily and he has chosen to exempt them. But I would like him to remember that even those peasants who have to pay up to Rs. 50 in dry area and Rs. 100 in wet area are not today in a position to make both ends meet. In the wet area, we know that according to the 1959 assessment, those who have to pay Rs. 100 as land revenue would be owing not more than 12 acres of land.

If we look into the statistics in regard to the indebtedness of such



[Shri Ranga]

peasants, we will be surprised to find that their indebtedness is increasing and not decreasing. A very large percentage of them are very heavily indebted. Many of them are always in arrears in payment of land revenue. I do not know why my hon. friend thinks it is quite reasonable on the part of Government to expect these peasants who pay more than Rs. 5 per annum as land revenue to contribute as much as 50 per cent of their land revenue assessment towards this compulsory saving scheme. If he has taken the trouble to collect information from the States about the land revenue arrears that are pending on the registers of State Governments, he would have been surprised or staggered by the enormity of these years.

Why is it that these arrears have gone on increasing every year? It is not because the peasants are in a position to pay, but because the peasants are not in a position to pay and the State Governments do not have either the coercive capacity or lack of sympathy or want of heart to force these peasants, to foreclose their properties and auction them in order to collect the land revenue arrears. In the face of all these things, I do not know why my hon. friend has been so keen on insisting that he should force this sacrifice on these people. He says, we must see that the burden is borne by all sections of the people more or less equally, so that there would not be any kind of discrimination. This I consider to be a terrible discrimination by itself. It is not proper that he should inflict this kind of punishment merely in the name of non-discrimination and distribution of suffering, coercion, imposition and sacrifice on the various sections of the people.

Let us take salaried employees. He has been good enough to raise the exemption limit up to Rs. 1500; that means Rs. 125 p.m. He has himself admitted that in many cases it is quite possible that these people are in debts and therefore, they may not be in a

position to pay. And yet, he says, he would insist that they should be made to suffer in this manner to this extent, in the interests of the nation and also in their own interests.

Supposing he is right in this regard, even then I maintain that there is discrimination between the peasant and the lower-paid salaried employee of the third class or the fourth class, whatever it is. When would a peasant be able to earn a net income of Rs. 125? Which peasant is in a position to earn so much? Not those peasants who have got less than 12 acres or 15 acres of land, not those peasants who have got 50 acres of dry land or 10 acres of garden land. Those people are not in a position to earn that much of net income after paying all the taxes. Again, you have to take into consideration their cost of production or cost of cultivation and interest on their debts. My hon. friend, Shri Banerjee, has already informed the House that industrial workers are heavily in debts. All those who are earning even more than Rs. 125 a month, salaried employees of the Government as well as of private enterprises, are in debts. The peasants are in debts. The rates of interest which they are obliged to pay are usurious rates of interest. He mentioned about money lenders and others. There is the kabuliwalah who flourishes his whip anywhere with immunity, and even though the police are not far from him they are helpless and they do not interfere. The salaried employees are at their mercy. So are the industrial workers. This also happens in the case of those people who are earning more than Rs. 125. When it comes to the peasants their position is even worse.

The standard of living of the peasants is very low. Their debt burdens are so high so much so even the co-operative credit societies today are not able to meet their demands at all and they are at the mercy of the local

money lenders. The rate of interest that they pay, as I said, is always usurious. To ask these people to pay 50 per cent more on the land revenue that they had to pay till 1959, knowing fully well that, after 1959 the land revenue has been raised by various States, is nothing but being cruel towards these poor people, these oppressed people and these helpless people.

My hon. friend cannot plead ignorance of the fact that a number of State Governments have doubled, and in many cases trebled also, the land revenue assessment during the last four or five years. That is why they are not in a position to collect these land revenue assessments. In addition to that there are the cesses also. The cess used to be two annas when the British were there and now it has been raised to eight annas in the rupee. That is an additional burden of 50 per cent already over and above the increase in land revenue after 1959. Now there is this 50 per cent that is being imposed. These burdens are in addition to the burden of excise duties that my hon. friend has been collecting all these years, as I said the other day, to the tune of 700 per cent. Excise duties to the tune of 700 per cent have been raised during the last 15 years. All these burdens are falling upon our peasants and agricultural workers. They are falling on other people also, but they are falling on the peasants in particular because we are dealing with them. The land revenue has been increased by 200 per cent or 300 per cent. There is the 50 per cent on top of it by way of cess and other things. Now there is going to be 50 per cent more on the land revenue as it used to be till 1959. If the peasants are expected to bear all these burdens and yet feel satisfied and grateful to the Government, then the Government would be expecting the impossible and we would be asking for the impossible indeed.

I think one of our hon. friends wanted an assurance from the hon.

Minister whether this position is going to be only a temporary thing and during the emergency. I do not know whether the Finance Minister was willing to give an affirmative answer. Even if it is to continue during this emergency, I say it is a burden which the peasants are not able to pay, the salaried employees whose income is above Rs. 1500 but below Rs. 6000 are not able to pay. It would be a terrible encroachment indeed upon their slender means and their low sub-normal standard of living. Therefore, even in the name of emergency there must be certain limits set for imposing these burdens. The emergency ought not to be made the all-embracing reason for inflicting such punishments upon the people. Under these circumstances, our party has got to emphatically state that it is opposed to this compulsory savings imposition upon our peasants and upon the salaried employees, and when the time comes for the peasants to organise themselves, in order to free themselves from this imposition, our party will feel itself bound to support them, to strengthen them and justify their revolt against this kind of unjust imposition.

**Shrimati Renuka Ray (Malda):**  
Mr. Chairman, the compulsory deposit scheme, as envisaged by the Finance Minister, has led to a good deal of controversy, and just now there is difference of opinion in the House as to whether it will be even constitutional or not.

16.31 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Without going into the legal position, I would just like to bring to the notice of the Finance Minister certain difficulties.

The whole idea of compulsory savings emanated from Prof. Keynes, who

[Shrimati Renuka Ray]

suggested during the last war in Great Britain that compulsory savings should be introduced in the case of the income-tax paying group. Even though Great Britain is so much advanced than India, so far as economic standards are concerned, yet he did not suggest the levying of compulsory savings from those people who do not pay income-tax. But the Bill here, as it has been framed and brought before the House is indeed moved in that aspect. But it has been improved upon by the Finance Minister, for he has announced certain concessions. Even though some improvements have been made, I would plead with him to realise the necessity of making some other improvements also.

In the first place, let me confine myself to the question of land revenue. Anyone who knows rural India will certainly acknowledge that there has been improvement in the position of the rural people, but that improvement has not gone to such lengths that even those who pay an annual land revenue of Rs. 10 are in such a position as to pay towards the compulsory deposit scheme also. Of course, the Finance Minister has now agreed to exempt all those who pay Rs. 5 per annum as land revenue, but are those who pay Rs. 10 or even a little more than that in a position to save? If they are in a position to save, I would certainly agree to the introduction of compulsory savings on them also. But, knowing rural India as I do, knowing how much dependent we are even now on the vagaries of nature from year to year and knowing how much loans—not indebtedness to the money lender but loans from Government—are taken from Government which the people are not able to pay back in time because of their conditions having not improved, how can I say that such people are in a position to save? Therefore, I would plead with the Finance Minister that a more realistic view of the situation may be taken

and instead of giving exemption only up to Rs. 5, he should raise the limit of exemption to a little higher level so that more people who are on the marginal level can get the badly needed relief.

Turning to the other side, those who do not pay income-tax, certain concessions have been given, it is but natural that those who are contributing to the provident fund should not also have to go in for compulsory savings. I am glad that the Finance Minister has agreed to these concessions. I would like to know about the group that pays income-tax, up to Rs. 4200. We had asked for exemption for this group from income tax. When I was speaking in the discussion on the General budget, I pleaded with the Finance Minister that up to Rs. 4200, they should be exempted from income tax. That has not been done. The Finance Bill has been passed. The only way out for such people with such a low income would be to exempt them from the compulsory savings. I would therefore request the Finance Minister to exempt the group that pays income-tax up to Rs. 4200 from payment of compulsory savings.

The hon. Minister has pointed out that a man who earns Rs. 125 should be able to save something. I would ask him to consider this from another angle. Why are we raising money? We are raising resources to meet the immediate needs of defence, and also so that our development plans can go through, so that the standards of life can go up. A man who attempts on his own, before the welfare state is able to provide him with all such amenities, to keep up some kind of standard, to send his children to the school or secondary school which is not free today, or even to provide medicines which are very necessary—if he is also expected to pay both income-tax as well as compulsory savings, how is he going to do it? These are marginal cases. It

may just happen that he is unable,—in fact, it does happen—unable to pay for his daughter's medicines which he has to say, because the States does not provide all these things free. When he has to provide for his boy's or girl's education in the secondary school, he just cannot do it. Because the amount that is levied as compulsory savings to give him the benefit in the future, deprives his children from the opportunity that they may get in the present. This is a very real case. I would, therefore, plead with the Finance Minister that since tax has been imposed on this group, at least let them be exempted from compulsory savings because that is the only way in which they could struggle, battle in some way to keep up a standard that they have. Otherwise, while we are attempting to raise the standard of life with our development plans, we may, in fact, bring about a contrary result if we do not study these cases with care and see that savings are not expected from those who cannot even manage to live properly in the present.

