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Vaisakha 15, 1888(Saka)

# LOK SABHA DEBATES

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**Fourteenth Session, 1966/1887-88 (Saka)**

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LOK SABHA SECRETARIAT  
NEW DELHI

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\*The sign + marked above the name of a member indicates that the question was actually asked on the floor of the House by him.



14659

LOK SABHA

Thursday, May 5, 1966/Vaisakha 15,  
1888 (Saka)

*The Lok Sabha met at Eleven of the  
Clock.*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Development of Backward Areas

\*1483. **Shrimati Savitri Nigam:** Will the Minister of Planning and Social Welfare be pleased to refer to the reply given to Unstarred Question No. 410 on the 11th November, 1965 and state the States which have identified backward areas on the basis of indicators of development and the assistance which will be given by the Planning Commission to the States for the development of those areas?

**The Deputy Minister in the Ministry of Finance (Shri L. N. Mishra):** All the State Governments except the Government of Madras have furnished data regarding the levels of development of different areas within State boundaries.

Proposals of State Governments for accelerated development of markedly backward areas within State boundaries will form part of the States' draft Fourth Five Year Plans and will be duly considered.

**Shrimati Savitri Nigam:** May I know whether the grants for the backward areas would be given from the ceiling of the Plan expenditure or separately and whether those grants will be earmarked to be spent in the backward areas only?

14660

**Shri L. N. Mishra:** In the Fourth Plan our object is to allot specific sums for specific backward areas.

**Shrimati Savitri Nigam:** According to the findings of the Patel Commission a plan was made and expenditure was continuously being incurred for the development of eastern districts of Uttar Pradesh. I would like to know whether that has been stopped or the grants are still being given, because my information is, after three years....

**Mr. Speaker:** She need not give any information. She should get information.

**Shri L. N. Mishra:** I cannot say off-hand about Eastern Uttar Pradesh. The Government of Uttar Pradesh was to give special attention to this area. According to my knowledge, no special allotment has been made in the Plan for the eastern districts of UP alone.

**Shrimati Savitri Nigam:** Then, what would be the fate of those schemes which have been left half done, because the UP Government have refused to finance them from their own funds?

**Shri L. N. Mishra:** I think it is their baby. They should pay for their development plans.

**Shri Daji:** Will (a) the execution be left to the State Government or undertaken by the Central Government and (b) the plan be an integrated plan, including industrialisation, education and agriculture to be executed by one agency or it will be ad hoc grants for various schemes?

**Shri L. N. Mishra:** It will not be ad hoc grant. As a matter of fact, the study team which was appointed has drawn up categories of backward

areas, divided into five parts. I would not like to go into the details. They have given some indicators for development. It should be uniform development, industrial, agricultural, provision for employment etc.

**Shri Daji:** Who will execute it?

**Shri L. N. Mishra:** Of course, the State Government.

**Shri Shivaji Rao S. Deshmukh:** What are the specific criteria by which the backlog of development is calculated and what are the specific steps that the Central Government have advised the State Governments to take in order to remove regional imbalance? Are they thinking of the creation of some statutory boards or some special machinery for entrusting this task?

**Shri L. N. Mishra:** As regards regional imbalance, the attention of the State Governments has been drawn to this problem. The State Governments have also drawn the attention of the Planning Commission to the imbalance in the different regions in their own States. If the hon. Member looks to Chapter IX of the Third Plan Report, he will find that the Planning Commission has made specific reference to it. Some special funds were also allotted for this, of course within the allotment of the State Plan. That continues. It is for the State Governments to execute those plans.

**Shri Shivaji Rao S. Deshmukh:** What are the specific principles on which the backlog is to be calculated and what are the specific measures which the Central Government have advised the State Governments to take?

**Shri L. N. Mishra:** We have not given any specific advice. The factors taken into account for this purpose are unemployment, industrial development, agricultural development, desert areas, chronically drought-affected areas, hilly areas including

border areas, areas with a high concentration of tribal population, areas with high density of population, etc.

**Shri Bade:** In the Fourth Plan what is the criterion adopted by the Government for giving grants to the State Governments or the development of these areas? Will it be per capita or on consideration whether the area is less backward or most backward?

**Shri L. N. Mishra:** This is the question of allotment for backward areas. It differs from State to State. Population alone is not the criterion. There are other considerations also as I have stated earlier.

**Shri A. P. Sharma:** Have the different State Governments, particularly the State Government of Bihar, recommended specific areas as backward areas; if so, is the northern part of Shahabad District also included in them?

**Shri L. N. Mishra:** The State Governments of Andhra Pradesh, Assam, Bihar, Mysore, Orissa and Rajasthan have made recommendations. About the constituency of the hon. Member I cannot say.

**श्री भवु लिवडे :** अध्यक्ष महोदय, मैं जानना चाहता हूँ कि पिछड़े क्षेत्रों में क्या उत्तर प्रदेश, बिहार और उड़ीसा के क्षेत्र बड़े पैमाने पर समाविष्ट हैं? यदि हाँ, तो इस वक्त उड़ीसा के जिन क्षेत्रों में भूकाल की स्थिति है क्या ये क्षेत्र भी उसमें आते हैं? यदि हाँ, तो इन क्षेत्रों के लोगों की मौत के और इन लोगों को खाना मिलता है या नहीं, हर भ्रामदी की सालाना भ्रामदनी क्या है, इसके बारे में कोई आंकड़े इकट्ठा किये जा रहे हैं?

**श्री ल० ना० मिश्र :** जी हाँ, उड़ीसा पिछड़े हुए इलाकों में है, छः प्रान्त जो इस तरह के हैं उसमें उड़ीसा के इलाके भी हैं। अब वह जिला है या नहीं जिसके बारे में सदस्य ने बताया है, यह मैं अभी नहीं कह सकता।

श्री भू लक्ष्मणः : ये मोत बगैरह के  
आकड़े इकट्ठा किये जा रहे हैं या नहीं ?

**Mr. Speaker:** Next question.

**Shrimati Savitri Nigam:** Is the Government sanctioning the expenditure out of the Plan expenditure?

**Mr. Speaker:** Now the lady Member goes on arguing the case.

**Shrimati Savitri Nigam:** It is a very important question, Sir.

**Mr. Speaker:** But five supplementaries have been asked after her question. Next question. Shri Subodh Hansda.

#### Pollution of D.V.C. Water

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\*1484. **Shri Subodh Hansda:**  
**Shri S. C. Samanta:**  
**Shri Bhagwat Jha Azad:**  
**Shri M. L. Dwivedi:**  
**Shri P. C. Boroosh:**

Will the Minister of Irrigation and Power be pleased to state:

(a) when the last survey on pollution of Damodar Valley Corporation water was done;

(b) the result thereof; and

(c) whether all the industries have been asked to release the effluents after treatment and whether they have responded to the suggestion?

**The Minister of State in the Ministry of Irrigation and Power (Dr. K. L. Rao):** (a) In 1965.

(b) The survey report is under compilation.

(c) All industries have been asked to release effluents after treatment and they are responding to the suggestions of the D.V.C. in a large measure.

**Shri Subodh Hansda:** I would like to know how this survey is made, whether there is any permanent organisation for this purpose and whether in the past the survey has shown

any kind of pollution in the DVC waters; if so, what is the reason for that.

**Dr. K. L. Rao:** The survey is conducted annually. There is a special organisation for this. They are conducting it in three phases all round the year from January to December. The reports have been extremely valuable.

**Shri Subodh Hansda:** I would like to know in connection with part (c) of the answer whether the industries are asked not to discharge the water into the river but to utilise the water for irrigation and power. Is there any plan like that?

**Dr. K. L. Rao:** The industries have been asked to treat these waters before they allow them back into the river so as to control pollution as far as possible.

**Shri S. C. Samanta:** In response to the request of the Government, have some of the industries come forward with the request that effluents may be permitted to be utilised for the purpose of compost making?

**Dr. K. L. Rao:** I have not heard of any such very definite suggestion, but the main point is that there are a large number of industries in this area and we have got to ensure that the effluents do not carry any pollution to the detriment of the river's purity.

**Shri P. C. Boroosh:** May I know whether any analysis has been made of the existence of manurial value content in the effluent; if so, whether Government has any proposal to set up some centralised scheme to take up the question of tapping manurial value content if there is sufficient proof that there is existence of this?

**Dr. K. L. Rao:** Each industry has been asked to treat the effluent in its own plants. Each method depends upon the particular type of industry. For example, the coal washeries have got a closed system and the fertiliser factory has got a recover

system. So, there is no standard method. There are series of methods adopted by different industries.

**श्रीमती जयाबेन शाह :** मैं यह जानना चाहती थी कि यह एक रेगुलर फीचर बन गया है कि बीच बीच में इंडस्ट्री का एक्जुगेंट बढ़ता रहता है जिसमें बहुत से डिजीज फैलते हैं तो कोई ऐसा विचार सरकार का है कि जब कोई इंडस्ट्री लगे तब पहले उनके साथ ऐसा पक्का हो जाय कि वह एक्जुगेंट ऐसे पानी में न चला जाय, इसके बारे में क्या कुछ सोचा है ? इन्मीडिएटली हम इसके लिए क्या करने जा रहे हैं ?

**Dr. K. L. Rao:** The Ministry of Health is having conferences in order to draft a Bill on the control of river pollution.

**Shri D. C. Sharma:** This problem was a very urgent problem in U.K.

**Shri Kapur Singh:** It is a commentary, not a supplementary.

**Shri D. C. Sharma:** They brought up a Bill to prevent it. May I know whether this problem is being considered only with reference to the D.V.C. or with reference to all the rivers of India which are being polluted in one way or the other or in more ways than one.

**Dr. K. L. Rao:** The Ministry of Health is considering to enact a Bill in respect of all the rivers of India. Now, in particular, in the D.V.C. there has been a large industrial activity and we cannot afford to wait till an all-India Act is passed. The D.V.C., under its own regulations, is trying to control the pollution of the water.

**Shri Narendra Singh Mahida:** In my State of Gujarat, in Baroda, there is a river which flows right into the town and all the industrial water flows into that small river....

**Mr. Speaker:** That is not connected with the D.V.C.

**Shri Narendra Singh Mahida:** It is connected with the pollution of the rivers.

**Mr. Speaker:** That is a general question.

**Shri Narendra Singh Mahida:** Then, I would like to ask a specific question. May I know whether the Government intends to help all those sufferers who suffer by this pollution of rivers by way of providing wells or by way of digging canals?

**Mr. Speaker:** That is what he has said.

**Shrimati Savitri Nigam:** I would like to know what are the main features of this Bill and how soon it is going to be passed because this is causing havoc not only in the D.V.C. but in all the rivers like that.

**Mr. Speaker:** Only the latter part may be answered as to when it is going to be passed. The Minister cannot tell now what the clauses are.

**Dr. K. L. Rao:** It should be addressed to the Health Ministry.

### कृषि-कार्यों के लिये बिजली

\* 1485. श्रीमती सावित्री निगम :

- श्री डा० ना० तिवारी :
- श्री म० ला० द्विवेदी :
- श्री हुकम चन्द कछवाय :
- श्री बिश्ननाथ पाण्डेय :
- श्री बुलेश्वर मोना :
- श्री रामचन्द्र उल्लाका :
- श्री लक्ष्मी बास :

क्या सिंचाई और विद्युत् मंत्री यह बताने की कृपा करेंगे कि बिजली बोर्डों के अध्यक्षों द्वारा नवम्बर, 1965 में हुए सम्मेलन में की गई इन सिफारिशों के बारे में सरकार की क्या प्रतिक्रिया रही है :

(क) कृषि-कार्यों के लिये प्रयोग में लाई जाने वाली बिजली पर शुल्क नहीं लगना चाहिये ; और

(ख) केन्द्रीय सरकार तथा राज्य सरकारों को बिजली को दर 12 पैसे के ० डब्ल्यू० एच० से अधिक होने पर तदनुसार सहायता देनी चाहिये ?

**The Minister of State in the Ministry of Irrigation and Power (Dr. K. L. Rao):** (a) and (b). A statement is laid on the Table of the House.

#### STATEMENT

(a) The recommendation of the Conference of Chairmen of State Electricity Boards held in November, 1965, in regard to making consumption of electricity for agricultural purposes duty free was brought to the notice of the State Governments and they were requested to take action in the light of the recommendation. Government of Maharashtra exempt levy of Electricity duty on consumption of energy in the working of the pumping sets of capacity not exceeding 10 HP used for Agricultural purposes. Madhya Pradesh does not levy any electricity duty for electricity sold or used by the agriculturist for his land or in chaff cutting or in crushing or treating the produce of his land. No electricity duty on consumption of electricity for agricultural purposes is levied in the States of Andhra Pradesh, Jammu and Kashmir, Punjab, Rajasthan and Uttar Pradesh. Other State Governments are still considering the matter.