Before I conclude due to lack of time, I just want to say one thing, though I had many other things to say. A good deal of controversy has arisen regarding the constitutional position. I do not know what will be the result of this. But, it is true that there appears to be a good deal of validity in some of the arguments. I wonder if the Finance Minister would consider having this compulsory savings deposit Bill as an emergency measure because, then it would be covered by the Defence of India Act. Otherwise, it is very likely that it will be challenged by courts of law. In any case, before this Bill is enacted, I hope, those sections of the people who cannot afford saving as yet, who cannot defer the present for the future, are not in a position to do so, will be exempted from the compulsory savings. If that is done, the introduction of compulsory saving for those who are in a position to save, is a wholesome measure.

**Shri Prabhat Kar (Hooghly):** Mr. Deputy-Speaker, so far as this Bill is concerned, on the legal points that were raised, of course, they will be taken up by the Law Minister and afterwards by the court. I was really surprised to find an argument put forward by the Finance Minister when he said that because, today, article 19 is not available to the common man because of the emergency, he will pass this. Really it is surprising in the sense that I expected a better argument from him. He simply said that because article 19 will not be available, he is not bothered about that.

**Shri Morarji Desai:** I did not say so. It is a misrepresentation of what I said.

**Shri Prabhat Kar:** That is what he said; they cannot go to court. That is what he said. Look at the proceedings.

**Shri Morarji Desai:** That is also a thing which is relevant.

**Shri Prabhat Kar:** That is one of the points. That means, you are not bothered about the legal point because....

**Mr. Deputy-Speaker:** Nobody can prevent anybody from going to court.

**Shri Morarji Desai:** I never said that.

**Shrimati Renu Chakravartty:** There is no bar to any one going to court.

**Shri Prabhat Kar:** Because of the emergency, article 19 cannot be evoked and that is why he is not bothered. That is what he said.

**Shri Morarji Desai:** That would be the case only if it was an emergency measure. Otherwise, it is not so.

**Shri S. M. Banerjee:** There is a Supreme Court judgment that only in the matter of detention, people cannot go to the court.

**Shri Prabhat Kar:** I wanted a better explanation and not this type of argument.

**Shri Morarji Desai:** Any argument that I give will not convince my hon. friend. What can I do?

**Shri Prabhat Kar:** Anyway, this is no argument.

**Shri Morarji Desai:** There, my hon. friend is perfectly right.

**Shri Prathat Kar:** To say this to anybody that because there is an emergency today, therefore, it cannot be taken up, and, therefore, we need not discuss about the legal points is not proper. That is how he has put it. Otherwise, why did he refer to article 19?

**Shri Morarji Desai:** A loud voice is not a better argument. Anger cannot make it more right.

**Shri Prabhat Kar:** What was the necessity for referring to article 19, unless he had this idea in his mind?

So far as this Bill is concerned, already three Members have spoken, belonging to three different political parties with two different ideologies. But everyone has spoken about the burden that will be put on the shoulders of the ordinary men, the lower income groups and those who are earning less than about Rs. 150, and also the peasantry who are paying land revenue who come in the lowest income group. These are the persons who will suffer. One good thing is there that everyone is suggesting certain relief to these sections of the people.

I would only like to point out one thing to the hon. Minister. Considering the way in which he has discussed and given relief to the industrialists in the case of the super-profits tax on the ground that he has to see that the efficiency of the industries is not jeopardised, I think that it is also incumbent upon him to see that

the efficiency of those persons who produce wealth, and who run the industry, is not also jeopardised. For, today, it is admitted that the employees or workers, whether they be in the Central Government or in the State Governments or in any other institution or in any factory, are not getting even the wages which are required to maintain themselves. Even today need-based wages have not been granted to them by the tribunals. And today, a certain percentage of the wages or salaries is being taken away in the form of taxation or in the form of the proposed compulsory deposit. If a certain percentage of the salary is taken away, that means that the employee is deprived of taking home a certain percentage of his emoluments. Thereby, his efficiency will be hampered, and that will in turn hamper the growth of the industry and not so much the question of the decrease in the dividends to the shareholders.

I would, therefore, request the hon. Minister to consider this compulsory deposit scheme from this angle. While presenting the budget, he has said that his expectation under this scheme is between Rs. 60 and 70 crores. But I find that the revenue will be much more. If his expectation was between Rs. 60 and 70 crores, and if today from the calculations we find that the revenue will be much more, then I would plead with him that he should consider giving relief to those sections who are today so overburdened because of the increase in the prices of the daily necessities of life due to the increased taxation on the commodities and who are today also not enjoying the emoluments necessary even for their maintenance. It is from that angle that I would request the hon. Minister to consider this proposition.

So far as the peasantry paying land revenue is concerned, already it has been pointed out that there are surcharges in some of the States, there

is water tax, and there are other taxes or duties which have to be paid by them apart from the land revenue. So, if they are asked to pay an amount equal to 50 per cent of the land revenue, it will be too much. I would, therefore, request that some concession should be granted to the lower classes of the peasantry who pay land revenue to the tune of Rs. 15 or 20. As I can see from 1959-60, the land revenue of all the States comes to Rs. 95.15 crores. 50 per cent of it will come to Rs. 47.6 crores. The expectation of the Government is between Rs. 60-70 crores total. From the land revenue, 50 per cent calculated on the basis of 1959-60, will come to Rs. 47.6 crores. With the concession granted by way of exemption of those paying Rs. 5 as land revenue annually, Rs. 3-4 crores will be less. So roughly it will be Rs. 41 crores.

The number of income tax assesses is roughly 8,28,000 and the number of those whose income is between Rs. 3,000 and Rs. 5,000 is 3,05,167. They contribute to the tune of Rs. 3.73 crores. Those in the income bracket Rs. 5,000-7,500 contribute Rs. 13.19 crores. The amount which is expected to be contributed to the scheme is to the tune of Rs. 17 crores. The section or the assesses whose income today is between Rs. 3,000-5,000 will contribute 50 per cent of the deposit. It will be about Rs. 8 crores out of Rs. 17 crores.

So far as the rentier classes and householders are concerned, it is well known that there are a large number of middle class people who have got a house which is another source of income. They are also to contribute to the scheme. The amount under that head will come to Rs. 7.90 crores. Professional tax would come to Rs. 0.48 crores, but the Finance Minister has deleted that class. Then there is the urban non-income tax householders. They will give Rs. 22.60 crores. The rural non-agricultural sector will also give Rs. 8.80 crores. Therefore, from these figures, we find that it will be roughly about Rs. 101 crores. The

hon. Minister's expectation is Rs. 60-70 crores. There is enough scope in between to give relief so far as the common people are concerned.

Today there has been representation from the working class and the middle class workers. Various papers, which do not belong to any Opposition group, like the *Statesman* (Calcutta) have written about it. It says that today the whole middle class in the lower income group is completely frustrated, because while it has been found that it is possible for big business to put pressure and got concession, it is not possible for the middle class people, who are the cream of the society, who have sacrificed for the cause of the nation, who have been all the time in the forefront of the national movement, to get any concession. They are being put to great difficulties. It appears that the Finance Minister is not at all considering their case which remains unheard.

I would just only tell him what is the present position. Shrimati Renuka Ray and Shri Banerjee referred to the indebtedness of this type of people—the lower income salaried employees. The Government can go through the accounts of the co-operatives. The Minister will find what is the position today. Today the lower income group people are not in a position to meet their obligations and commitments to their families, and they are in debt, and how can you ask them to contribute three per cent of their emoluments? The Finance Minister should realise what it means to pay Rs. 4 out of Rs. 120. It means they will have to curtail a portion of their budget and forego something very essential. It is possible for the Government to take recourse to deficit financing by issuing treasury bills, but it is not possible for these people because after all they will have to repay the loan and pay their bills to the grocer and milkman. As the yield is likely to be double of what the Finance Minister has placed before the House, it is possible to give these people some

[Shri Prabhat Kar]

relief, and there is no reason why the Finance Minister should not consider this aspect.

16.52 hrs.

[MR. SPEAKER in the Chair]

Today the prices of commodities have gone up, while emoluments remain stagnant, because the dearness allowance has not caught up with the cost of living. In the circumstances this imposition is most repressive, and I would request the Finance Minister, in view of the likelihood of his realising much more by way of this deposit, to give the workers some concession so that their efficiency may not be jeopardised in the same way as he has given some concessions to the industrialists.

**The Minister of Law (Shri A. K. Sen):** I am obliged for your having asked me to assist the House in determining about the validity of this Bill in the light of the constitutional requirements that we must necessarily conform to.

It is true that under article 358 the fundamental rights, particularly article 19, stand suspended, but that is hardly of relevance. I agree with Shri Prabhat Kar that so far as we are concerned, we have never relied upon article 358 excepting for purely defence and emergency measures. Notwithstanding the Proclamation of Emergency, every normal measure is tested before it is introduced here according to the requirements of the Constitution, and may I say that we intend to do so whatever happens, unless something more catastrophic overwhelms us, because after all the normal machinery of Government is still in operation.