(b) The question that agricultural consumers throughout the country should not be made to pay more than 12 paise per unit has been considered by the Government of India. It has been decided to subsidise electricity rates for agricultural purposes to the extent such rates were in excess of 12 paise per unit on 1.1.66. The expenditure on the basis of subsidy will be shared 50:50 between the Centre and the State Governments concerned. The subsidy, in the first instance, will be limited to 3 years from 1966-67 onwards.

**Shrimati Savitri Nigam:** In this statement, it has been mentioned that

Kashmir, Punjab, Rajasthan and Uttar Pradesh and other State Governments are still considering the matter. I would like to know from the hon. Minister how long it is going to be under consideration and why, in spite of our repeated requests to the Minister, he has not asked the State Governments to expedite the matter and, if he has asked them, when they are going to reduce the rates and....

**Mr. Speaker:** So many questions there are and if answers are not complete, the Member complains—

**Shrimati Savitri Nigam:** Only one—when this unjust behaviour to provide electricity at such a higher rate for agricultural purposes is going to be stopped and when uniform rates are going to be introduced?

**Mr. Speaker:** How many 'ands' she has put in this question!

**Dr K. L. Rao:** The hon. Member has not read the sentence very correctly. There is already an exemption from the electricity duty in the States of Uttar Pradesh, Rajasthan, Punjab and so on. There are seven States like that which have given an exemption from the electricity duty. The other nine States have yet to approve of this measure.

**Shrimati Savitri Nigam:** May I know what is the difference between the rates of electricity consumed for industrial purposes and for agricultural purposes?

**Dr. K. L. Rao:** This question has been repeated many times. You can take it in general that the rate of electricity for industrial purpose will be less than what is for agricultural purpose.

**Shrimati Savitri Nigam:** In one unit what is the difference? It is very easy. You can tell it in a minute.

**Dr. K. L. Rao:** As I have submitted many times, the industrial rate will be somewhere about 3 to 4 paise whereas the agricultural rate will vary

between 8 to 12 paise. There are a number of reasons for this.

**श्री सन्तमणि लाल चौधरी :** उद्योग के लिए बिजली के रेट्स बहुत कम रखे गए हैं और कृषि के लिए बिजली के रेट्स बहुत ज्यादा रखे गए हैं, हालांकि भारतवर्ष में खाद्यान्न की कमी है। इस सम्बन्ध में सरकार की क्या नीति है? क्या कृषि के लिए इस्तेमाल की जाने वाली बिजली के रेट्स में कमी की जायेगी?

**Dr. K. L. Rao:** As I have submitted many times, it is not possible to reduce the rates and have same rates for agricultural and industrial purposes for these reasons. One is that in the industrial sector, the electric power that is consumed is very large and it comes to several lakhs of rupees whereas in the agricultural sector it will be in the order of Rs. 10 or Rs. 20 or Rs. 40. Secondly, the amount of power that is taken in the agricultural sector is only for 2000 hours per year whereas in the industrial sector it is taken throughout the year. Thirdly, the industry is concentrated in one place and the cost involved in putting up the transmission lines is much less than in the rural areas where they are spread all over the country. That is why—the inherent cost being much higher—it is not always possible to give for agriculture the same rate as for the other.

**Shri Ranga:** Looked at merely from the electricity production and distribution department alone, what the hon. Member has said may appear to be reasonable to himself, but in view of the fact that Government wants to give first priority to agriculture and give every possible facility for it to utilise more and more electricity, for getting water from underground, when would Government give proper consideration to part (b) of this question that the Central and State Governments should subsidise a portion of the rate of electricity charges so that the charges made for agriculture will be the same as those for industrial uses?

**Mr. Speaker:** The answer is given in the statement itself.

**Shri Ranga:** When would they give proper consideration—this Ministry as well as the Agriculture Ministry?

**Dr. K. L. Rao:** In the main, it is not possible to reduce the rate for agriculture below what they have thought, namely, 12 paise because the amount of subsidy will then run into several crores of rupees. This matter has been discussed at length. Actually the rate of generation of power for agricultural industry will be much more—agricultural pumping will be much more; it will be 1-12 times of what they are charging; so that itself is a subsidy. I quite appreciate the hon. Member's suggestion. Probably our Minister will take up the matter again to see whether it can be reduced further.

**श्री जगदेव सिंह सिद्धान्ती:** वर्षा के समय में जब ट्यूबवैल्व की बिजली का काम में नहीं लाया जाता है, तब उस का जो खर्चा लिया जाता है, क्या सरकार उस को बन्द करने का विचार रखती है या नहीं?

**Dr. K. L. Rao:** That is one of our very strong recommendations to the States.

**Shri M. R. Krishna:** May I know whether it is a fact that the charges for electric power supplied from the projects which are fully financed by the Central Government vary; and the rates charged for the areas in which the project is located are lower than those for the areas outside the State where the project is located?

**Dr. K. L. Rao:** I am not able to follow the question fully. In general, I can state that for the places which are farther away from the stations, the rates will naturally be higher because they have to bear the transmission cost.

**Shri M. B. Krishna:** Even in the case of Central Government project?

**Mr. Speaker:** Mr. Tiwary.

**श्री क० ना० तिवारी :** इस स्टेटमेंट में दिया गया है :

"Government of Maharashtra exempt levy of electricity duty on consumption of energy in the working of the pumping sets of capacity not exceeding 10 H.P. used for agricultural purposes."

इसी प्रकार मध्य प्रदेश, आन्ध्र प्रदेश तथा कई अन्य स्टेट्स के बारे में कहा गया है कि उन की तरफ से इस सम्बन्ध में बहुत सी फैसिलिटीज दी गई हैं। मैं यह जानना चाहता हूँ कि जो स्टेट्स इस बारे में फैसिलिटीज नहीं दे रही हैं, क्या उन्होंने कोई फिनांशल डिफ़िकल्टीज बताई हैं, जिन के कारण वे इस प्रकार की फैसिलिटीज नहीं दे रही हैं; यदि हाँ, तो सेंट्रल गवर्नमेंट इस सम्बन्ध में उन की क्या मदद करने जा रही है ?

**Dr. K. L. Rao:** They have not given any reply. In only hope that they will agree.

**Shri Kapur Singh:** May I ask whether the Government propose to abolish or lower the minimum of electricity to be consumed or to be paid for in case of agricultural connections, as is the case in Punjab?

**Dr. K. L. Rao:** There was also a recommendation to this effect and we are expecting quite a number of people to agree to this—the minimum to be charged from the agriculturists.

**श्री यशपाल सिंह :** क्या माननीय मंत्री जी के ध्यान में यह बात है या नहीं कि छत्तेल उत्तर प्रदेश में 26,000 ट्यूबवेल इस लिए रुके पड़े हैं कि उन को इलेक्ट्रिक कनेक्शन नहीं मिल सके हैं, जब कि उत्तर प्रदेश के सारे 52 जिलों में एक भी मिनेमायन ऐसा नहीं है, जो इलेक्ट्रिक कनेक्शन न मिलने की वजह से रुका

हुआ हो, यदि हाँ, तो क्या सरकार इस बात का एलान करने के लिए तैयार है कि जब तक एग्रीकल्चरल परपज पूरा न हो, तब तक प्रौर किसी मद्दमे को बिजली नहीं दी जायेगी ?

**Dr. K. L. Rao:** We are not aware that so many tube-wells are without electricity.

**Shri Sinhasan Singh:** May I know whether Government are aware that in UP there is a command area of Government tube-wells and Government do not permit the electrification of private tube-wells within four miles of a district tube-well, and at the same time, Government have no objection to the putting up of private tube-wells run by diesel oil?

**Dr. K. L. Rao:** This is not known to us. If the hon. Member sends in a letter, we shall take necessary action in the matter.

**Shri Sinhasan Singh:** Let him make enquiries.

**Mr. Speaker:** He says that he is not aware of that and the hon. Member may send a letter. What else does the hon. Member want now?

**Shri S. N. Chaturvedi:** May I know whether this recommendation or decision of the Central Government that the agriculturists will not pay more than 12 paise per unit, inclusive of duty, is being enforced in every State?

**Dr. K. L. Rao:** 12 paise is the rate not in every State; wherever the rates are lower as in the case of Madras and Andhra Pradesh, we do not ask them to raise the rates. What we say is that the maximum rate that can be charged is 12 paise, and this, we expect, will be free from electricity duty.

**One-man Rural Branch of State Bank in Rajasthan**

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\*1486. **Shri S. C. Samanta:**  
**Shri Bhagwat Jha Azad:**  
**Shri M. L. Dwivedi:**

**Shrimati Savitri Nigam:**

**Shri Subodh Hansda:**

**Shri P. C. Borooah:**

Will the Minister of Finance be pleased to state:

(a) whether the State Bank of India has opened a one-man rural branch in Rajasthan State; and

(b) if so, the results of such an experiment?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**

(a) Yes. The State Bank of Bikaner and Jaipur, which is a subsidiary of the State Bank of India, has opened an experimental one-man office at Dudu in Rajasthan with effect from the 11th December 1965. The office is expected to cater to the needs of about 40 villages in the Jaipur district.

(b) As the bank has been functioning only for a few months, it is not possible to indicate the extent to which savings can be mobilised in the form of deposit or other business which may be transacted.

**Shri S. C. Samanta:** May I know whether rules have been relaxed in regard to the getting of loans by cultivators from these banks?

**Shri B. R. Bhagat:** Certain facilities have been given, and even the rules have been relaxed, but I would not be able to give specific information about it just now.

**Shri S. C. Samanta:** May I know whether all the tehsils in Rajasthan have been provided with State Bank branches, and if so, whether the rural banks have been opened after that, or this is a special case?

**Shri B. R. Bhagat:** I do not know if all the districts have got branches of the State Bank; probably, they may have. But this bank is to encourage savings not in district towns but in the rural areas, and this will cater to the villages.

**Shrimati Savitri Nigam:** Since all the banks are controlled or governed

by the Reserve Bank, may I know why the hon. Minister is not aware of the rules and regulations framed by the Reserve Bank for the running of such banks, and whether this experimental bank will be started in other States also?

**Mr. Speaker:** She wants to have the information which the hon. Minister does not have. She wants to know why the hon. Minister is not aware of this. When he is not aware, what information should he give?

**Shrimati Savitri Nigam:** I want to know whether this experiment will be made in the other States also.

**Mr. Speaker:** That is the only question which needs to be answered.

**Shri B. R. Bhagat:** Already, this has been done in four other places. One is in Hyderabad, another is in Saurashtra, a third one is in Patiala and a fourth one is in Mysore. So, in all, this has been done in five States including Rajasthan.

**Shrimati Savitri Nigam:** What are the rules?

**Mr. Speaker:** The rules can be looked into in a printed form.

**Shri Subodh Hansda:** What is the business done so far by this bank? Since the opening of this experimental branch, how many people have opened accounts and how far have they been encouraged by the opening of this new experimental branch?

**Shri B. R. Bhagat:** The main function of these banks will be to attract savings banks deposits and also to advance money. The minimum limit has been reduced from Rs. 5,000 to Rs. 200 for fixed advances against even grains or seeds or various other assets. As for the amount of business so far done, as I said it has been working only for a few months.



**Shri P. C. Borooah:** May I know whether Government is aware of the fact that the poor peasants are still left at the mercy of the private money-lenders and Mahajans, particularly in a State like Assam, where rural credit facilities are practically nil; if so, whether there is any proposal to set up such banks there to augment the credit facilities to the rural people?

**Mr. Speaker:** Here the question is about a one-man bank at one particular place and the result of that. He can raise it in general discussion some time later on.

**Shri Hari Vishnu Kamath:** Is the Minister aware that one of the private banks in our country has been experimenting for sometime now with branches manned wholly by women—I believe a branch has been opened in Delhi also—and if so, has the experiment been successful and does the Government propose to emulate that example?

**Mr. Speaker:** That does not arise.

**Shri Hari Vishnu Kamath:** Like a one-man branch, all women's branch.

**Shri B. R. Bhagat:** I am not aware of that.

**Shri Hari Vishnu Kamath:** You are not aware? You have got it in Delhi.

**Shri Narendra Singh Mahida:** May I know whether other banks have also opened such branches, and how do they compare in their working?

**Shri B. R. Bhagat:** As I said, including this, five banks, all subsidiaries of the State Bank have opened this experimental one man's branch in five places.

**Shri Balakrishnan:** Compared with the working of the other banks there is much delay in the State Bank in its daily routine transactions. So, may I ask the Government to see that the delay is not there?

**Mr. Speaker:** It is a suggestion.

**Shri B. R. Bhagat:** Delay in the State Bank is a different question.

नगरीय तथा ग्रामीण जनसंख्या में विषमता

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\* 1487. श्री मधु लिखये :

श्री यशपाल सिंह :

डा० राम मनोहर लोहिया :

श्री हुकम चन्द कदवाय :

श्री बिभूति मिश्र :

क्या योजना तथा समाज कल्याण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का ध्यान भूतपूर्व इस्पात तथा खान मंत्री श्री संजीव रेड्डी के हैदराबाद में इन्टक सम्मेलन में दिये गये उस भोषण की ओर दिलाया गया है जिसमें उन्होंने नगरीय तथा ग्रामीण जनसंख्या के जीवन स्तर में समानता लाने की आवश्यकता पर जोर दिया था ;

(ख) यदि हां, तो इस सम्बन्ध में सरकार की क्या प्रतिक्रिया है ;

(ग) क्या सरकार ने तीन पंचवर्षीय योजनाओं का इस विषमता पर जो प्रभाव हुआ है उसका अध्ययन किया है ; और

(घ) यदि हां, तो उस अध्ययन के क्या परिणाम निकले ?

वित्त मंत्रालय में उपमंत्री (श्री ल० ना० मिश्र) : (क) से (घ) एक विवरण सभा पटल पर प्रस्तुत है ।

विवरण

जी, हां । अपने भाषण के दौरान श्री रेड्डी ने कहा कि "ग्रामीण तथा नगरीय क्षेत्रों के मध्य विषमता स्पष्ट थी" । उन्होंने जो स्थिति बताई वह वस्तुतः ठीक है ।

इस विषमता पर तीन पंचवर्षीय योजनाओं के क्या मुख्य प्रभाव पड़े, इसके बारे में कोई मात्रात्मक अनुमान नहीं लगाया गया है ।

परन्तु यह सब जानते हैं कि तीन योजनाओं में सामाजिक एवं आर्थिक विकास के सम्बन्ध में जो विभिन्न योजनाएं बनाई गई हैं तथा कार्यान्वित की गई हैं उनका उद्देश्य ग्रामीण जनसंख्या का लाभान्वित करना था।

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**श्री मधु लिमये :** जो विवरण रखा गया है उस में मंत्री महोदय ने लिखा है कि—

“No quantitative assessment has been made of the precise effects of the three Five Year Plans on this disparity.”

इन योजनाओं के खत्म होने के पश्चात् भी इन के पास ये जरूरी आंकड़े नहीं हैं कि नगरीय तथा ग्रामीण क्षेत्रों के मध्य क्या विषमताएँ हैं तथा इनके क्या कारण हैं? राष्ट्रीय स्वतंत्रता संग्राम के महान सेनानी दादाभाई नारंगी, रानडे तथा गोखले, जिनकी जन्म शताब्दी हम मनाने जा रहे हैं, इन्होंने कहा था कि 6-7 करोड़ लोग बिना खाये हर दिन सो जाते हैं। मैं मंत्री महोदय से जानना चाहता हूँ कि क्या उनको इस बात का पता है कि इस वक्त करीब-करीब 10-12 करोड़ लोग ऐसे हैं जो एक दफा खाते हैं और रात में बिना खाये सो जाते हैं देहाती तथा शहरी विषमता के कारण, इसके बारे में वे क्या ठोस योजना बनाने जा रहे हैं?

**श्री ल० ना० मिश्र :** ये आंकड़े तो कल्पना की बात है.....

**श्री मधु लिमये :** कल्पना की बात नहीं है, यह दादाभाई नारंगी ने जिज्ञासा की, आपके पास तो आंकड़े नहीं हैं, आप मेरी बात किम आधार पर काट रहे हैं?

**श्री ल० ना० मिश्र :** मैं काट नहीं रहा हूँ, लेकिन ये आंकड़े अभी कल्पना की बात हैं। मेरे पास इतने साधन रहते हुए भी, हम किसी ठोस नतीजे पर नहीं पहुँचे हैं। 10-12 या 15 करोड़ पर आप पहुँच सकते हैं, लेकिन मैं इतना कहना चाहता हूँ कि यह सत्य है कि देहाती इलाकों में रहने वालों की

व्यवस्था ठीक नहीं है, जितना उनके लिये होना चाहिये, उतना नहीं है। आपने पूछा कि क्या योजना बना रहे हैं, 5 वर्षीय योजनाओं में इनके लिये ख़ाम ध्यान रखा है ताकि देहाती क्षेत्रों पर ज्यादा ध्यान दिया जाये। यदि माननीय सदस्य सुनना चाहें तो मैं कहना चाहता हूँ कि प्रथम योजना में 800 करोड़ रुपया देहाती क्षेत्र पर खर्च करने की व्यवस्था थी। द्वितीय में 1670 करोड़ की थी, तृतीय में 4800 करोड़ की थी। चौथी का जानना चाहें तो मैं बता सकता हूँ कि लघु मिर्चाई में जहाँ पहले 990 करोड़ था वहाँ अब 2372 करोड़ किये जा रहे हैं, विलेज एंड स्माल स्कूल इंडस्ट्रीज़ के मामले में 75 परसेंट बढ़ाने की बात हो रही है, रूरल इलेक्ट्रिफिकेशन के लिए शत-प्रतिशत, मोटरसेट बढ़ाने की बात है, एलीमेंटरी एजुकेशन में 100 प्रतिशत बढ़ाने की बात है। बैंकवर्ड क्लामिस के लिए 188 करोड़ में से 169 करोड़ देहातों में खर्च होंगे। देहातों की हालत आप देखेंगे तो पता चलेगा कि अच्छी हुई है लेकिन जितनी हानी चाहिये थी, नहीं हुई है, यह भी सही है।

**श्री मधु लिमये :** बिहार के मिर्चाई मंत्री ने एक व्यान दिया था कि अब की बार रबी की जो फसल हांगी उस में हम मुफ्त मिर्चाई का इंतजाम करेंगे। मैं मंत्री महोदय से यह जानना चाहता हूँ कि देहाती क्षेत्रों के विकास के लिए मस्ती बिजली, मुफ्त मिर्चाई आदि का इंतजाम करने के बारे में चौथी योजना में क्या वह कोई विचार कर रहे हैं?

**श्री ल० ना० मिश्र :** गो मैं भी बिहार का हूँ लेकिन इस तरह के किसी व्यान का मुझे पता नहीं है। मुफ्त मिर्चाई, मुफ्त बिजली, मेरे ख्याल में यह एक नीति की बात है। व्यक्तिगत रूप से मैं इतना कह सकता हूँ कि शायद इसमें और कोई अच्छी बात नहीं हो सकती है। आप तो समाजवादी हैं और आप तो इस बात को जानते होंगे कि इसके लिए

एक प्राइस पालिसी होनी चाहिये। सोशललिस्ट सोमाइटी जो होती है उस में इस तरह की बात नहीं करते हैं, बड़ाबा देने की धोर महायता देने की बात होती है।

श्री यशपाल सिंह : पहले बेती के लिए हफने में एक दफा नहर का पानी मिलता था। अब देहातों में बेती के लिए 45 दिन में एक बार पानी मिलता है। लेकिन इस की दूरे वही चली आ रही है। जो घाबपासी टैक्स है, जो इरिगेशन टैक्स है वह ज्यों का त्यों चला आ रहा है बल्कि हाल ही में पम्बीम परसेट बढ़ गया है यानी सो का सबा सो हो गया है। मैं जानना चाहता हूँ कि सरकार कैसे इन किसानों को राहत देगी। पहले हफने में जहां एक बार पानी दिया जाता था वहां वही पानी अब पैंतालीस दिन में एक बार दिया जाता है और उसके सबाये चार्ज किये जाते हैं। मैं जानना चाहता हूँ कि किस तरह में गांवों में रहने वाले किसानों का घाप राहत देने का विचार रखते हैं?

श्री ल० ना० मिश्र : ख़ास जो बात घापने बताई है उसकी सूचना तो मेरे पास नहीं है। राहत देने का जहां तक प्रश्न है उसके प्रयास हो रहे हैं। अधिक धन उपजाने के लिए उनको प्रोत्साहित किया जा रहा है। देहाती क्षेत्रों की भलाई के धोर भी कई कार्य हो रहे हैं। माननीय सदस्य जो कहते हैं वह भी एक तरीका है जिससे देहाती क्षेत्रों के लोगों की भलाई हो सकती है। लेकिन जहां तक यू० पी० की बात है वहां जो कुछ परिवर्तन हुआ है, उसकी मुझे सूचना नहीं है और मैं उसको देखूंगा।

श्री प्रकाशवीर शास्त्री : 1961 की जन गणना की रिपोर्ट के आधार पर यह हा जा सकता है कि 82 प्रतिशत भारत में रहता है और 18 प्रतिशत भारत में रहता है। लेकिन जितने भी जी नियरिंग कालेज हैं, मैट्रिकल कालेज हैं

और दूसरे टेक्नीकल कालेज हैं सब के सब शहरों में केन्द्रित होते जा रहे हैं। मैं जानना चाहता हूँ कि भागे घाने वाली योजनाओं में भारत सरकार क्या कुछ इस प्रकार की व्यवस्था भी कर रही है कि इस प्रकार की इंस्टीट्यूशंस देहातों की ओर भी ले जाई जाये ?

श्री ल० ना० मिश्र : इन्होंने जो धारा बताई है 82 और 18 परसेंट का यह सही है। 1951 में 83 और 17 था। 83 का 82 बन गया है और 17 का 18 हो गया है। एक परसेंट का फर्क हुआ है। किन्तु इसका कारण यह नहीं है कि लोग शहरों में अधिक हो गये हैं। लेकिन इसका कारण यह भी है कि देहात शहर बन गये हैं। लोहे के कारखानों को घाप ले लीजिये। और भी कई प्राजेक्ट्स देहातों में गई है। उमी से उन्होंने शहरों का रूप ले लिया है। कुछ लोग देहातों से शहरों में घाये होंगे। इसमें कोई शक नहीं है। लेकिन घाप देखिये कि स्टील प्लांट्स, हेवी मशीन प्लांट्स देहातों में लग रहे हैं। दुर्गापुर, भिलाई वगैरह को ही देख लें। यह देखा जाना चाहिये कि देहाती इलाकों का विकास हो ताकि लोगों को वहां काम मिल सके।

श्री प्रकाशवीर शास्त्री : मेरा प्रश्न दूसरा था। मैंने यह कहा था कि मैट्रिकल कालेज, इंजीनियरिंग कालेज और जिनकी भी टेक्नीकल इंस्टीट्यूशंस हैं वे सारी शहरों में खुल रही हैं। 82 प्रतिशत हिन्दुस्तान देहातों में रहता है। मैंने यह जानना चाहा है कि देहातों की ओर भी इन इंस्टीट्यूशंस को ले जाने की क्या कोई व्यवस्था सरकार ने की है ?

श्री ल० ना० मिश्र : यह घापका एक मुद्दा है। इस पर भी ध्यान हो रहा है। दूर का मेरा जवाब है कि हरन यूनिवर्सिटी का प्रोग्राम है, पालिसी है और उसका हम करना चाहते हैं।

**श्री हुकम चन्द कछवाय :** सरकार ने 1954-55 में एक इनक्वायरी कराई थी कि देहाती जनता के ऊपर कितना कर्ज है। उस में यह पाया गया था कि देहाती जनता दिन-प्रति-दिन कर्जों से दबती जा रही है। वह कर्ज से मुक्त हो इसके लिए सरकार ने क्या कोई विशेष योजना बनाई है और यदि बनाई है तो वह क्या है? क्या सरकार ने हाल ही में इस बात की जांच की है कि देहाती जनता कितने कर्जों में है?

**श्री ल० ना० मिश्र :** इधर जांच हुई है या नहीं, मैं नहीं कह सकता हूँ। लेकिन मुझे याद है कि एक बार रूरल क्रेडिट सर्वे हुआ था। लोग कर्ज में थे। हरम इंडेण्टिडनेस था। यह बात सही है। उसके बाद कुछ चीप क्रेडिट प्रोवाइड करने की बात हुई और लैंड मार्गेंज बैंक वगैरह की योजना थी। मैं विस्तार में नहीं जा सकता हूँ लेकिन इतना मैं अवश्य कह सकता हूँ कि यह एक समस्या है जिसकी ओर सरकार का ध्यान गया है।

**श्रीमती जयाबेन शाह :** सारा जो आपका फॉर्ब प्लान है इसको क्या आप रूरल ऑरियेंटेड बनाना चाहते हैं या नहीं? क्रेडिट की बात भी की जाती है। आज तक सिर्फ तीन प्रतिशत क्रेडिट ही कोओपरेटिव सेक्टर द्वारा दिया जाता है। मैं जानना चाहती हूँ कि कौन से ऐसे मैजर्ज आप लेना चाहते हैं जिससे रूरल और ग्रामन लोगों के बीच में जो इतना फासला पड़ गया है, वह कम किया जा सके? मैं कहना चाहती हूँ कि स्पेसिफिक तौर पर बताया जाना चाहिये कि आप क्या करना चाहते हैं?