This is not an emergency measure at all. Hon. Members would be good enough to turn to article 39, particularly clauses (b) and (c). It reads:

"The State shall, in particular, direct its policy towards securing—

\* \* \* \* \*

(b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;

(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;"

From this follows the requirements of planning, control of the total requirements of the nation and pooling them for the purpose of employing so that the common good may be served and so many measures have been under-subserved. This is the reason why taken to pool the resources of the nation. The compulsory deposit is only one of the measures for that purpose. Whether a particular scheme is proper or not is a different matter and is not a constitutional question at all. But the necessity of pooling the resources of the nation for the purpose of subserving our plan requirements is a matter which is not only sanctioned by the Constitution but it is a matter which we are required to do under the Directive Principles of the Constitution. I do not think the purpose of compulsory saving as a means for enabling us to fruitfully pool the resources of the nation would be doubted by any one. In fact it is a very sound measure and the only way by which we can increase the savings of the nation so that investments may proceed at an increased pace. The question, therefore, is whether having regard to the fact that this is completely sanctioned by the Constitution, the Centre has the power or Parliament has the power to pass the necessary legislation. That takes us to the Seventh Schedule of List I. I have no doubt that the Centre has ample power for this purpose. I refer to entries 20 and 23 which are relevant for the purpose here. Entry 20 relates to economic and social planning and entry 23

refers to social security, social insurance, employment and unemployment. I am referring to the Concurrent List. The more appropriate entry is economic and social planning which is all pervasive. We had not, decidedly and quite wisely, specified the items of economic and social planning because economic and social planning is all pervading.

Even supposing for argument's sake that it is contended that this particular piece of legislation is not covered by economic and social planning, it will be amply covered by the residuary clause, namely, 248 of our Constitution which says that Parliament has exclusive power to make any law with respect to any matter not enumerated in the concurrent list or State list. I personally think that it is covered by the entry relating to economic and social planning. Even if it were not, it will be completely covered by article 248. I am, therefore, quite convinced that the point of constitutionality is not of much substance, with due respect to those who have raised the point.

**Shri Tyagi:** Does the hon. Minister deem it to be a tax? Does this pertain to the provision which says that such power shall include the power of making any law imposing tax not mentioned in either of the lists?

17 hrs.

**Shri A. K. Sen:** It is not a tax at all. It is admitted that it is not a tax. How can it be a tax?

**Shri Tyagi:** What is it then?

**Shri A. K. Sen:** It is a restriction on the person to dispose of his income.

**Shri P. R. Patel (Patan):** That is his personal income. It becomes a deficit budget; supposing an agriculturist's expenses are Rs. 150 and his losses are Rs. 50, what about the resources?

**Shri A. K. Sen:** That is about merits. It is on merits, and not on the constitutional basis. It is not a tax measure. Shri Tyagi was right when he said that it is not a tax measure. It is really a restriction on the power of the person to dispose of his income in the way he likes. He has to set apart a particular part of his income.

**Shri Tyagi:** Does the hon. Minister mean that under the entry "economic and social planning", any taxation measure can come?

**Shri A. K. Sen:** It can come, but it must have been covered by the taxation entry, because there are specific entries. The hon. Member will see that List I provides for the power of the Union to tax, including the residual power of taxation. That is a different matter. If it was a taxation measure, I would have taken recourse to those entries, but it is not a taxation measure. It prevents a person from disposing of his income or spending his income in the way he likes. Saving is nothing but a restriction on spending. That is, from my income, I ought to be able to spend in the way I like. But this is a restriction on that right to spend, so that I can only spend subject to setting apart a particular portion of my income under the provisions of clause 4 of the Bill itself, the provisions which are brought within the ambit of clause 4.

Therefore, Sir, it is conceded that it is not a taxation measure. Therefore, it must be a measure for economic and social planning. As I said, there is ample power for making a provision for this purpose under the Constitution itself.

Then there is your own ruling and the ruling of your predecessors that on such matters it would be for the House to decide after hearing the arguments on both sides, so that the question of vires can be decided.

**Mr. Speaker:** That is exactly why I wanted his advice so that it would be ultimately for the House to make up its mind on the issue.



**Shri A. K. Sen:** That is what you have always done and your predecessors have always done, so that if it comes to voting, the House can vote on the validity of the Bill which is challenged. Before the decision of the Speaker, the House is assisted with the views concerning the *vires* of the challenged legislation. So, these are my submissions.

**Shri H. N. Mukerjee:** I would not normally have intervened, but I was rather befuddled by the Law Minister's arguments because I could have understood a straightforward averment that on account of the emergency, article 19 is being kept in abeyance. But he did not say that. On the contrary, he rather went out of his way to say that all the fundamental rights are being maintained and except for very special reasons Government is not going to impinge upon them. I am not going into the merits of the matter. Technically speaking, the position seems to me to be a very intriguing one. I say with all respect—I have nearly forgotten my law but even so—what I have heard from the Law Minister did not satisfy me.

The Law Minister has referred to article 39 which forms part of the directive principles of State policy. Now, there is always a distinction—and everybody knows it—between the fundamental rights which are justiciable, which are enforceable in courts, and the directive principles of State policy which are very fine adumbrations of the principles and extremely important for our purpose. But there is a qualitative difference between the two, and if there is even a conceivable contradiction between the areas within the ambit of fundamental rights and of the directive principles, surely the fundamental rights would have precedence.

The Law Minister has argued that on this occasion we are only going to have a mere restriction on the right which is guaranteed by article 19 of

the Constitution to acquire, own and dispose of property. Government feel that they can eat the cake and have it too. I might substantially support the Government on this issue, but Government must put forward legal arguments which are satisfactory. My feeling is, the Law Minister says that this is a mere restriction and there is nothing positive about it. But this is a very positive injunction which is coming from the Government, with all the sanction that the Government has got behind every statutory injunction. It is an injunction on the people to do a positive act, namely, to keep something out of his or her income and put it as a deposit, for Government to look after. Here is the sanction of Government being brought into the picture by a very positive injunction, which is being placed on every citizen of the country, who happens to be earning an income of a certain amount or more. This is not a mere restriction or a mere modification of the ways in which the right to hold property or dispose of property can be exercised. Here is something which is constructive, of a nature which surely cannot merely be comprised under the term "restriction". This is a matter of very serious import. We are all talking more or less on the spur of the moment. I am sorry I was not here from the very beginning, but *prima facie* the argument of the Law Minister cannot be accepted. Of course, it is for you, Sir, to decide, how you are going to decide it.

**Mr. Speaker:** That I have already decided.

**Shri S. M. Banerjee:** The Law Minister has quoted article 39.

**Mr. Speaker:** At this stage, it is not a controversy between the Law Minister and the hon. Member. I only asked the Law Minister to come and give his advice, so that it might be available to the hon. Members.

**Shri S. M. Banerjee:** Why I say that this should be referred to the Attorney General is this.

**Mr. Speaker:** That I have decided. I hope the hon. Law Minister has just seen the debate that has preceded his arrival here. Objections have been raised that this is appropriation of property without compensation. That is one thing. Secondly, it is not a tax proposal. That has been admitted perhaps on all sides. Then, the objection is there is interference under articles 19(f), the liberty of the people and the fundamental rights are infringed. Mr. Mukerjee has argued just now that these fundamental rights are being infringed to some extent, this is not a reasonable restriction on them, which is allowed but something which is more fundamental.

I am afraid the Law Minister first referred to the Directive Principles. These are the lines on which the policies of the Government are to be formulated. But if a particular Bill is brought, that has to be judged on merits, whether it really contravenes or violates any provision of the Constitution. Simply because there is a provision that the State in particular shall direct its policy towards so and so, if a Bill is directed towards that policy; it does not become *intra vires* of the Constitution.

**Shri A. K. Sen:** I did not say so, Sir.

**Mr. Speaker:** He has referred to the Directive Principles or to the entries in the Schedule. The entries in the Schedule are only distribution of the subjects which are within the province of the Centre or of the States or concurrent subjects. If it were a dispute whether it is within the province of the State or of the Centre or whether it is a concurrent subject or whether it comes under the residuary list, I can understand. The dispute is not whether this should be exercised by the Centre or the States or whether it comes under residuary powers, which belong to the Centre. But whether

the attack is fundamental, that it does violate or contravene the provisions of the Constitution itself, then the advice should be whether it does really violate or infringe those provisions or not, and not simply refer to the directive principles or the entries. So I would request him kindly to throw more light on this objection.

**Shri U. M. Trivedi:** Sir, one point has been missed by you.

**Mr. Speaker:** I might have missed many.

**Shri U. M. Trivedi:** It is just possible. The point that I raised was that the Constitution itself may not come in the way of having a compulsory saving scheme because it may not offend the provisions of article 19 or it may not offend the provisions of article 31. But there is a penalty clause in clause 9 of this Bill.

**Mr. Speaker:** The hon. Member would realise that if there is some portion which is *ultra vires* or objectionable, perhaps the House might drop it. Therefore, it cannot be applied to the whole thing.

**Shri U. M. Trivedi:** I am giving a clarification of this particular point.

**Mr. Speaker:** We cannot take up now the different clauses of the Bill.

**Shri U. M. Trivedi:** I am saying, why this whole scheme will fall through. Clause 9 of this Bill governs practically the whole working of this Act. Clause 9 says that you will be deprived of a property, and this being not a taxation measure, as has been admitted by everybody, not governed by article 265 of the Constitution and not coming within the definition of article 366(28), it is being hit by article 31 of the Constitution. This is deprivation of property without, what you call, giving compensation. In that sense, therefore, it will be hit entirely by article 31 of the Constitution. That is why I submit that this point also should be examined, whether with this cumulative provision

[Shri U. M. Trivedi]

that is contained in clause 9, without which the operation of this Act will be ineffective, it is worthwhile proceeding with it.