**श्री ल० ना० मिश्र :** रूरल एरियाज के लिए हम जो कुछ कर रहे हैं वह मैं आपको बता चुका हूँ। यह सही है कि जो फामला है लिविंग स्टैंडर्ड का, एक्सपेंडीचर का वह काफी बढ़ा है। हमारी पूरी सहानुभूति देहात के लोगों के साथ है। लेकिन मैं एक आंकड़ा देना चाहता हूँ। शहर के लोग

प्रति व्यक्ति 32 रुपये और देहात के 22 रुपये खर्च करते हैं। पचास परसेंट के ग्रास-पास का फर्क है, यह सही है। लेकिन देहात के लोगों को राहत दी जाये, इस में कोई दो रायें नहीं हैं।

**श्री ल० सिंह :** तृतीय योजना में यह अनुमान नहीं लगाया गया है कि शहर और गांवों के क्षेत्रों में कितनी विषमता बढ़ गई है। मैं यह जानना चाहता हूँ कि चतुर्थ योजना बनाने के अवसर पर सरकार क्या इस बात को ध्यान में रखेगी और इसका अनुमान लगायेगी और क्या भविष्य में इस विषमता को कम करने के दृष्टिकोण से योजना बनाई जा रही है?

**श्री ल० ना० मिश्र :** अनुपात के रूप में विषमता ज्यादा नहीं बढ़ी है। लेकिन यह बात भी सही है कि देहात के लोगों की तरक्की हो रही है और शहर लोगों की ज्यादा तरक्की हो रही है। ग्रामी भी फर्क बहुत है। शानों के रहन सहन में और ग्रामदनी में भी बहुत फर्क है लेकिन यह कहा जाये कि देहात के लोगों में कोई स्टैगनेशन है और शहर के लोग ऊपर चले जा रहे हैं, यह सही नहीं है।

**श्री किशन पटनायक :** ग्रामीण पिछड़ेपन की एक बड़ी निशानी और वजह है प्रति व्यक्ति आय में कमी। अगर इस कमी को दूर करने के लिए मुफ्त सिंचाई और लगान मुफ्त उपाय पर आप धमल नहीं करना चाहते हैं जैसा कि ग्रामी आपने बताया है तो किन उपायों पर आप धमल करके प्रति व्यक्ति आय बढ़ाना चाहते हैं? क्या इसकी कोई योजना आपका पास है?

**श्री ल० ना० मिश्र :** हम चाहते हैं कि उनको साधन उपलब्ध हों सिंचाई के, बिजली के, उद्योगों के और उन से उनकी दौलत बढ़ेगी। मागनीय सदस्य तो अपने आपको समाजवादी कहते हैं। वह जानते ही होंगे कि

समाजवादी समाज का विकास किस तरह से होता है . . . .

**श्री किशन पटनायक :** एक बहुत बड़ा वर्ग है जिसके लिए मुफ्त सिचाई चाहिये ।

**श्री स० ना० मिश्र :** दौलत बांटने से कोई समाज धमीर नहीं होता है । साधन उपलब्ध होने चाहिये ।

**श्री गणपति राम :** धमी कहा गया है कि सिचाई, बिजली और उद्योग बढ़ा कर ग्रामीण समस्याओं को हम हल करना चाहते हैं । क्या सरकार को मालूम है कि गांवों में जो शैड्यूल्ड कास्ट, शैड्यूल्ड ट्राइब्स और इको-नोमिकली बैकवर्ड क्लासिस के लोग हैं और एग्रिकल्चरल लेबर है उनके पास कोई सिचाई और बिजली के साधन नहीं पहुंच सके हैं, इन से उनको कोई फायदा नहीं पहुंच सका है ? पिछली तीन योजनाओं में जो रुपया हाउसिंग के लिए या और चीजों के लिए रखा गया था वह भी गिटेन हो गया । क्लास का क्या धो उनके पास नहीं पहुंच सका । मैं जानना चाहता हूं कि उनके विकास के लिए सरकार क्या सोच रही है ? किम तरह से सरकार उनका आर्थिक उत्थान करना चाहती है ?

**श्री स० ना० मिश्र :** खेती में जो मजदूर काम करते हैं सिचाई से उनको फायदा नहीं होगा यह कहना सही नहीं है । बैकवर्ड क्लासिस के बारे में मैंने बताया है कि 188 करोड़ में से 169 करोड़ देहातों में बैकवर्ड क्लासिस के बैलफेयर के लिए हम खर्च करना चाहते हैं ।

**Shri Kandappan:** The statement says that in spite of the emphasis given for rural development in all the three Plans, there is marked imbalance between the development of the rural and the urban areas. Either there is no emphasis or all the three Plans have miserably failed. The statement also says: "No quantitative assessment has been made of the precise effects of the

three Five Year Plans on this disparity...." May I know whether the government is in a position to give a general indication as to whether the disparity has widened or lessened after the implementation of the three plans?

**Shri L. N. Mishra:** I will give some figures and the hon. member can draw his own conclusion. In 1958-59 the per capita expenditure in urban areas was Rs. 28 and odd....

**Shri Kandappan:** I do not want any figures; I want a general indication.

**Mr. Speaker:** Can he say whether the disparity has widened or narrowed down?

**Shri L. N. Mishra:** It is a question of calculation. It was Rs. 28 as against Rs. 20. Today it is Rs. 32 as against Rs. 22.

**Shri Daji:** Therefore, it has widened.

**Mr. Speaker:** He might have it calculated and give the answer.

**Shri Daji:** He is the Deputy Minister of Finance and he does not know mathematics!

**Mr. Speaker:** He has not got it calculated.

**Shri R. S. Pandey:** We find there is concentration of industries in big cities. In order to improve the economic condition of the villages, may I know whether the government is thinking of decentralising industries and making them go towards the villages?

**Shri L. N. Mishra:** Decentralisation and dispersal of industries is one of our main policies.

**Shri Ranga:** Apart from the political propaganda indulged in here by this minister and other ministers also regarding this matter, does he admit or is he not aware of the fact that the disparity in facilities provided in the rural areas and in cities and also the disparity in per capita income in rural

and urban areas has increased by and large during the last 15 years? Only this morning his colleague, Dr. Rao, was saying that the rate charged for electricity for industrial use is only one-third of what is being charged for agricultural use.

**Shri L. N. Mishra:** I cannot say that the disparity has increased. It will be difficult for me to accept that position that the disparity has increased. I have told the House what efforts have been taken to improve the conditions of the rural population. The hon. member must realise that 82 per cent of India's population live in rural areas and only 18 per cent live in urban areas. Therefore, naturally, the people living in urban areas get better opportunities to improve their plight than the people living in rural areas. Therefore, the development in urban areas is more than in the rural areas.

**Shri Daji:** The exercise of the minister reminds me of the lines in Oliver Goldsmith's "Village School Master":

"Though vanquished, he could argue still!"

He says the disparity has not increased, but if we calculate from the figures he mentioned, it has definitely increased. This clearly shows that unless the whole approach gives place to a new approach of a concerted drive for rural development, more money spent on planning will only result in further growth of this disparity. Therefore, is the government going to give any thought to the reorientation of the policy so that the disparity can be narrowed consciously and in a planned manner?

**Shri L. N. Mishra:** It is a question of policy. The hon. member referred to political propaganda. I must enunciate and explain here what our policies are. Our policies are to develop rural areas. We stand for the rural people. It is one of the basic policies of the plan to develop rural areas. We have taken a number of measures to improve the plight of the rural people.

### Creation of Asian Food Trust

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\*1489. **Shri Shree Narayan Das:**  
**Shri Hari Vishnu Kamath:**  
**Shri Subodh Hansda:**

Will the Minister of Finance be pleased to state:

(a) whether any suggestion for the creation of the Asian Food Trust controlled by the Asian Development Bank has been made;

(b) if so, the precise nature of the suggestion and the way of its functioning;

(c) whether Government have been sounded on the point; and

(d) if so, the reaction of the Government thereto?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**

(a) No, Sir,

(b) to (d). Do not arise.

**Shri Shree Narayan Das:** May I know whether the attention of the government has been drawn to a news report in the *Hindustan Times* dated 6th January, 1966 that some such suggestion has been made to the US Government to contribute all its surplus in food for the creation of an Asian Food Trust? If so, has the government considered the implications of this, whether India would get any real advantage by the establishment of this Food Trust or whether it will be in a disadvantageous position?

**Shri B. R. Bhagat:** The question is whether the Asian Development Bank which is to be constituted will take up the Asian Food Trust. The Asian Development Bank has not come into being. So, the question of managing food trust or any other trust does not arise.

**Shri Shree Narayan Das:** The present position is that we have been importing foodgrains on a large scale from America under PL 480. Will the position improve after the creation of

this Trust? Have Government given consideration to this proposal?

**Shri B. R. Bhagat:** We have not considered that question because there is no proposal before us of any trust. So, the question is hypothetical.

**Shri Hari Vishnu Kamath:** Answering a question in the last session, the Minister of Commerce, Shri Manubhai Shah, said that among the countries which are not contributing to the finances of the Asian Development Bank was Russia while the United States has already joined it. Has anything happened since then or, are there reasons to believe, that Soviet Russia will join the Asian Development Bank if it has not already joined it? And is there a move at the instance of the Director-General of the FAO to have a World Food trust so as to extend help to the under-developed countries, half-starved countries by the affluent countries?

**Mr. Speaker:** It is a different question. Would he kindly look into the main question.

**Shri Hari Vishnu Kamath:** It relates to the Asian Development Bank.

**Mr. Speaker:** The question is whether the Asian Food Trust is to be taken up by the Asian Development Bank or not.

**Shri Hari Vishnu Kamath:** I know, but the Asian Food Trust is a sort of corollary or ancillary to the Asian Development Bank.

**Mr. Speaker:** He should not extend it so far.

**Shri Hari Vishnu Kamath:** Then the other question may be answered, whether there is a move to have a World Food Trust, not Asian Food Trust.

**Shri B. B. Bhagat:** I am not aware of it. Perhaps, my colleague, the Minister of Food and Agriculture may be knowing more about it.

**Shri Subodh Hansda:** In view of the chronic shortage of foodgrains not

only in India but the world over, may I know whether the Government considers that there should be such a trust to help the under-developed countries with supply of foodgrains in times of need?

**Shri B. R. Bhagat:** The hon. Member says that there is shortage of food all the world over. In that case, there is no question of having any trust. The only solution to this problem is to set up agricultural production by countries like India.

### Thermal Power Stations

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\*1491. **Shri P. Venkatasub. Balah:**

**Shri Hukam Chand Kachhavalya:**

**Shri Yashpal Singh:**

**Shri Ravindra Varma:**

**Shri P. L. Barupal:**

**Shrimati Sharda Mukerjee:**

**Shrimati Tarkeshwari**

**Sinha:**

**Shri R. S. Pandey:**

**Shri Thirumala Rao:**

Will the Minister of Irrigation and Power be pleased to state:

(a) the principles enunciated by the Planning Commission in locating thermal Power station;

(b) the power stations sanctioned in the last two years, which are away from coal-fields and their capacity; and

(c) the annual financial loss likely to occur in each of these stations due to conveyance of coal?

**The Minister of State in the Ministry of Irrigation and Power (Dr. K. L. Rao):** (a) to (c). A statement is laid on the Table of the House.

### STATEMENT

(a) According to the principles enunciated by the Planning Commission, thermal power stations should be sited near Collieries, Coal-Washeries and Oil Refineries as far as practicable.

(b) Three new thermal power stations which are located away from coalfields have been sanctioned during last two years. These are (i) Ennore Thermal Station (installed capacity 330 MW) in Madras State, (ii) Nasik Thermal Station (installed capacity 280 MW) and (iii) Purli Thermal Station (installed capacity 60 MW) in Maharashtra State. The last two were approved in principle in 1963.

(c) The cost of conveyance of coal from the coalfields in the case of Ennore Thermal Power Station will be Rs. 190 lakhs per year. In the case of Nasik Power Station, it will be Rs. 176 lakhs and in case of Purli Power Station Rs. 36 lakhs per year. All these do not, however, represent financial loss as the alternative schemes of transport of power will entail expenditure.

श्री हुकम चन्द कछवाय : वक्तव्य को देखने के बाद ऐसा लगता है कि इन कोयला खानों के पास जो ताप बिजलीघर हैं उन में 402 लाख रु० अधिक खर्च हुआ है। इसलिये मैं जानना चाहता हूँ कि खानों के पास जो बिजलीघर बनाये गये हैं क्या इसका प्रमुख कारण यह है कि कोई राजनीतिक दबाव पड़ा है। यदि हाँ, तो वे कौन से दबाव हैं।

Dr. K. L. Rao: I generally accept the principle that thermal stations should, as far as possible, be located near the coalfields. But there are some special considerations which should be taken into account in each individual case before we decide upon the location of a station. In this particular case, in the case of Ennore, it has been thought that the alternative would take much more time. There was pressure of demand of power in Madras State and also there is concentration of loads. So, other considerations had to be taken into account and that is why it was decided to locate it at Ennore.

Mr. Speaker: Did it include any political pressures?

Dr. K. L. Rao: No political pressures.

Mr. Speaker: That is what he wanted to know.

श्री हुकम चन्द कछवाय : मैं जानना चाहता हूँ कि क्या सरकार ने इन कोयला खानों के पास एक भी बिजलीघर नहीं बनाये इसका क्या कारण है और यदि बनाये तो कितने बनाये और यदि सरकार का विचार है तो कहाँ कहाँ बनाने का विचार है ?

Dr. K. L. Rao: Recently it has been our policy to locate these power stations as far as possible near the collieries. Pathratu in Bihar, Santhandi in Bengal, Kothagudem in Andhra Pradesh and Nagpur power stations in Maharashtra—all these are located right at the coal pitheads.

Mr. Speaker: He wants to know whether for the future also there is a proposal to construct others also.

Dr. K. L. Rao: Others also as far as possible.

श्री यशपाल सिंह : अभी किसान को इतना टैक्स बिजली का देना पड़ रहा है तो क्या माननीय मंत्री जी यह बतला सकेंगे कि थर्मल पावर स्टेशन बनाने के बाद इस टैक्स में राहत मिलेगी, उसे यह सस्ती मिलेगी या और ज्यादा कास्टली पड़ेगी ?

Dr. K. L. Rao: I think, the hon. House seems to be very persistent that the agriculturists must receive more consideration and, I think, we will take up again whether the agricultural rates must be reduced.

Shri Bade: In the statement it is said that there will be expenditure of Rs. 190 lakhs in Madras, Rs. 176 lakhs in Nasik and Rs. 36 lakhs in Purli. In all these stations we are to incur an expenditure of Rs. 402 lakhs to bring coal from the coalfields. The explanation—given here is:—

“All these do not, however, represent financial loss as the alternative schemes of transport of power will entail expenditure.”



This explanation is not correct. If coal is brought at lesser expenditure, the rates of electricity will be lesser and the agriculturists will be benefited more thereby.

**Dr. K. L. Rao:** What has been stated in the statement is that these are the costs of conveying coal to the respective places. On the other hand, if power stations are located at the coal pits and power is transmitted, there is a large amount of money spent also on transmission lines and so on. If we consider the loss, it has to be taken to be the difference between these two. The costs of conveyance of coal do not represent the losses.

श्री प० सा० बाबुवाल : मैं माननीय मंत्री जी से जानना चाहता हूँ कि राजस्थान के पलाना कोलियरी में एक तापिक विद्युत् यंत्र स्थापित करने की जो योजना थी उसमें कहां तक प्रगति हुई है ?

**Dr. K. L. Rao:** It is true that in Palana recently lignite has been discovered and it is under investigation as to how much of lignite will be there. Depending on that a thermal station will be located there.

**Shri M. R. Krishna:** What are the reasons that compelled the Government to change the location after spending a considerable amount at Ramagundem and shift it to Kothagudem?

**Dr. K. L. Rao:** That power station was to have been built by Dr. Dharma Teja. Since we have not been able to enter into an agreement and as we wanted the work to be done quickly, taking advantage of the conveniences at Kothagudem, we have located it there.

**Shri M. R. Krishna:** Why should you do it after spending lakhs of rupees? Already a lot of money has been spent there.

**Shri Muthiah:** May I know whether the Advisory Committee on Irrigation

and Power Projects has considered the project report of the Tuticorin thermal plant and, if so, their recommendations?

**Dr. K. L. Rao:** The sub-committee has not yet submitted its report.

#### Arbitration on Dearness Allowance

+

\*1492. **Shri S. M. Banerjee:**  
**Shri Mohammad Elias:**  
**Shri Daji:**  
**Shri Indrajit Gupta:**  
**Shri Buta Singh:**

Will the Minister of Finance be pleased to state:

(a) whether a formal decision has since been taken by Government to refer the question of dearness allowance to arbitration;

(b) if not, the reasons therefor; and

(c) whether this dispute could not be resolved by bi-partite talks?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) and (b). A scheme to settle this question has been tentatively framed and is under consideration now. Before the question of arbitration can be taken up the feasibility of this scheme has to be examined.

(c) In the matter of the final framing of the scheme it is intended to have discussions with some representatives of the parties interested.

**Shri S. M. Banerjee:** Without doubting the good intentions of the hon. Minister I would like to know whether the proposed meeting of the Central Government employees' representatives is likely to take place before the session ends so that Members of Parliament who are connected with it can also be present.

**Shri Sachindra Chaudhuri:** Actually, I think, Shri Banerjee should know that I have told him that we will try and get this done before the end of the session. I had invited schemes

from the representatives of the employees but I did not get any unfortunately. Therefore I have to work out the scheme myself. I have to put that scheme before the representatives of the employees as well as the ministries concerned to find out whether there could be any agreed settlement on that.

**Shri S. M. Banerjee:** I would like to know, in case a bipartite agreement is not reached, whether Government is prepared to refer the whole question to arbitration.

**Shri Sachindra Chaudhuri:** I was taught early in life never to take a jump before I come to a stile. If I fail, other questions will have to be considered.

**Shri Daji:** In view of the fact that this move was mooted on the 16th of February and more than two months have elapsed and the employees have waited patiently and in between the price index has again jumped by four points and it is likely to jump up further, thereby increasing their anxiety for a fair neutralisation for the rise of cost of living index, is it not desirable that before the scheme is prepared, the views and the opinions of the employees are ascertained by the Government in a committee so that the scheme can be better one and more comprehensive?

**Shri Sachindra Chaudhuri:** As I said earlier on, I had asked the employees to give their schemes. But they have not given the schemes. I had to prepare the scheme myself. As I said just now, it is my desire and my effort to have that scheme put before the representatives of the employees,

**Shri Indrajit Gupta:** Apart from the question of neutralisation, may I know what is the Government's thinking on the concretising of earlier statement made by the Finance Minister that in future they would not like the rise in the cost of living index to be compensated in cash but by some other alternative means

which are not being defined up to-date? What is their thinking on that and what are the concrete proposals of the Government?

**Shri Sachindra Chaudhuri:** As I said, I have prepared the scheme and if Mr. Indrajit Gupta is interested in it, he will be asked to come and look at the scheme and he may take it or modify it or reject it.

**Shrimati Ramdulari Sinha:** May I know what efforts were made to resolve the disparity in bipartite meetings and what were the differences in approach on this matter between the Government and the representatives of the employees?

**Shri Sachindra Chaudhuri:** As I said earlier, there was a preliminary meeting at which we discussed the matter. We said that we would prepare the scheme whereby it will not be necessary to make cash compensation for any rise in the cost of living index and, on that basis, I invited the schemes from them but those schemes have not come from the employee's side. I had to go into the matter myself and prepared the scheme. I am prepared to discuss that with them.

**Shri A. P. Sharma:** In view of the rise in cost of living index and in view of the fact that Government has never been able to compensate the employees fully according to the rise in the cost of living index so far, is the Government considering the scheme to provide these employees foodgrains and other essential commodities through subsidised grain shops in lieu of the dearness allowance?

**Shri Sachindra Chaudhuri:** I do not wish to anticipate the scheme. But if the hon. Member is interested, he can see it and the essential commodities are being thought of and included in the scheme.

**Shri Nath Pai:** Among the inequalities with regard to the dearness allowance, one that is prominent has

been that the Government invariably fails in taking ameliorative steps, whenever the living cost index goes high,—it is not even the basic one—and, I think, the living cost index, as framed in India, is not framed in a scientific manner. Due weightage is not given to those items which count very much in the living cost index of the working class. I think one method of formulating the living cost index in a scientific manner as is known to more advanced countries will be accepted. That is what I would like to know from the Minister.

**Shri Sachindra Chaudhuri:** That does not arise out of the Question put before me.

**Shri Nath Pal:** The whole thing is based on the living cost index. He is a scholar and I want to know from him....

**Mr. Speaker:** He has not got the answer at this moment.

**Shri Hari Vishnu Kamath:** Let him say, "I want notice".

**Shri Nath Pal:** You agree that this arises out of this.

**Shri Hari Vishnu Kamath:** Otherwise, he would have ruled it out.

**श्री हुकम चन्द कछवाय :** मैं जानना चाहता हूँ कि राज्य सरकारों के कर्मचारियों को महंगाई भत्ता अभी तक नहीं मिला और जब वह मांगते हैं तो राज्य सरकारों का कहना होता है कि हमें केन्द्रीय सरकार से मिला नहीं है, तो क्या सरकार राज्य सरकारों के कर्मचारियों को महंगाई भत्ता मिले, इसके लिए राज्य सरकारों को कुछ पैसा देगी ? यदि हाँ, तो वह कब तक देने का विचार रखती है ?

**Shri Sachindra Chaudhuri:** Essentially the question of dearness allowance to employees of the State Governments is a matter of the State Governments and the Central Government cannot undertake to go on subsidising the increased cost of living in

the States without depleting the revenues of the Central Government. It is a matter on which I am not prepared to give an answer.

## WRITTEN ANSWERS TO QUESTIONS

### घायुर्वेदिक स्नातक

\*1488. श्री बिभूति मिश्र :  
क्या स्वास्थ्य तथा परिवार नियोजन मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या सरकार देश में घायुर्वेदिक स्नातकों के लिये समान वेतन-क्रम निर्धारित करने की कोई योजना बना रही है; और

(ख) यदि हाँ, तो कब तक इस योजना के बन जाने की सम्भावना है ?

स्वास्थ्य तथा परिवार नियोजन मंत्रालय में उपसंश्री (श्री ब० सू० मूर्ति) : (क) जी, नहीं । यह विषय राज्य सरकारों से सम्बन्धित है ।

(ख) यह प्रश्न नहीं उठता ।

### Jodhpur Commercial Bank

\*1490. **Shri U. M. Trivedi:** Will the Minister of Finance be pleased to state:

(a) whether the assets of the Jodhpur Commercial Bank were frozen on the 12th September, 1961 and transferred to the Central Bank of India;

(b) whether Government have received any complaints from the shareholders of the Bank regarding these transferred assets; and

(c) the value of the assets so transferred?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**  
(a) The Jodhpur Commercial Bank was granted a moratorium with effect

from the 6th July 1961 and was subsequently amalgamated with the Central Bank of India with effect from the 16th October, 1961.

(b) Yes. Certain share-holders have suggested that arrangements should be made for ensuring that the value of all the assets of the transferor bank will be fully realised, so that payments in full can be made to the share-holders.

(c) Assets of a book value of Rs. 110.24 lakhs were transferred to the Central Bank of India on the date on which the scheme of amalgamation came into force. Of these assets, advances and certain other items of a book value of Rs. 31.25 lakhs were not considered to be readily realisable or were classed as doubtful of recovery. Efforts are being made to realise the value of these assets, to the extent possible.

#### **Loss of Revenue to Assam Government**

\*1393. **Shri R. Barua:** Will the Minister of Finance be pleased to state:

(a) whether President's assent has been given to the Government of Assam to re-introduce the Carriage Tax on Tea and Jute levied under the Assam Taxation (on Goods carried by Road etc.) Act, 1954;

(b) if not, how long the matter is pending with Government; and

(c) whether Government propose to re-imburse the State of Assam for the loss of revenue to the tune of Rs. 2.5 crores per year for the last few years?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**

(a) No, Sir.

(b) The matter is not pending with the Government of India.

(c) No, Sir.

#### **U.S. Agency for International Development**

\*1494. **Shri P. C. Borooah:**

**Dr. Ranen Sen:**

**Shrimati Renu Chakravartty:**

**Shri S. M. Banerjee:**

**Shri Sarjee Pandey:**

Will the Minister of Finance be pleased to state:

(a) whether Government's attention has been drawn to the U.S. Agency for International Development's statement reported in the *Statesman* of the 16th April, 1966 headlined "AID Quotes Peace as Price for Loans" adding in elucidation that future loans to India will depend on the continuation of efforts to improve stability and peaceful relations in the sub-continent; and

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

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) Yes, Sir.