**Shri Tyagi:** There is one more point that would require to be clarified. Restriction of use does not give the Government the authority of taking over, not even temporarily taking over. Restriction of use means that they can restrict the use. They cannot sell a thing. I can understand if they were to keep it in deposit and show that it is in their possession. Dispossession for the time being does not mean restriction of use.

**Shri P. R. Patel:** If there is no surplus, then what would be the position?

**Shri A. K. Sen:** Mr. Speaker, Sir, it was not my intention to say that the fundamental rights can be ignored simply because there are the directive principles. The purpose of my referring to the directive principles was simply this, that when we try to show whether a restriction is reasonable or not frequent references are made to the directive principles and it gives effect to the directive principles. The Supreme Court has in many cases taken recourse to the directive principles in order to find out whether a particular restriction was reasonable or not, because a restriction designed to give effect to one of the directive principles is certainly for the common good and must be regarded as reasonable. That is what the Supreme Court has said. That is the reason why I referred to the directive principles and the necessity for economic and social planning. But, nevertheless, as you rightly pointed out, if the fundamental rights were in operation and not suspended, we must satisfy the requirements of article 19 and not contravene it at all. But whether article 19 has been contravened or not has to be decided by deter-

mining whether a particular restriction is reasonable or not, because that is article 19(5).

**Shri A. P. Jain:** Is it your contention that it is reasonable?

**Shri A. K. Sen:** Of course, it is. That is why I referred to economic and social planning and to the directive principles. Whether it is reasonable or not is a different matter, but my whole purpose in referring to the directive principles and to economic and social planning was to prove that it was reasonable.

Now, Sir, Shri Tyagi rightly referred to article 19(5) because, according to him, this restriction was not reasonable because, according to him again, this affects the rights guaranteed under article 19 to acquire, hold and dispose of property. And he said, by referring to clause 5 of article 19, that this restriction was not reasonable and was not for the public good. That was his attack of the Bill. My whole purpose in showing the Directive Principles was to prove that this restriction was reasonable and was for the public good.

**Shri Tyagi:** Restriction literally means stopping a man from making use of it, curbing its use, but not taking over or dispossessing him.

**Shri A. K. Sen:** Shri Tyagi said that this was not in the interest of the general public, seeking to impose reasonable restrictions, as contemplated in article 19(5) of the Constitution. I did not notice that before, but now he says that it is not a restriction at all. If it is not a restriction, then article 19 does not come into operation at all. Article 19 comes into operation only if it is restricted. According to him, it is taking over, it is a complete acquisition of the property of a person, because it says that he has to put his

savings in a particular place and not keep it under his control. Whether it is complete acquisition or not is a matter on which there can be no dispute, because the Supreme Court has decided as to what amounts to acquisition or deprivation of property. It means, according to the Supreme Court, complete cessation of all right and interest in the property, so far as the person who is the owner is concerned, and complete deprivation of that property. And restriction is where the right, title and interest remain in the owner but the right of disposition and right of enjoyment are fettered. That is restriction. Therefore, this particular measure has to be tested for the purpose of determining whether it provides for acquisition and cessation of all right to title and interest of the owner or it provides restrictions on the user of the property which belongs to the owner.

In my submission, the provisions are quite clear. The ownership of the person is not at all affected; it remains with the person who is the owner. It is returned to him after the lapse of a particular period. The only thing is that he will not get any interest. That is a different matter. He will, during this period, not be entitled to dispose of it, and not to keep it where he likes. He has to keep it in the way as the Act enjoins.

**Mr. Speaker:** In other words, the enjoyment of that is temporarily suspended for a particular period.

**Shri A. K. Sen:** Yes, and the user of it is fettered in a particular manner. That is the whole thing. Therefore, it is not a question of acquisition; it is a question of restriction on the owner, who remains the owner for disposing of the property, or using the property, or enjoying the property, as an owner would normally be, only with restrictions. Therefore, it is quite clear that it is a case of restriction on the owner's right, as it says in article 19, to acquire, hold and dispose of his property. He cannot dispose it of, he cannot hold it as he likes, dur-

ing the period for which he has to compulsorily deposit part of his income, affected by the Act. Therefore, as I said in my submission, I rightly pointed out whether it was a reasonable restriction or not. In my submission—I do not want to repeat it by arguments—I want to prove that it was a reasonable restriction for public good, for pooling the resources of the nation for more effective economic and social planning and to subserve the common good.

**Some Hon. Members rose—**

**Mr. Speaker:** There is no point in continuing the controversy in this manner. Hon. Members can make all the points that they want in their speeches.

**Shri A. P. Jain:** I will make my point in two or three sentences. The word "restriction" is negative in character. It says "don't do this" or "don't do that" or "don't do a third thing". It is not at all positive. Now, what the hon. Finance Minister is providing is not at all a negative thing. He does not say "don't do this or that". He takes over a part of the income of the people for a particular period. That is a positive purpose. Therefore, with all respect, I submit that the interpretation of the Law Minister is not correct.

**Mr. Speaker:** Does he want to speak on the Bill?

**Shri A. P. Jain:** Yes, Sir.

**Mr. Speaker:** He might continue.

**Shri A. K. Sen:** I only wish to add one thing. It is covered again by many judicial decisions that a restriction may flow from a positive act. It is quite clear, when you say that you shall do this, the owner is required to do a thing contrary to his ownership. (Interruption).

**Mr. Speaker:** That is all right. That is not disputed. Order, order.

**Shri A. P. Jain:** I am thankful to you for giving me this opportunity to speak on this Bill.

**Mr. Speaker:** He has wrested it from me: not that I have given.

**Shri A. P. Jain:** By your kindness.

**Mr. Speaker:** That is all right.

**Dr. Sarojini Mahishi** (Dharwar North): I want to make a submission on this point.

**Mr. Speaker:** That point is gone now.

**Shri A. P. Jain:** To begin with, I shall deal with the legal aspect. You, Sir, have correctly observed that the power of legislation cannot flow from the directive principles. There must be positive provision. The hon. Law Minister has accepted that it is not a taxation measure. It, therefore, lightens my burden. If it is not a taxation measure, I would like to know what it is. The only other way known to law by which a person can be deprived of his property is by acquisition. He also agrees that this is not acquisition. He has taken shelter under clause 5 of article 19. As I said a moment before, the exception article 19(f) provides reasonable restrictions. For that purpose, we must first understand what the word 'reasonable' means, and then what 'restriction' is.

**Mr. Speaker:** If he excuses me, I will place a time limit of 10 minutes to each Member. They must apportion the time they want to give to this legal aspect as well as to the provisions of this Bill.

**Shri A. P. Jain:** I obey. I am your obedient servant. Now, how much time is over?

**Mr. Speaker:** I will begin from now.

**Shri A. P. Jain:** Thank you. The word restriction, as I said, is something negative. You can say, don't do this, don't do that. You can lay down a thousand conditions until all

the rights of the person become defunct. Whether it will be reasonable or not is a different question. Restrictions can extend to the extent of making the rights practically defunct. Can it mean that you acquire a positive right to use it in the manner you like?

**Mr. Speaker:** When I ask the hon. Member to resume his seat is that a negative thing or a positive thing? I place a restriction on his continuing speech.

**Shri A. P. Jain:** It is both a negative and a positive thing. It is negative in so far as it restricts my continuing the speech. It is positive...

**Mr. Speaker:** As the Law Minister has said, if the consequences that follow result in placing some curbs,—the thing may be positive in itself—that would be considered as a restraint and restriction.

**Shri A. P. Jain:** That is legal quibbling.

**Mr. Speaker:** He might continue.

**Shri A. P. Jain:** As I said, the restrictions can amount to practically total extinction of the use for the time being or permanently. Whether it is reasonable or not is another question. But, no amount of restriction can give a positive right to the Finance Minister to use this property for his benefit or for the benefit of any other person. My objection is this. This law cannot come under the exception provided there. Because, there are two aspects. First, I shall not be allowed the use of the money; second, the Finance Minister will be allowed to use it for development purposes, whatever that may be. Where does the law say that it will be used only for development purposes? It may be used as well for paying salaries. It may as well be used for consumption expenditure: not for development. Therefore, that argument of

the Law Minister falls to the ground. Then, I raised another objection also, which I am not going to repeat now, because you have given me only limited time.

The Finance Minister has said the money recovered on account of compulsory deposits from the farmers will be passed on to the States. When was he appointed an agent by the States to collect taxes for the States or to impose taxes for the States? There is no such power. So, that is again wrong. These are the two aspects.

Then, he gave a smile. He said that there was the compulsory provident fund, there was the compulsory insurance fund and so on. But those things are for worker's own benefit. He does not take away that money. The compulsory provident fund is for the benefit of worker. But, here it is not for depositor's benefit. So, that simile does not hold good.

Coming to the merits of the case, I feel very strongly about this compulsory levy on the farmers. We know the condition of farmers all over India. But, do you know the land system of India? It was very wisely laid down in the law that land is a State subject, because it has been a State subject for hundreds of years and different systems have grown up. I can tell about my own state of U.P. We abolished zamindari there, and we created two tenures. One is known as *sirdari* and the other is known as *bhoomindari*. All the occupancy tenants became *sirdars*, and anybody who paid ten times the land revenue became a *bhoomindar*, and his land revenue was reduced by 50 per cent. In other words, if I am the holder of a land as *sirdar*, suppose I pay Rs. 100 as land revenue; if the same land is held by a *bhoomindar*, equivalent land of the same quality, he pays only Rs. 50. What does this mean? It means that the man who has more shall pay less, and a man who has less shall pay more, which is a negation of all the principles of taxation.

Shri A. P. Sharma (Buxar): That always happens. Those who have got more never pay more.

Shri A. P. Jain: Then, validate this also.

That is one aspect of it. Then, in the Indian States, there are different land tenures. Particularly, in the States which have been constituted out of the old princely States, the incidence of the land revenue is very low. Sometimes, it is only about one-third or one-fourth or one-fifth of what it is in the progressive States where settlement has been done from time to time. This law violates that principle also because where the incidence of land revenue is low, the man gives less, and where the incidence of land revenue is high, he pays more. This is another defect in this law.

The Finance Minister has been very gracious in giving some exemption to persons who pay Rs. 5 as land revenue. I am sorry for that. It is a very miserly thing. Compare it with the urban areas. I think that the Finance Minister has now agreed that persons who do not pay income-tax will be exempted, that is, those having an income of Rs. 3000 per year will be exempted. Now, take the case of a man who pays land revenue to the extent of Rs. 5. What is his income? At the most, it will be Rs. 100. According to this Bill, it means that everybody who has an income of more than Rs. 100 must contribute to compulsory deposits. In the urban areas, a man who has an income of Rs. 3000 or an income up to Rs. 2999 is exempted. How is this levy on the farmers, therefore, justified? We want some more cogent arguments for justifying these things, and not merely a dogmatic assertion that it is all right and it is equitable. I say that it is not equitable.

The condition of the rural areas is very poor. Already, the people in the rural areas are going to suffer from heavy taxation. I very respectfully

[Shri A. P. Jain]

submit that this part of it, namely the levy of the compulsory deposits on the farmers must be completely given up. Neither is it the function of the Finance Minister nor is this levy of compulsory deposit equitable. It will work hardship upon the poorer classes of people. It will also give rise to unlimited administrative difficulties.

Suppose the Finance Minister orders me to pay Rs. 2.50 in a year, and I deposit Rs. 2.50. If I do not do it, a warrant will be issued against me and I shall go to jail. Therefore, I deposit Rs. 2.50. And what would be the interest on it? I shall have to go to the post office to take the interest of about two annas or one anna or six pies. Now, why should he not take it if the interest has accrued?

One of the fundamental functions of law is that it should not cause too much of inconvenience to the subject. This law causes too much of inconvenience to the farming classes. Therefore, very humbly but very strongly and with all the force at my command, I request the Finance Minister to drop this part of it.

So far as the other parts are concerned, I repeat what I had said, namely, let us have the opinion of the Attorney-General. After all, we are as much interested in seeing that this law is properly framed and that it is not later declared *ultra vires* the Constitution, as he is. It is not any extraordinary request. And if it is found that it is illegal, we will agree so as the other things are concerned. That is all I have to say.

**Shri Sachindra Chaudhuri (Ghatal):** I had sought to speak to make some very brief observations on this measure. I congratulate the Finance Minister whole-heartedly on the measure that he has brought forward. I feel it is a reasonable measure.

I heard Shri Prabhat Kar say that there are 8 lakh odd income-tax payers in our country. In a country of 440

million people, only 8 lakh odd pay income-tax. Is it to be suggested that in this country only those who pay income tax are the people who should be made responsible for the governance of the country, for the development of the country, for the progress of the country? Or is it that poor as we are, we shall all happily contribute our little mite to the progress of the country and feel the pride and satisfaction that we are citizens of this country and we are doing our bit? If we have got to tighten our belts even more than we have already done, this is the occasion when we have got to do it. This is demanded of us.

Not so long ago when the emergency was very strongly on us, we in this House, outside, publicly and privately declared that we shall shed the last drop of our blood and give up the last morsel of our food for the purpose of opposing our enemy. There is one enemy all the time, and that is absence of progress, illiteracy, poverty, absence of food and so on. Are we going to drive ourselves to suffering today for the purpose of bringing a certain measure of progress, a certain measure of prosperity to those that follow? Or are we going to say, 'No, let one section of the people shoulder the burden always'?

I am not going to take up the House's time by debating on each one of the clauses of this particular Bill. There may be differences of opinion as to whether Rs. 5 should be the limit or Rs. 7 should be the limit so far as land revenue is concerned; or whether in the other case it should be Rs. 1500 or Rs. 1700. These are matters of debate which can never be solved. After all, the Finance Minister has got to make up his mind as to where to draw the line. But on principle, I entirely agree that the Bill is good. Even clause by clause, I submit it is good.

There is another aspect, to which I would like to refer. There are three

grounds on which the constitutionality of this particular measure may be challenged. The first is on the footing of competence of this House you have practically disposed of it—whether it is within the legislative competence of this House. It is granted that this is not a tax. Therefore under article 248 or under item 97 of List I of the Seventh Schedule, this House has got ample power to legislate on this particular matter. It is a loan which is being taken by Government, true enough compulsory, but nothing more and nothing less than a loan.

The next question that arises is: does it offend articles 19 or 31? Article 19 is aimed at preventing unreasonable restrictions to the possession or holding of property. Now in order that there should be a restriction in the matter of possession or holding of property, the property must continue with the owner—the hon. Member said as much. When this compulsory deposit is made, when the money is deposited, the property in it is gone. It is not there any longer. Therefore article 19 is not the appropriate article to think of.

If I have been deprived of a certain sum of money, article 31 says that that can be done by the authority of law. This Bill is going to be enacted, going to be made into law. Clause (2) of the article says there should not be any deprivation of property except by paying compensation, not adequate compensation. What is required is this, that for five years the Government of India should have the use of this money, and at the end of it the entirety of that sum would be returned with interest calculated at a rate which is slightly higher than what will be paid by a bank if the money were deposited with it. If that is so, can we say there is no compensation for the deprivation? Therefore, I submit it is wholly constitutional, there is no offence to the Constitution.

If you take it as a restriction, although I am not convinced, on the

holding or possession of property, in that case, having regard to the circumstances of the country, the needs and the progress of the country the deprivation for a period of five years with the addition of a right to receive interest at a particular rate is a reasonable restriction and the money is going to be used for public purposes. It is not going to be used for private purposes, whether it is development or payment of salary. It will be salary to a public servant. Whether it is for development or for purposes of aiding defence or any other purpose, it really enures to the benefit of society at large in this country, and the restriction is reasonable and there is no offence to the Constitution. If it is acquisition of property, we are amply protected by article 31(2) which says that there can be deprivation of property by operation of law provided always there is compensation, and in this case compensation is there in the form of interest being paid.

In the circumstances, I repeat my congratulations to the Finance Minister and whole-heartedly and fully support this measure.

**Mr. Speaker:** We have taken about an hour and a half or something like that in this legal discussion as to whether it is *ultra vires* or *intra vires*. We had scheduled that we would finish this Bill today. Shall we sit late today or how is this to be finished, because I would not like the House to disrupt its further programme. The Official Language Bill is to be taken up tomorrow and that should not be disturbed, though I know that the Minister of Parliamentary Affairs is going to make an announcement that the House is being extended by a day or two as was mentioned by him in the morning.

**Shri S. M. Banerjee:** Should we hurry up this most important Bill?

**Mr. Speaker:** We are discussing it and the time that has been allotted I am going to give to the House. I am



[Mr. Speaker]

not taking it away. The time allotted is three hours. Either we sit longer today....

**Some Hon. Members:** No, no.

**Shri P. R. Patel:** Two hours more may be given.

**Mr. Speaker:** Then we will have to find time by sitting after 5 O'Clock tomorrow and the day after, one hour each day, so that we might have two hours as desired by the House. Dr. Mahishi.

**Dr. Sarojini Mahishi:** I want to draw your kind attention to the case of Sholapur Spinning and Weaving Mills whose management was taken over by the Union Government. The petitioner shareholders in that particular case challenged the competence of the Union Government to take away the management of the mills under articles 19 and 31 of the Constitution the depriving him of his right and interest as a shareholder, but Their Lordships were pleased to give the judgement that it was neither deprivation of the right of any person, nor acquisition of property belonging to any person; only the right of vote of the shareholders was being suspended for the time being. So, it is only suspension, neither acquisition nor deprivation of the property. Here too, it is only the suspension of the right to enjoy the property arising out of the amount that is with the person.

**An Hon. Member:** Not even that; he is getting interest.

**Dr. Sarojini Mahishi:** For the depositor, it is only the suspension of his right, for the time being, of the enjoyment of the property.

**Shri P. R. Patel:** If there is no property?

**Dr. Sarojini Mahishi:** The right to vote is considered as a property right. The Finance Minister has also said:

"How long these proposals will remain as a part of the law of the

land and in what shape, are clearly not matters on which I, or the Government, or this House need form any judgement at this stage."