(b) The Government of India has not received the US AID's summary presentation to the U.S. Congress. In his message to the U.S. Congress on February 1, 1966, the US President said: "Aid (other than food) to both India and Pakistan will remain suspended till there is reasonable certainty that hostilities between the two countries will not recur".

#### **Stabilisation of Prices**

\*1495. **Shri D. C. Sharma:** Will the Minister of Finance be pleased to state:

(a) whether any steps have been worked out to ensure price stability;

(b) if so, the details thereof; and

(c) the steps taken to implement them?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**

(a) to (c). It is the continuing endeavour of the Government to ensure price stability to the maximum extent

feasible by efforts to increase production, to keep a restraint on demand by appropriate fiscal and monetary policies, and to regulate the prices and distribution of essential articles of mass consumption in times of shortage.

#### **Thefts in Silver Refinery, Calcutta**

\*1496. **Shri A. S. Saigal:**  
**Shri Maheswar Nalk:**  
**Shrimati Tarkeshwari Sinha:**  
**Shri N. R. Laskar:**  
**Shri Liladhar Kotaki:**  
**Shri B. Barua:**

Will the Minister of Finance be pleased to state:

(a) whether a large quantity of silver has been stolen from the Silver Refinery, Calcutta;

(b) if so, the quantity stolen; and

(c) the steps taken to recover the same?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**  
 (a) No, Sir.

(b) and (c). On two recent occasions process scrap, of fairly high silver content, totalling 18.85 kgs was detected outside the security area of the Silver Refinery. On the first occasion circumstantial evidence indicated that there had been an attempt at theft by a certain employee and the investigation was accordingly entrusted to the police. On the second occasion no specific connection with any person could be established and hence the scrap was brought to the account of the Refinery. The scrap recovered on the earlier occasion will presumably be returned to the Silver Refinery after the police proceedings have taken their course.

#### **Horse Races in India**

\*1497. **Dr. P. Srinivasan:** Will the Minister of Finance be pleased to state:

(a) whether there are any proposals to abolish horse races in the country;

(b) if not, whether there are any proposals to ban import of Jockeys at least to save foreign exchange; and

(c) if so, the details thereof?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) This is a State subject, Sir.

(b) and (c). Engagement of foreign Jockeys is being controlled under the foreign exchange regulations. The Government keep a close watch on any proposed engagement of any foreign Jockey.

#### **Renting of Government Quarters by Allottees**

\*1498. **Shrimati Tarkeshwari Sinha:** Will the Minister of Works, Housing and Urban Development be pleased to state:

(a) whether it is a fact that a large number of Government employees who have been allotted Government accommodation have rented the whole of such accommodation on exorbitant rents;

(b) whether it is also a fact that a handsome amount is extracted as premium or pugree by such employees; and

(c) if so, the steps taken by Government to prevent these illegal activities?

**The Minister of Works, Housing and Urban Development (Shri Mohr Chand Khanna):** (a) and (b). No. As against the total number of 39,000 general pool residences allotted to Government servants in Delhi, the average number of complaints of unauthorised subletting and/or charging of high rents etc. was only 18 per month during the last one year.

(c) The complaints are duly investigated and wherever the allegations are substantiated, appropriate action is taken against the defaulters.

#### **U.K. Loan**

\*1499. **Shri Panna Lal:**  
**Shri Vishwa Nath Pandey:**

**Shri P. C. Borooah:**  
**Shri D. C. Sharma:**  
**Shri Firodia:**  
**Shri Ram Harkh Yadav:**

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

(a) whether it is a fact that a loan pact was signed between U.K. and India recently;

(b) if so, on what terms; and

(c) the total amount of loan given by U.K. to India under this agreement?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) to (c). Two loan agreements totalling £ 5 million (Rs. 6.67 crores) were signed between the Government of the United Kingdom and the Government of India on 20th April, 1966. The larger loan was in the amount of £ 4.833 million (Rs. 6.44 crores) for financing the import of components and specialised raw-materials from the U.K. by the Bhopal Heavy Electrical Project. The other loan in the amount of £ 0.167 million (Rs. 0.23 crore) was for providing foreign exchange for the construction of a Sulphuric Acid Plant at Sindri for the Pyrites and Chemicals Development Company Limited. These loans form part of British Consortium Assistance to India for 1965/66 and are repayable over a period of 25 years inclusive of a grace period of 7 years and no interest payment is involved.

#### **Increase in Power Rates by N.D.M.C.**

**\*1500. Shri Maheswar Naik:**  
**Shri Onkar Lal Berwa:**  
**Dr. L. M. Singhvi:**  
**Shri Hukam Chand**  
**Kachhavalya:**  
**Shri Yashpal Singh:**  
**Shri Bade:**

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether it is a fact that the New Delhi Municipal Committee has

announced that the rates of power supply for both domestic and commercial purposes are going to be enhanced from 9 and 13 paise to 11 and 15 paise respectively from the 1st June, 1966; and

(b) whether Government propose to intervene in the matter and if so, in what way?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**  
 (a) Yes, Sir.

(b) No, Sir.

#### **D.A. to Employees in States**

**\*1501. Shri Nath Pal:**  
**Dr. Mahadeva Prasad:**

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

(a) the names of State Governments which had announced the grant of Dearness Allowance at par with the allowance given to the Central Government employees;

(b) whether any of these Governments asked for Central assistance in this connection; and

(c) if so, the amount given or offered to be given from the Central resources to the States?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**  
 (a) Though a number of State Governments have announced increases in the rates of Dearness Allowance of their employees, only the Madras Government have decided to bring them on par with the existing Central rates.

(b) Yes, Sir.

(c) No Central assistance has either been given or offered for this purpose.

जीवन बीमा निगम के पालिसीधारियों को  
बोनस

\* 1502. श्री मधु लिमये :

श्री यशपाल सिंह :  
श्री मुहम्मद इलिफास :  
श्री कोंकार लाल बेरबा :  
श्री प्र० चं० बरुआ :  
श्री म० ला० द्विवेदी :  
श्री भागवत लाल आजाद :  
श्री स० चं० सामन्त :  
श्री सुबोध हंसबा :

क्या वित्त मंत्री यह बताने की कृपा  
करेंगे कि :

(क) क्या जीवन बीमा निगम ने अपने  
पालिसीधारियों की वर्ष 1965 का बोनस  
बढ़ाई गई दर के आधार पर देने का निश्चय  
किया है;

(ख) यदि हां, तो उसका व्यौरा क्या  
है; और

(ग) पिछले वर्ष की तुलना में वह  
कितना कम प्रयत्न अधिक है ?

वित्त मंत्रालय में राज्य-मंत्री (श्री  
ब० रा० भगत) : (क) जी, हां ।

(ख) और (ग).—

मूल्यांकन	निगम की पालि- सियों पर घोषित किया गया बोनस		भूतपूर्व बीमा कम्पनियों द्वारा जारी की गयी पालिसियों पर घोषित किया गया बोनस
	मावधिक	पूरे	
	बीमे	जीवन के बीमे	
	(बीमाकृत रकम पर प्रति वर्ष प्रति हजार रुपये पर)		
जैसी 31-3-1963 को थी	14.00	17.50	चौथी और पांचवी मूल्यांकन रिपोर्ट की अनुसूची में दिखायी गयी बोनस की रकमें । ये रिपोर्टें सदन की मेज पर पहले ही रखी जा चुकी हैं ।
जैसी 31-3-1965 को थी	16.00	20.00	

### Wage Policy

\*1503. Shri P. C. Borooah: Will the  
Minister of Planning and Social Wel-  
fare be pleased to state:

(a) whether the study group on  
wage policy set up by the Planning  
Commission has suggested a national  
minimum wage for every wage earner;  
and

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

The Deputy Minister in the Minis-  
try of Finance (Shri L. N. Mishra):  
(a) and (b). The need for a national

minimum wage was stressed by sever-  
al members of the Study Group on  
Wage Policy constituted by Planning  
Commission's Panel on Labour. The  
subject is to be considered further  
shortly at a meeting of the Chairmen  
of the Seven Study Groups set up by  
the Panel which have already held  
their separate meetings.

### Installed Power Capacity in States

\*1504. Shri P. Venkatasubbaiah:  
Shri Hukam Chand  
Kachhavaia:  
Shri Yashpal Singh:  
Shri P. L. Barupal:

**Shri Ravindra Varma:**  
**Shrimati Sharda Mukerjee:**  
**Shrimati Tarkeshwari Sinha:**  
**Shri R. S. Pandey:**  
**Shri Thirumala Rao:**

Will the Minister of Irrigation and Power be pleased to state:

(a) the total sanctioned installed capacity of power in different States expected to be commissioned by the end of the Fourth Plan;

(b) the estimated demand of power in different States at the end of the Fourth Plan;

(c) the States where adequate power is yet to be sanctioned according to the load survey; and

(d) the steps taken to sanction the project to make up the deficiencies first?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**  
 (a) and (b). A statement is laid on the Table of the House. [Placed in Library. See No. LT-6226/66].

(c) and (d). According to the Third Annual Load Survey, large power deficits are anticipated in the States of Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Maharashtra, Mysore, Punjab, Uttar Pradesh and West Bengal. Additional power generation schemes are under consideration to meet the deficits in these States.

#### **Cultivation of Opium**

\*1505. **Shri U. M. Trivedi:** Will the Minister of Finance be pleased to state:

(a) whether the Narcotics Department carried out cultivation of opium as a test measure at Neemuch;

(b) the yield recovered per hectare; and

(c) whether Government have compared its yield with the yield fixed for cultivation under the principles for licensing opium cultivation?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**  
 (a) Experimental cultivation of opium has been undertaken at Neemuch for a variety of reasons such as cross-check on yield obtainable, the search for seed that could give the maximum yield of high morphine, and the manure or type of manuring that would give the best results.

(b) Yield recovered ranges between 25 to 54 kgms. per hectare in 1965-66 season in different plots.

(c) Yes, Sir. This is one of the several factors which are taken into consideration while fixing the minimum qualifying yield under the Licensing principles for the cultivators to determine their eligibility for a licence.

#### **Non-cash Relief to Central Government Employees**

\*1506. **Shri Shree Narayan Das:**  
**Shri Gulshan:**

Will the Minister of Finance be pleased to state:

(a) whether Government have finally considered the question of providing 'non-cash' relief to the Central Government employees to neutralise the rise in the cost of living; and

(b) if so, the decision taken thereon?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) and (b). The matter is still under consideration but a tentative scheme has been worked out and is now being further examined.

#### **Land and Housing Policy in Delhi**

\*1507. **Shri D. C. Sharma:**  
**Shri P. C. Borooah:**

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

(a) whether the desirability of a revision of land and housing policies for Delhi in view of the acute housing



shortage, particularly in the low and middle income groups, has been considered; and

(b) if so, with what results?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) and (b). Government is seized of the problem. Discussions with the concerned authorities have been initiated. It would take a couple of months before some definite results can be achieved.

#### **Income-Tax on Research Fellowships**

**1508. Shri S. M. Banerjee:** Will the Minister of Finance be pleased to state:

(a) whether the research fellowships offered by the University Grants Commission, University Departments and similar other institutions are exempt under Section 10(16) of the Income-Tax Act, 1961;

(b) whether the Central Board of Direct Taxes is following any uniform policy in this regard; and

(c) if not, the reasons for the discrimination?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**

(a) Yes, Sir. All Scholarships granted to meet the cost of education are exempt from Income-tax.

(b) Yes, Sir.

(c) Does not arise.

#### **Impact of Birth Control Measures on Birth Rate**

**\*1509. Shri Madhu Limaye:  
Shri Yashpal Singh:**

Will the Minister of Health and Family Planning be pleased to state:

(a) whether any estimate has been made of the likely birth rate during the decade 1960-70; and

(b) the impact of birth control measures and propaganda during the period of planning on this problem?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes, Sir.

(b) The impact of propaganda during the period of planning has been quite encouraging as is reflected by the fact that while in the beginning of the Family Planning Programme in the country in about 1956, people were very much hesitant in adopting family planning method, the prevailing situation is quite different. As a result of wide publicity, quite a large section of population has been motivated in favour of Family Planning. More and more women are accepting the loop and more and more males are coming forward for the sterilization operations, even from rural areas. However, it is too early to say whether the birth control measures carried out so far have had any measurable impact on the overall birth rates in the country although it has been observed that in some areas especially where intensive work has been done to promote Family Planning, a definite trend in the reduction of birth rate has been noticed. As for instance:

- (1) In Athoor Block, Gandhinagar, Madurai District, registered birth rate has declined from 44.14 in 1961 to 37.72 in 1964 (14.5 per cent fall).
- (2) A rural field study in Singur near Calcutta has shown 12.1 per cent reduction in registered birth rate from 42.0 in 1957 to 36.9 in 1961.
- (3) Reductions in registered birth rates have also been reported by States of Maharashtra, Orissa and Punjab from 31.8 in 1960 to 28.8 in 1964 (9.4 per cent fall), from 27.79 in 1956 to 24.07 in 1963 (13.4 per cent fall), and from 39.49 in 1960 to 32.42 in 1964 (10.3 per cent fall) respectively.