This Bill seeks to augment the national resources to meet an emergency, to meet the demands of defence and development. The citizens are certainly not reluctant to make payments but they want their humble contributions to be properly utilised for the purposes meant. The Comptroller and Auditor General in his report for the year 1961-62 says that the Finance Ministry has made under-estimates during this year to the extent of Rs. 118 crores. It was never before done like that during the past five years, except in the year 1959-60. He also refers to the liberal rebates and reliefs given by the Finance Minister to the extent of Rs. 1.8 crores as a result of which there is some loss to the exchequer. Reference has also been made to the under-estimation of the tax; there are arrears to the extent of Rs. 150 crores. The Finance Minister the other day referred to the reasons for these arrears. Certain part of these arrears are irrecoverable. The Auditor General refers to the gross under-estimation and under-assessment. The measures taken by the Ministry to remedy these have not been intimated to him till the end of the year.

The commercial section has also been audited separately and the audit report (commercial) has been presented to the House. Therein we see that there are not less than 15 Government corporations in the public sector with a paid-up capital of Rs. 30 crores and a loan of Rs. 70 crores. With this investment they have been able to make a profit of Rs. 2.79 crores. In 46 Government companies there is a capital investment and paid-up capital of Rs. 156 crores. 25 of these companies have been able to give a dividend of only Rs. 1.79 crores or so.

These companies which have been working for five or six years have not been able to show a clear dividend or to give a clear profit. The auditors specially refer to the waste, to the excessive waste in the maintenance of Indian Missions abroad. Huge waste has been recorded by the auditors as far our establishments in the foreign missions are concerned. Naturally, we want to see that these things do not happen. The citizen is quite keen on seeing that every pie given for development and defence is properly utilised.

Coming to the Bill itself, I find that all the sections of the people are being asked to contribute to these compulsory deposits and no section is left out. All the persons are brought under one category or the other. I refer particularly to the cultivator who pays a land revenue of not less than Rs. 5; he is required to make a compulsory deposit. 71 per cent of the people in India live on agriculture and in the rural areas. Suppose a cultivator cultivates his own land, or cultivates the land belonging to another, he is required to pay a land revenue even with a holding of, say, four acres, something like Rs. 14 or Rs. 15. It will be extremely difficult, considering the return that he gets, when he is to make a compulsory deposit, and he has to deny to himself facilities to himself and to his family, especially when the agricultural production depends mainly upon the vagaries of the monsoon. He may not be getting in the next year what he got in the previous year. So, I hope the Finance Minister will reconsider and raise this limit of Rs. 5 to at least Rs. 15 and give some concessions to all those who come within the payment of land revenue of Rs. 15.

I would then particularly refer to clause 4 of the Bill, on page 2 of the Bill. The second proviso to clause 4 (1) says as follows:

"Provided further that the rate of compulsory deposit shall not exceed the maximum rate specified in sub-section (2)."

That means, when the compulsory deposit will be levied by the Government, it will be treated as a sort of harassment. That presumption is there. That means this is the maximum rate, if any person wants to contribute voluntarily a greater amount to the compulsory deposit, he should be entitled to. At the same time, I came to know as regards this tax concession that he would not be able to have this concession over the additional amount that he may contribute to the compulsory deposit. The country is in need of money; not that the cultivator is in need of a deposit. Therefore, we might amend this and say that the compulsory deposit shall not be less than a prescribed minimum, so that he will have an opportunity, in case he desires, to give more. Some hon. friends, I met, who are more experienced will say that no one would like to make a deposit of additional amount in this when the other Government securities are there which are giving more interests. I will say that we should not prevent people from depositing in this. Therefore, I hope that the person will be allowed to contribute in case he desires, something more. There should be provision for it.

I have referred to the cultivator because in India, as far as agriculture is concerned, we are finding that proper facilities to the cultivator have not yet been given. The full irrigational potential has not been exploited in spite of our efforts to increase and accelerate our agricultural production. During the First Plan, we have imported foodstuffs to the tune of Rs. 538 crores; that was increased to Rs. 711 crores in the Second Plan, and during the short period of 18 months of the Third Five Year Plan, the exports have gone to the extent of Rs. 200 crores. I do not know how much more we will spend. Anyway, proper facilities have

[Dr. Sarojini Mahishi]

not been given and it is very difficult for the majority of the people in India; the cultivators, will find it difficult to contribute.

In the industrial sector also, we find that corporate tax, dividend tax, etc., besides the compulsory deposit have been imposed. So, those persons may find it very difficult to go in for investment in the industrial field. Except some financiers, the industrialists may not find it a happy source of investment of their income. Therefore, I hope the Finance Minister will reconsider these points and favour the major sections of the people.

**श्री बड़े :** उपाध्यक्ष महोदय, हमारे सामने जो यह कम्पलसरी डिपॉजिट स्कीम आई है उसके संबंध में काश्तकारों के लिये यह प्राविजन है कि उनको लैंड रेवेन्यू का ५० परसेंट डिपॉजिट करना पड़ेगा। सुपर प्रॉफिट टैक्स के बारे में काफी हल्ला हुआ। उस हल्ले के बाद जितने पूंजीपति थे उन्होंने तो, बहुत से पम्पलेट्स बगैरह निकाल कर शासन पर अपना प्रेशर डाला लेकिन किसानों के पास कोई आवाज नहीं थी, इसलिये वे लोग हमारे मंत्री महोदय पर कोई प्रेशर नहीं डाल सके। जब हाउस के अन्दर बहुत हल्ला हुआ सरकार ने यह कर दिया कि जो लोग ५ रु० से कम लैंड रेवेन्यू साल में देते हैं उनको एग्जेंप्शन दे दिया। एक बच्चा रो रहा था तब उसकी मां ने क्या किया कि उस का एक अंगूठा उस के मुँह में दे दिया। इस पर वह बच्चा रोते रोते चुप हो गया और सोचा कि शायद उसे कुछ खाने को मिलेगा और उसकी भूख का समाधान हो जायेगा। जिस प्रकार से उस माता ने बच्चे के मुँह में अंगूठा दे दिया था उसी प्रकार से हमारे मंत्री जो ने ५ परसेंट का एग्जेंप्शन दे दिया है।

वस्तुतः किसानों के ऊपर जो टैक्स लगाया गया है उसके संबंध में किसानों के अन्दर यह भावना है कि इसके बजाय तो

जजिया कर लगा देना चाहिये। जिस प्रकार औरंगजेब बादशाह ने जजिया कर लगाया था और हर एक हिन्दू को १ रु० देना पड़ता था वह इतिहास के हर विद्यार्थी को पता है। एक रुपये की कीमत ५ रुपये हो गयी है। ४५ करोड़ लोग इस देश में बसते हैं और हर एक के पीछे पांच रुपया भी लगा देंगे तो २०० करोड़ रुपया आप को आमानी में मिल जायेगा। इस प्रकार का टैक्स लगाने से किसानों में बड़ा असन्तोष है। दरअसल छूछा जाय तो यह जो ५ रुपये से ज्यादा लगान देने वालों पर यह टैक्स लगेगा अर्थात् ५ रुपये और ७५ नये पैसे जो लैंड रेवेन्यू देता है उस पर यह लागू होगा तो क्या वह गरीब काश्तकार इससे ओवर टैक्सेबल नहीं हो जायेंगे ? उनके पास क्या वाकई इतनी इनकम आती है कि वह इस अतिरिक्त बोझ को बर्दाश्त कर सकें ? आज वास्तविकता तो यह है कि किसान पहले ही कर्ज के बोझ के नीचे दबा हुआ है। उसको पैसेजस टैक्स देना पड़ता है, पंचायत टैक्स देना पड़ता है और फिर उसकी तकावी रहती है। तकावी के काफी ऐरियस रहते हैं। तकावी के बाद में लैंड रेवेन्यू का काफी ऐरियस पड़ा रहता है। उसके ऊपर काफी कर्जा पहले से ही लदा होता है। शैंडयूल्ड ऐरियाज और शैंडयूल्ड ट्राइबज कमिशन की रिपोर्ट में साफ तौर से कहा गया है कि किसानों की इन्डेब्टेडनेस काफी बढ़ गयी है। वे कर्ज के बोझ के नीचे दबे पड़े हैं। उस में ऐसा लिखा हुआ है :—

“The size of the problem is enormous. Often the debts descend from father to son and even to the third generation. Generally speaking, the tribals appear to accept indebtedness as a normal, almost inescapable, aspect of their existence. On the economic side, the tribals rely entirely upon the money-lender for the settlement of his dues. His faith and trust in him is quite astonishing. One

reason is that he gives easy credit when it is needed most."

किसान अथवा काश्तकार का कर्जा फादर टु सन चलता है। ही लिप्स इन डेंट ऐंड डाईज इन डेंट। ऐसी स्थिति होते हुये उसके पास कम्पलसरी डिपॉजिट स्कीम के अन्तर्गत पैसा जमा करने के वास्ते कहां से आयेगा ? उसकी आमदनी ही कितनी है जिसमें से कि वह डिपॉजिट में पैसा दे सकेगा ? सरकार आज जो गरीब किसानों पर यह बोझ डालने जा रही है तो इस संबंध में मुझे एक कहावत याद आ जाती है और वह यह है कि जब सियार की मौत आती है तो वह गांव की तरफ भागता है। ठीक उस सियार वाली दशा इस कांग्रेस गर्वनमेंट की मालूम पड़ता है कि कांग्रेस शासन के पतन के दिन आ गये हैं। यही कारण है कि उसने गांवों की तरफ अपने यह टैक्सेज बढ़ाये हैं क्योंकि कहावत मशहूर है कि सियार की जब मौत आने को होती है तो वह गांव के पास आकर चलता है। कांग्रेस सरकार द्वारा किसानों पर जो यह ऐडिशनल टैक्स लगाया जा रहा है तो प्रतीत होता है कि शासन का अंत नजदीक आ गया है। शासन इस से अनपापुलर होगा यह बात बिलकुल स्पष्ट है .....