**Rise in Prices in Delhi**

- \*1510. **Shri P. C. Borooah:**  
**Shrimati Savitri Nigam:**  
**Shri Tulshidas Jadhav:**  
**Shri D. C. Sharma:**  
**Shri Shiv Charan Gupta:**

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the prices of most of the consumer goods have risen in the Capital by 10 per cent to 20 per cent during the past ten weeks; and

(b) if so, how the present prices of different items compare with those prevalent at the end of February, 1966 and the reasons thereof?

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):**

(a) and (b). No, Sir. Weekly retail prices of 25 consumer goods are maintained by the Delhi Administration. Over the ten weeks period ended April 25, 1966, there was no change in the prices of 13 commodities; prices of six commodities registered price rises below 10 per cent; prices of five commodities increased by 10 per cent and above; and price of one commodity was not quoted during this period.

**Strike Notice by D.E.S.U. Employees**

\*1511. **Shri D. C. Sharma:** Will the Minister for Irrigation and Power be pleased to state:

(a) whether the DESU Technical Supervisory Staff Association had given a notice to go on strike from the 22nd April, 1966;

(b) whether the talks between Delhi Electricity Supply Undertaking and the DESU Workers' Union have failed and the strike has been put off to the 5th May, 1966 following intervention by the Chief Commissioner and the Labour Commissioner; and

(c) if so, the reaction of Government thereto and the steps taken in the matter, if any?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**

(a) No, Sir. It is the Delhi State Electricity Workers' Union and not the DESU Technical Supervisory Staff Association which had given notice to go on strike from 22-4-1966. The DESU Technical Supervisory Staff Association which is an unrecognised one had also given notice to go on strike from 4th April, 1966. The Conciliation Officer had discussions with both sides. The demands on which there was no scope for settlement during conciliation proceedings have been referred for adjudication by the Chief Commissioner under sub-section (1) of Section 10 of the Industrial Disputes Act, 1947, but the DESU Technical Supervisory Staff Association went on strike with effect from midnight of 30th April, 1966.

(b) No, Sir, the talks had not failed. The Union had deferred the proposed strike till the 5th May, 1966. Subsequently, as a result of an agreement arrived at on 27th April, 1966 between the Union and the Chairman, Delhi Electric Supply Committee, the proposed strike has been given up.

(c) Does not arise.

**Government Employees on Study Leave**

\*1512. **Shri S. M. Banerjee:** Will the Minister of Finance be pleased to state:

(a) whether during study leave, a Government servant is granted a study allowance in addition to his leave salary equal to half average pay;

(b) whether the study allowance is ordinarily not admissible to a person in receipt of scholarship or stipend; and

(c) whether the study allowance or the amount of scholarship received in lieu of the admissible study allowance is taxable under the Income-tax Act?

**The Deputy Minister in the Ministry of Finance (Shri L. N. Mishra):**

(a) Yes, Sir.

(b) Yes, Sir. However, if the net amount of scholarship or stipend is less than the amount of study allowance, it is permissible to allow the difference between the two.

(c) No, Sir.

### Trichur Hospital

4809. **Shri A. K. Gopalan:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether the Trichur Hospital Advisory Committee has recommended for the appointment of more doctors, since the in-patients and out-patients have increased in the Trichur Hospital;

(b) whether the Committee has also recommended that the rent for pay-ward be reduced and provision made for a public telephone; and

(c) if so, the reaction of Government thereto?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes.

(b) At present Rs. 8 is charged for a double room and Rs. 6 for a single room. This seems quite modest. The question of revision of the rate of rent will be taken up if it is found to be necessary. A public telephone has already been installed.

(c) The State Government is examining the various recommendations made by the Advisory Committee.

### Cochin Water Supply and Sewage Scheme

4810. **Shri A. K. Gopalan:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether the World Health Organisation experts visited Ernakulam in December, 1965 and made an on-the-spot technical and financial study of the Cochin Water Supply and sewage scheme;

(b) if so, their recommendations;

(c) whether the State Engineers have already prepared a report; and

(d) besides the five crores of rupees approved by the Planning Commission, how much more money would be necessary to complete the scheme?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes.

(b) and (c). The required information is given in the statement laid on the Table of the House. [Placed in Library. See No. LT-6227/66].

(d) Rs. 34.8 crores.

### Ayurveda Board

4811. **Shri A. K. Gopalan:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether the Kerala State Ayurveda Advisory Board has recommended to Government to organise under the public sector and cooperative sector an Ayurvedic pharmaceutical factory;

(b) whether they have also recommended to form an Ayurveda Board just like coir Board and Rubber Board so that Ayurvedic medicines may have markets in foreign countries; and

(c) if so, the reaction of Government thereto?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) and (b). No.

(c) Does not arise.

### Cholera in Kerala

4812. **Shri A. K. Gopalan:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether Government are aware that by eating 'Pazham Temple' prasadam brought by certain pilgrims who had gone there in November-December, 1965, cholera has spread recently in some parts of Kerala;

(b) if so, how many persons died due to this; and

(c) whether Government propose to make an enquiry into the causes for the outbreak of this disease?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) The Kerala Government has reported that no cholera case is known to have been caused due to eating Pazhani Temple Prasadam in November & December, 1965 and that the attacks during these months were only a continuation of the epidemic which started in January, 1965.

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

#### **Sholayar Project**

**4813. Shri A. K. Gopalan:**  
**Shri Vasudevan Nair:**  
**Shri D. C. Sharma:**  
**Dr. Mahadeva Prasad:**

Will the Minister of Irrigation and Power be pleased to state:

(a) whether the first three units of the Sholayar Project are nearing completion;

(b) if so, when they will be completed; and

(c) the capacity of these three units when commissioned?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**

(a) and (b). The first unit (18 MW) of Sholayar Power Station which is now under trial run is expected to be commissioned shortly. The other two units are expected to be commissioned in July, 1966 and September, 1966 respectively.

(c) The installed capacity of the 3 units when commissioned will be 54 MW.

#### **T. B. in Kerala**

**4814. Shri P. Kunhan:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether any survey has been

made to find out growing incidence of T.B. disease in Kerala;

(b) if so, the regions where it is more prevalent; and

(c) whether it is a fact that the T.B. disease is spreading among the bidi workers due to bad conditions prevailing in the factories?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) to (c). The required information is being collected and will be laid on the Table of the Sabha as soon as available.

#### **Houses for Scavengers in Kerala**

**4815. Shri P. Kunhan:** Will the Minister of Planning and Social Welfare be pleased to state:

(a) the total number of houses so far constructed for the scavengers in the Municipalities and Corporations of Kerala;

(b) whether any allocation has been made for this purpose; and

(c) if so, the allocations made and the expenditure incurred during the Third Five Year Plan period?

**The Deputy Minister in the Department of Social Welfare (Shrimati Chandrasekhar):** (a) 178 scavengers and sweepers were given grants for the acquisition of house sites and 168 for the construction of houses in all the Municipalities and two Corporations in Kerala State. Both these schemes are in various stages of completion.

(b) Yes.

(c) Allocation Rs. 3.12 lakhs. Expenditure Rs. 2.98 lakhs.

#### **Houses for Plantation Labourers in Kerala**

**4816. Shri P. Kunhan:** Will the Minister of Works, Housing and Urban Development be pleased to state:

(a) the total number of houses so far constructed for the plantation labourers in Kerala;

(b) the number of houses constructed in Vayanad and Nilliyampathi areas;

(c) the amount set apart for this scheme in Kerala during the Third Plan;

(d) whether it is a fact that the management is unwilling to cooperate with this scheme in spite of all facilities provided by Government; and

(e) whether it is a fact that the amount allocated are unspent every year?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) 152.

(b) Nil.

(c) Rs. 10 lakhs.

(d) Yes. The scheme has not evoked the necessary response from the planters. It has therefore been decided to liberalise it from 1st April 1968. Now planters will be given financial assistance up to 75 per cent of the cost of house—50 per cent as loan and 25 per cent as grant. Previously the entire amount was to be advanced as a loan.

(e) Yes.

#### **Low Income Group Housing Scheme in Orissa**

**4817. Shri Dhuleshwar Meena:  
Shri Ramachandra Ulaka:**

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

(a) the total amount granted to the Orissa State under the Low Income Group Housing Scheme during the Third Five Year Plan period;

(b) the amount utilised so far; and

(c) the number of tribal recipients of the loans during the above period?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) and (b). Rs. 51.08 lakhs.

(c) The required information is being collected from the State Government and will be placed on the Table of the Sabha as soon as it is received.

#### **Income-Tax Offices**

**4818. Shri Dhuleshwar Meena:  
Shri Ramachandra Ulaka:**

Will the Minister of Finance be pleased to state:

(a) the number of Income-Tax Offices at present in Orissa;

(b) whether all of them have been housed in the departmental buildings; and

(c) if not, the reasons therefor?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) 21.

(b) No, Sir.

(c) Since the Emergency in 1962, the construction work for office buildings had to be kept in abeyance in view of the pressing need for economy in Civil expenditure. The question of constructing buildings for locating Income-Tax Offices is under constant review.

#### **Rodent Control Committee**

**4819. Shri Ram Harkh Yadav:  
Shri Hari Vishnu Kamath:**

Will the Minister of Health and Family Planning be pleased to refer to the reply given to Starred Question No. 1125 on the 14th April, 1966 and state:

(a) whether the report of the Rodent Control Committee has since been finalised; and submitted to Government;

(b) if so, whether a copy of the Report will be laid on the Table; and

(c) if not, the reasons for the delay?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) and (b). No. The report of the Committee which was to be submitted by the end of April, 1966 is now expected to be submitted by the end of June, 1966.

(c) A meeting of the Committee for finalising its report could not be held in April, 1966 due to other pre-occupations of the members.

**Public Health Engineering Sub-Division in Kuttanad, Kerala**

**4820. Shri Vasudevan Nair:**  
**Shri Warlor:**

Will the Minister of Health and Family Planning be pleased to state:

(a) whether there is any proposal to start a Public Health Engineering Sub-division for Kuttanad, in Kerala State; and

(b) if so, when the proposal will be implemented?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes.

(b) The proposal is under consideration of the Government of Kerala.

**Report of Commissioner for Scheduled Castes and Scheduled Tribes**

**4821. Shri Siddiah:** Will the Minister of Planning and Social Welfare be pleased to state:

(a) whether the Commissioner for Scheduled Castes and Tribes has submitted his report for the year 1964-65; and

(b) if so, when?

**The Deputy Minister in the Department of Social Welfare (Shrimati Chandrasekhar):** (a) Yes.

(b) On 24th November, 1965.

**Scheduled Castes and Scheduled Tribes Commissioner's Reports**

**4822. Shri Siddiah:** Will the Minister of Planning and Social Welfare be pleased to state:

(a) whether the statement of action taken on the recommendations made by the Commissioner for Scheduled Castes and Scheduled Tribes in his reports for the year 1962-63 and 1963-64 will be laid on the Table during the current session of Parliament; and

(b) if not, the reasons therefor?

**The Deputy Minister in the Department of Social Welfare (Shrimati Chandrasekhar):** (a) and (b). The statement of action taken on the 1962-63 Report will, as usual, be laid on the Table of the House before the Report for the year 1963-64 is taken up for discussion in the House. Similarly the statement of action taken on the 1963-64 Report will be laid on the Table of the House before the next Report, viz. 1964-65 Report, is taken up for discussion.

**Survey for Incidence of Bonded Labour**

**4823. Shri Manoharan:**  
**Shri A. V. Raghavan:**

Will the Minister of Planning and Social Welfare be pleased to state:

(a) the progress made in the matter of conducting a special survey to find out the incidence of bonded labour amongst the Panniya of Wynad Taluk in Kerala;

(b) the result of the study; and

(c) the progress made in drafting the Kerala Panniya Labour Contract (Vallukuvu Panam) System Abolition Bill?

**The Deputy Minister in the Department of Social Welfare (Shrimati Chandrasekhar):** (a) to (c). The information is being collected from the State Government and will be laid before the House when received.

**दिल्ली राज्य हरिजन कल्याण बोर्ड**

4824. श्री रे० शि० पाटिल : क्या योजना तथा समाज कल्याण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या दिल्ली राज्य हरिजन कल्याण बोर्ड ने 9 लाख रुपये की धन्यवस्तु राशि वापस लौटा दी है जो केन्द्र ने उसे वर्ष 1964-65 में हरिजनों में बांटने के लिये दी थी; और

(ख) यदि हाँ, तो उक्त राशि लौटाने के क्या कारण थे ?