**श्री मोरारजी देसाई :** इससे तो आपको खुश होना चाहिये।

**श्री बड़ै :** हमको खुशी नहीं है। किसी भी शासन के पतन होने में हमें खुशी नहीं है। हम तो चाहते हैं कि जो भी शासन हो वह मुचारु रूप से चले और उसी ध्येय से हम शासन की आलोचना करते हैं। हम नहीं चाहते कि कोई भी शासन का पतन हो जाय।

दूसरी बात यह है कि इतने टैक्सेज होने के बाद भी अभी हमारे एक वकील साहब हैं जिन्होंने कहा कि और भी टैक्सेज होने चाहियें। टैक्सेज लगाने की वकालत करने

वाले अपने उन वकील साहब से मैं पूछना चाहंगा कि क्या उन्होंने गांवों में जाकर काश्तकारों की शोचनीय अवस्था देखी है ? अगर वे मेरे साथ चलने को तैयार हों तो मैं दिखा दूंगा कि वे कितनी पस्त हालत में रह रहे हैं। गांवों में किसान कर्जों के बोझ के नीचे दबे पड़े हैं। वकील साहब यह तो जरा देखें कि वे बेचारे गरीब लोग कितनी मुश्किल से पैसा उनको लाकर देते हैं ? उचित तो यह होगा कि किसानों पर जो टैक्स लगाने का प्राविजन है वह बिलकुल निकाल दिया जाय तो कम से कम ग्रामीणों में शासन के बारे में इस इमरजेंसी पीरियड में जो असन्तोष हो रहा है, वह असन्तोष नहीं होगा।

मैं यह भी अच्छी तरह जानता हूं कि अधिकांश कांग्रेसी सदस्य भी किसानों पर इस कर को लगाये जाने के विरुद्ध होंगे और वह भी मेरी तरह यह चाहते होंगे कि अगर यह बिलकुल नहीं हटाया जा सकता तो कम से कम किसानों के लिये यह कम्पलसरी डिपॉजिट कम कर दिया जाय और इस बारे में उनको और अधिक राहत दी जाय। वकील साहब सरीखे इसके, दुक्के की तो मैं कह नहीं सकता जोकि पूंजीपति मेटैलिटी के हों बाकी करीब करीब सारे कांग्रेसी सदस्य भी जोकि यहां किसानों के नुमायन्दे बन कर आये हैं, वे सब इस स्कीम के विरुद्ध ही जायेंगे।

इस बिल के क्लॉज २ (सी) में यह दिया हुआ है :—

"holders of immovable properties situated in urban areas assessed to tax (whether known as property tax, house tax or by any other name);"

मेरा कहना है कि इस तरह का ऐंजम्पशन नहीं दिया है कोई डेफिनीशन नहीं दी है कि उस की रेंटल वैल्यू कितनी होगी तो उस को टैक्स लगेगा ? इस के बारे में यह डिफ़ाइन

[श्री बड़े]

नहीं किया है कि कितनी रेंटल वैल्यू तक आप टैक्स लगाना चाहते हैं ? मैं ने देखा है कि बहुत दफे विडोज और अनाथ बच्चे मकानों से जो किराया आता है उसी पर अपनी जिंदगी गुजर करते हैं । उसके अलावा उनके पास दूसरा आय का साधन नहीं होता है । मकान से जो उन्हें किराया मिलता है वही उनका जरिया होता है । उसी पर उनका शिक्षण और परिवार की उदर पूर्ति का काम चलता है । इसलिये इसमें यह स्पेसिफाई होना चाहिये था कि कितनी रेंटल वैल्यू के बाद यह टैक्स लगेगा और कितनी रेंटल वैल्यू तक आप इस टैक्स से उन लोगों को छूट देंगे ? अब ऐसे मालिक मकान जोकि प्राफ़िट मोटिव से रेंट वसूलते हैं उन के ऊपर यदि टैक्स लगाया जाये तो कोई हर्जे की बात नहीं है लेकिन ऐसे लोग जोकि अपना पेट पालने और जीवन निर्वाह के खातिर किराये का इस्तेमाल करते हैं उनके वास्ते कुछ राहत का प्राविजन होना चाहिए था ।

इसी तरह से शोपकीपर्स के ऊपर यह टैक्स लगाने के बाबत मुझे यह कहना है कि बड़े शोपकीपर्स की बात जाने दीजिये लेकिन मंत्री महोदय को मालूम होगा कि गांवों में छोटे छोटे दुकानदार होते हैं, गाड़ी वाले हैं, हौसर्स हैं या ठेले वाले हैं उन का क्या बनेगा ? क्लाज २ (ई) में यह लिखा हुआ है :—

“(e) shopkeepers whose annual turnover, determined in accordance with the provisions of any law with respect to tax on the sale of goods, is fifteen thousand rupees or more and who are not liable to payment of tax under the Income-tax Act;”

मैं ने सेल्स टैक्स की स्थिति देखी है । उन के पास एकाऊन्स रहता नहीं है । सेल्स टैक्स वाले आने हैं तो वह गायब हो जाते हैं । इस के अलावा गांवों में पार्टीबाजी रहती है और एक दूसरे के खिलाफ चुगली की जाती है कि उस के पास इतना सेल होता है अथवा इतना नहीं होता है ।

आप ने इस में उस का कोई स्टैण्डर्ड नहीं रक्खा है । आप ने इस को देखा है कि क्या वाकई उस को १५००० रुपये सालाना आमदनी होती है ? मेरा विचार है कि छोटे शोपकीपर्स में इस को लेकर बड़ा असन्तोष पैदा होगा और वह हार्डशिप अनुभव करेंगे । गांवों में यह टैक्स हो जाने से उन को एकाउन्ट देना पड़ेगा जोकि वह अभी रखना नहीं जानते हैं और रखते नहीं हैं । इसके अलावा सरकार को यह भी तो देखना चाहिए कि यह शोपकीपर्स और यह किसान इतने टैक्सेज देंगे कहां ? पोस्ट आफिसेज में देंगे या कहां देंगे और इस एकाउन्ट को कौन रखेगा ? एकाउन्ट रखने के बाद उसको रिएलाइज कैसे किया जायगा एंज इफ़ इट इज दी एरियर्स आफ़ लेंड रैवेन्यू । एरियर्स आफ़ लेंड रैवेन्यू के बारे में ने देखा है कि किसान उसे दे नहीं पाते हैं और वे इस कर्जे के नीचे दबे रहते हैं और उसके वसूल करने में उनका सब कुछ नीलाम हो जाया करता है । इसलिए जब उन की यह हालत है और उन के पास कुछ सेविंग्स ही नहीं रहती है तो वे यह टैक्स कहां से देंगे ? इस बारे में रिजर्व बैंक आफ़ इंडिया ने अपनी रिपोर्ट में कहा है :—

“As the Reserve Bank of India has quoted on page 1353 of its September, 1962 bulletin, the National Council of Applied Economic Research contends: ‘Whatever evidence is there indicates that persons with income up to Rs. 3000 per year have on an average hardly any net savings.’ All these persons have neither any taxable capacity nor any capacity to make savings.”

इसलिए मेरा मंत्री जी से कहना है कि जैसे कि उन्होंने सुपर प्राफ़िट टैक्स में रियायतें दी हैं उसी प्रकार से इस में भी काश्तकारों को राहत दें । इस में उन्होंने जो यह ५ रुपये तक लगान देने वाले किसानों को इस से छूट दी है, वह बिल्कुल अपर्याप्त है और वह केवल एक आसू

पोंछने वाली बात है। आप उन को दरअसल कुछ अधिक रिआयत दें। इसी तरह शौपकीपर्स की डेफ़नीशन कर दें ताकि इसके कारण जो गांव के दुकानदारों को हार्डशिप होगी वह न हो। यह जो १५,००० रुपये की फीगर उन्होंने रक्खी है यह किस क़ानून या किस स्टैंडर्ड से रक्खी है ? ठेलेवाले, छोटे छोटे दुकानदार तथा किसानों के पास जब सेविन्स रहती ही नहीं है तो उन पर यह क्यों लागू किया जाय ? उनको इस से छूट दी जाय। ऐसे मकानमालिक जोकि मकान के किराये से अपने व अपने परिवार की उदरपूर्ति करते हैं उन को भी इस बारे में रिआयत मिलनी चाहिए। २ (सी) में होल्डर्स आफ़ इन्फ़्यूवुल प्रापर्टीज़ जो आप ने लिया है तो अन्रिंस होना चाहिए कि होल्डर्स होना चाहिए, इस के बारे में काफ़ी शंका उत्पन्न होती है और इस को लेकर कितने ही लीगल प्लाइ निकलेंगे ?

इस के अलावा जैसा कि मैं ने पहले भी कहा मैं पुनः निवेदन करना चाहता हूँ कि किसानों पर यह टैक्स जोकि ज़िजिया कर के समान है, यह ज़िजिया कर कम से कम उन पर बालिये और उन को इस बारे में अधिक रिआतें दीजिये। इस के अलावा १५,००० रुपये की जो आप ने फीगर रक्खी है उसके बारे में यह स्टैंडर्ड रखना चाहिए। यही हमारी विनती है।

17.58 hrs.

#### BUSINESS OF THE HOUSE

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** Mr. Speaker, Sir, this morning I had offered to make an announcement in the House about extending the present Session of the Lok Sabha to meet the demands of various sections

of the House in the light of increased allotment of time for various items (Interruption).

I am now in a position to announce that in order to complete the essential business, the Lok Sabha will sit up to Tuesday, May 7, 1963, and may be adjourned *sine die* on the evening of that day. The business to be taken in hand will be—

- (1) Items carried over from to-day's order paper.
- (2) Official Languages Bill.
- (3) Demands for Excess Grants—General.
- (4) Demands of Excess Grants—Railways.
- (5) Supplementary Demands—Railways.
- (6) Bengal Finance (Sales Tax) Delhi Amendment Bill.
- (7) Constitution (15th Amendment) Bill.
- (8) Constitution (16th Amendment) Bill.
- (9) Government of Union Territories Bill.
- (10) Export Quality Control Bill.
- (11) Vivian Bose Commission Report.
- (12) Dhebar Commission Report.
- (13) Planning Commission.

18 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, April 23, 1963/Vaisakha 3, 1885 (Saka).

[Monday, April 22, 1963/Vaisakha 2, 1885 (Saka)]

COLUMNS		WRITTEN ANSWERS TO QUESTIONS—contd.	
ORAL ANSWERS TO QUESTIONS		U.S.Q. No.	Subject COLUMNS
S.Q. No.	Subject		
966	Central Workers' Education Board . . . . .	11003—05	
967	Shortage of Army Officers through A.I.R. . . . .	11005—12	
968	Populisation of Hindi through A.I.R. . . . .	11012—15	
970	Specialised training for armament factories . . . . .	11015—18	
971	Production of tractors and trucks . . . . .	11018—22	
972	Sainik School in U.P. . . . .	11022—24	
973	Indians in Burma . . . . .	11024—26	
975	Calcutta Gas Company . . . . .	11026—28	
976	Planning Commission Adviser's visit to Andhra Pradesh . . . . .	11028—31	
977	A.I.R. broadcasts to West Asia . . . . .	11031—34	
979	Idle manpower . . . . .	11035—39	
980	Labour Recruiting Depot, Gorakhpur . . . . .	11040—41	
981	Indian delegation for U.A.R. . . . .	11041—42	
982	Accident in Ballihari Colliery . . . . .	11042—43	
S.N.Q. No.			
7	Joint U.S.-Commonwealth Air Mission . . . . .	11043—47	
8	U.S. Task Force in India. . . . .	11047—48	
WRITTEN ANSWERS TO QUESTIONS		11048—51	
S.Q. No.			
969	Seminar on space physics . . . . .	11048—49	
978	Indian Army personnel in Congo . . . . .	11049	
983	Rehabilitation of evacuees in NEFA . . . . .	11049—50	
984	Accident in Jamuna Colliery . . . . .	11050	
985	U.N. Peace-keeping Operations . . . . .	11050—51	
U.S. Q. No.			
2123	Military aid from Canada . . . . .	11051—52	
2124	Third Plan targets for Bihar . . . . .	11052	
2125	Development Schemes in Orissa . . . . .	11052	
2126	Assistance to Tribhuvan University, Nepal . . . . .	11053—54	
2127	Development works in Orissa . . . . .	11054	
2128	Pak. nationals' visit to India and vice versa . . . . .	11055	
2130	Use of Hindi dictionaries in A.I.R. . . . .	11055—56	
2131	Weeklies for Defence Establishments . . . . .	11056	
2132	Commercial advertisement on A.I.R. . . . .	11057	
2133	Technical Assistance to Libya . . . . .	11057—58	
2134	Books on Dr. Rajendra Prasad . . . . .	11058	
2135	Sino-Pak border agreement . . . . .	11058—59	
2136	Registration of skilled and unskilled persons in U.P. . . . .	11059	
2137	Recurring centres . . . . .	11059—60	
2138	Indians kidnapped by Nepali police . . . . .	11060—61	
2139	Allotment of land to ex-servicemen . . . . .	11061	
2140	Meteorological rockets . . . . .	11061—62	
2141	Toning up of administration . . . . .	11062	
2142	Spurs on river Feni in Tripura . . . . .	11063	
2143	Radiometric Surveys in Salem district . . . . .	11063—64	
2144	Manufacture of defence stores . . . . .	11064	
2145	Progress of Third Plan . . . . .	11065	
2146	Trespassing by Pakistanis . . . . .	11065—66	
2147	Reclamation of Salt Lakes near Clacutta . . . . .	11066	
2148	Police Force for Nagaland . . . . .	11066—67	
2149	Migration of Santhals from East Pakistan . . . . .	11067—68	
2150	Mazagon Dock, Ltd. . . . .	11068—69	
2151	New assignment of Orissa Chief Minister . . . . .	11069	
2152	Use of "Dhup" in gun powder . . . . .	11069	
2153	Ex-servicemen . . . . .	11070	
2154	Air Defence Missions . . . . .	11071	
2155	Sino-Pak. agreement to revive caravan routes . . . . .	11071	

# WRITTEN ANSWERS TO QUESTIONS—contd.

U.S.Q.	Subject	COLUMNS
2156	Special talks on A.I.R. regarding emergency .	11071-72
2157	Passports to visit Israel .	11072-73
2158	Industrialization of rural Areas. . . . .	11073
2160	A.I.R. broadcasts for Laccadives Island . . . .	11073-74
2161	Ex-servicemen .	11074
2162	Cash awards .	11075
2163	Recruitment to Army .	11075-76
2164	Emergency Commission .	11076-77
2165	Technical panel for 'Import Substitution' .	11077
2166	Emergency Commission .	11077-78
2167	Land for ex-servicemen in NEFA . . . . .	11078
2168	Central projects in Orissa .	11078-79
2169	Monuments in Goa, Daman and Diu .	11079

## PAPERS LAID ON THE TABLE

11080

The following papers were laid on the Table :—

(i) A copy of the Employment Exchanges (Compulsory Notification of Vacancies) Amendment Rules, 1963 published in Notification No. G.S. R. 450 dated the 16th March, 1963, under sub-section (3) of section 10 of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 . . . . .

(ii) A copy of the Import policy for the period April, 1963-March, 1964 . . . . .

## STATEMENT RE: DEMANDS FOR SUPPLEMENTARY GRANTS (RAILWAYS), 1963-64.

11081

The Deputy Minister in the Ministry of Railways (Shri Shah Nawaz Khan) presented a statement showing the Supplementary Demands for Grants (Railways) for 1963-64.

## PRESIDENT'S ASSENT TO BILLS

11081

Secretary laid on the Table the Marine Insurance Bill, 1963 passed by the Houses of Parliament during the current Session and assented to by the President since a report was last made to the House on the 8th April, 1963.

## REPORT OF ESTIMATES COMMITTEE PRESENTED

11081

Sixteenth Report was presented.

## STATEMENT BY MINISTERS 11082-85

(i) The Minister of Scientific Research and Cultural Affairs (Shri Humayun Kabir) made a statement regarding certain allegations made in the House by Shri Mani Ram Bagri against him on the 23rd March, 1963.

(ii) The Deputy Minister in the Ministry of Law (Shri Bibudhendra Mishra) made a statement correcting the reply given on the 29th March, 1963 to a supplementary by Shri Bhakt Darshan on Starred Question No. 654 regarding the Official Language (Legislative) Commission.

## ELECTION TO COMMITTEE 11086-87

The Minister of Defence (Shri Y.B. Chavan) moved for election of two Members of Lok Sabha to be members of the Central Advisory Committee for the National Cadet Corps. The motion was adopted.

## REPORT OF BUSINESS AD- VISORY COMMITTEE ADOPTED

11087-98

Sixteenth Report was adopted .

## BILL PASSED . 11098-11183

Discussion on the motion to consider the Super Profits Tax Bill, 1963 moved on 20-4-63 concluded and the motion was adopted. After clause-by-clause consideration the Bill, as amended, was passed.

## SUSPENSION OF RULE . 11183-87

The Minister of Finance (Shri Morarji Desai) moved for suspension of the proviso to Rule 66 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the consideration and passing of the Compulsory Deposit Scheme Bill, 1963. The motion was adopted.



## COLUMNS

## BILL UNDER CONSIDERATION

11187—11263

The Minister of Finance (Shri Morarji Desai) moved that the Compulsory Deposit Scheme Bill, 1963 be taken into consideration. An amendment for circulation of the Bill for public opinion was moved by Shri S. M. Banerjee. The discussion was not concluded.

## COLUMNS

AGENDA FOR TUESDAY,  
APRIL 23, 1963/VAISAKHA  
3, 1885 (*Saka*)

Further consideration of the  
Compulsory Deposit Scheme  
Bill, 1963 and passing thereof,  
and consideration and passing :  
of the Official Languages Bill.