समाज कल्याण विभाग में उपमंत्री (श्रीमती चन्द्रशेखर) : (क) दिल्ली में हरिजनों तथा अन्य पिछड़े वर्गों के कल्याण के लिये केन्द्र ने 9.00 लाख रुपये की नहीं, बल्कि 4.36 लाख रुपये की राशि की 1964-65 में बजट व्यवस्था की थी, जिस में से 3.11 लाख रुपये की राशि खर्च हो गई थी ।

(ख) 1.25 लाख रुपये की कमी के कारण नीचे दिये गये हैं :—

(1) 'मिर पर बिप्ला डोने का प्राचरण समाप्त करने' की योजना के लिये जो 1.00 लाख रुपये की व्यवस्था की गई थी, उसका दिल्ली नगर निगम ने उपयोग नहीं किया ।

(2) अभिग्रहण कार्रवाइयों को अन्तिम रूप न दिये जाने के कारण 'मकानों के लिये जमीनों' की योजना के लिये की गई 0.20 लाख रुपये की व्यवस्था का उपयोग नहीं किया जा सका ।

(3) 'लघु तथा कुटीर उद्योगों के लिये उपदान' की योजना के लिये की गई 0.05 लाख रुपये की व्यवस्था का उपयोग नहीं किया

जा सका क्योंकि प्रापात के कारण इस योजना पर धमल नहीं किया गया ।

**Foreign Exchange to Orissa for Power Projects**

4825. Shri Dhuleshwar Meena:  
Shri Ramachandra Ulaka:

Will the Minister of Irrigation and Power be pleased to state:

(a) the total foreign exchange allotted to the Government of Orissa for training its personnel abroad and inviting foreign consultants for its major power projects during the Third Five Year Plan period; and

(b) the details thereof?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):

(a) and (b). The requisite information is being collected and will be laid on the Table of the House as early as possible.

**Sales Tax Appellate Tribunal in Delhi**

4826. Shri Yashpal Singh: Will the Minister of Finance be pleased to state:

(a) whether there is any proposal under consideration of Government for the establishment of a Sales Tax Appellate Tribunal in Delhi on the pattern of the Income-Tax Appellate Tribunal; and

(b) if so, when it is likely to be established?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes, Sir.

(b) A Bill to give effect to the proposal will be introduced as soon as possible.

**Damodar Valley Corporation**

4827. Shri Subodh Hanada:

Shri S. C. Samanta:

Shri Bhagwat Jha Azad:

Shri M. L. Dwivedi:

Shri P. C. Borooah:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that the land requisitioned for Damodar Valley

Corporation is in excess of their demand for construction of dams and reservoirs;

(b) if so, the total excess land still with the Damodar Valley Corporation; and

(c) to whom it belongs and whether this will be released back to the State Government for distribution to cultivators?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**

(a) No.

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

### चांदी का मूल्य

**4828. श्री हा० ना० तिवारी :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या पिछले दो-तीन महीनों में चांदी का मूल्य बढ़ गया है; और

(ख) यदि हां, तो इसके क्या कारण हैं ?

**वित्त मंत्री (श्री शचीन्द्र चौबरी) :**

(क) जनवरी 1966 में चांदी के मूल्य में तेजी से वृद्धि हुई थी। दिसंबर में चांदी का औसत मूल्य, जो दिसम्बर 1965 के अन्तिम सप्ताह में 319.17 रुपया प्रति किलोग्राम था, 28 जनवरी, 1966 को समाप्त हुए सप्ताह में, बढ़कर 351.00 रुपया किलोग्राम हो गया अर्थात् उसमें 10 प्रतिशत की वृद्धि हो गयी। 2 फरवरी, 1966 को चांदी का मूल्य 405.00 रुपया किलोग्राम तक पहुंच गया, जो अब तक का अधिकतम मूल्य है। लेकिन, ग्राम स्तर पर, तबसे चांदी का प्राव भीषण हो की छोर रहा है। 26 अगस्त, 1966

को चांदी का बाजार बन्द होते समय का भाव 361.00 रुपया प्रति किलोग्राम था।

(ख) चांदी के भाव पर मौसमी बातों और मटेबाजी का बहुत जल्दी असर पड़ता है। हाल ही में चांदी के मूल्यों में जो घटबढ़ हुई है वह मुख्यतः व्यापारियों के अनुमानों का परिणाम है।

### Hostels for Scheduled Castes in U.P.

**4829. Shri Vishwa Nath Pandey:** Will the Minister of Planning and Social Welfare be pleased to state:

(a) the number of hostels opened for the Scheduled Castes in Uttar Pradesh during 1965-66;

(b) the number of hostels proposed to be opened in 1966-67 in the State; and

(c) the amount sanctioned by Government for the construction of such hostels in the State during the above period?

**The Deputy Minister in the Department of Social Welfare (Shrimati Chandrasekhar):** (a) Nil.

(b) Three hostels for Scheduled Castes girls students.

(c) A provision of Rs. 2.25 lakhs has been made for this scheme during 1966-67.

### Bharat Sewak Samaj

**4830. Shri Vishwa Nath Pandey:** Will the Minister of Planning and Social Welfare be pleased to state:

(a) whether any grant was sanctioned by Government to the Bharat Sewak Samaj during 1965-66;

(b) if so, the total amount given so far during the above period; and

(c) the total amount sanctioned for the Bharat Sewak Samaj, Uttar Pradesh Branch during the same period?

**The Deputy Minister in the Ministry of Finance (Shri L. N. Mishra):**

(a) to (c). Information is being



collected and will be laid on the Table of the House.

### Foreign Exchange to Students going Abroad

**4831. Shri Vishwa Nath Pandey:** Will the Minister of Finance be pleased to state:

(a) the total number of students who were given foreign exchange for study abroad during 1965-66; and

(b) the amount of foreign exchange given to them during the above period?

**The Minister of Finance (Shri Sachindra Chaudhuri):**

(a) Fresh permits issued during 1965—2,897.

(b) Fresh permits 1965—Rs. 2,18,43,576.

Fresh permits issued during 1st quarter of 1966—263.

Renewal permits for students already abroad issued during 1965—3,222.

Renewal permits for students already abroad issued during 1st quarter of 1966—838.

Fresh permits 1st quarter 1966—Rs. 17,60,097.

Renewals 1965—Rs. 1,95,96,069.

Renewals 1st quarter 1966—36,24,737.

### Thermal Power Stations

**4832. Shri C. K. Bhattacharyya:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether it has been decided to construct a number of thermal power stations at coal pit heads during the Fourth Plan period; and

(b) if so, their capacity of power production?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**

(a) Yes.

(b): The name of the stations and their capacities are given below:—

Name of the Station	Existing capacity	Capacity under construction	Additional capacity sanctioned/proposed to be sanctioned
	(MW)	(MW)	(MW)
1. Ramgaundam	37.5	62.5	..
2. Kothagudem	..	240	180
3. Chandrapura	280	140	240
4. Pathratu	..	400	400
5. Korba	100	200	110
6. Satpura	..	312	..
7. Nevveli	300	100	200
8. Nagpur	..	..	400
9. Talcher	..	250	..
10. Singrauli	..	250	300
11. Santaldih	..	..	480
12. Durgapura (West Bengal)	210	75	150
13. Durgapur (DVC)	150	140	..
TOTAL:	1077.5	2169.5	2550

### Rural Electrification in Orissa

**4833. Shri Ramachandra Ulaka:**  
**Shri Dhuleshwar Meena:**

Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question No. 1723 on the 2nd December, 1965 and state:

(a) the amount actually paid to Orissa Government for rural electrification in the State during 1965-66; and

(b) the number of villages actually electrified in that State during the above period?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):** (a) Rs. 49.92 lakhs.

(b) 119 villages have been electrified during 1965-66.

### Housing Schemes in Orissa

4834. Shri Ramachandra Ulaka:  
Shri Dhuleshwar Meena:

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

(a) the allotment made for different Housing schemes in Orissa during 1965-66; and

(b) the schemes so far executed?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): (a) and (b). The required information is given in the statement below:

Name of Scheme.	Plan Funds	L.I.C. Funds
	(Rupees in lakhs)	
1. Subsidised Industrial Housing Scheme.	4.00	
2. Low Income Group Housing Scheme.	15.00	
3. Village Housing Projects Scheme.	7.60	
4. Slum Clearance Scheme.	3.75	
5. Middle Income Group Housing Scheme.		13.00
6. Land Acquisition and Development Scheme.		15.00
7. Rental Housing Scheme for State Government Employees.		93.00
Total :	30.35	121.00

### Rural Electrification in Orissa

4835. Shri Ramachandra Ulaka:  
Shri Dhuleshwar Meena:

Will the Minister of Irrigation and Power be pleased to state the total expenditure incurred for the electrification of villages in Orissa during the Third Five Year Plan?

The Minister of Irrigation and Power (Shri Fakhruddin Ahmed): An expenditure of Rs. 301.3 lakhs was incurred upto 1964-65 and the probable expenditure during the year 1965-66 is Rs. 63.67 lakhs. The figures of actual expenditure of 1965-66 would be

available in about June 1966 when the accounts for the year are finalised.

### राज्यों में भिक्षावृत्ति

4836. श्री राम सेवक यादव :

श्री बागड़ी :

श्री यशपाल सिंह :

श्री लखमू भवानी :

क्या योजना तथा समाज कल्याण मंत्री यह बताने की कृपा करेंगे कि :

(क) किन-किन राज्यों में भिक्षावृत्ति पर प्रतिबन्ध लगाया गया है;

(ख) किन-किन राज्यों में ऐसा प्रतिबन्ध अभी तक नहीं लगाया गया है; और

(ग) जेप राज्यों द्वारा भिक्षावृत्ति पर प्रतिबन्ध लगाने के लिये कब कानून बनाये जाने की सम्भावना है ?

समाज कल्याण विभाग में उपमंत्रि (श्रीमती चम्पेश्वर) : (क) से (ग). भिक्षावृत्ति रोकने तथा उस पर नियंत्रण करने का प्राथमिक उत्तरदायित्व राज्य सरकारों पर है। भिक्षावृत्ति निरोधक विधिगत कानून बनाये गये हैं और एक सीमा तक प्रांथ प्रदेश, बिहार, महाराष्ट्र, केरल, गुजरात, मद्रास, मैसूर और पश्चिम बंगाल राज्यों तथा दिल्ली संघ राज्य क्षेत्र में लागू हैं। असम, जम्मू और कश्मीर, उत्तर प्रदेश, मध्य प्रदेश, उड़ीसा, पंजाब, राजस्थान और नागालैंड राज्यों तथा हिमाचल प्रदेश, मणिपुर, पांडि-चेरी, विप्रा, गोष्ठा, दमन और दीव, दादरा और नगर हवेली, अंडमान और निकोबार द्वीप तथा लक्कादीव, मिनिकाय और अमिनदीव द्वीप संघ राज्य क्षेत्रों में कोई विस्तृत भिक्षावृत्ति निरोधक विधान नहीं है। इनमें से कुछ राज्य निकट भविष्य में आवश्यक विधान बनाने के बारे में विचार कर रहे हैं।

### Kothagudem Thermal Station

**4837. Shri Kolla Venkalah:**  
**Shri M. N. Swamy:**  
**Shri Laxmi Dass:**

Will the Minister of Irrigation and Power be pleased to state:

(a) whether a project report for the third stage of Kothagudem Thermal station in Andhra Pradesh has been prepared;

(b) if so, the details thereof;

(c) whether Government have taken any decision thereon;

(d) if so, what; and

(e) if not, the reasons therefor?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**  
 (a) Yes.

(b) Kothagudem (third stage) Extension Project involves installation of 3 Nos. 60 MW generating units. The coal requirements for this Extension will be met from the Singareni coal fields. Cooling water will be drawn from Kinnersani reservoir. All other facilities are readily available at this site. Power generated at 13.8kv will be stepped upto 220 kv through 65 MVA 13.8 kv 220 kv unit transformers for feeding into the State Grid. The scheme is estimated to cost Rs. 1965.00 lakhs.

(c) and (d). The Technical Advisory Committee of the Planning Commission has found the scheme as acceptable. The formal sanction of the Planning Commission is expected to be issued shortly.

(e) Does not arise.

### Inter-State Power Supply

**4838. Shri Dasaratha Deb:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether there is any scheme to formulate principles for inter-State power supply; and

(b) if so, when a legislation or resolution is likely to be brought up in this regard?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):** (a) Yes. A Committee has been set up to involve sound principles and guide lines for fixation of suitable tariff for inter-State sale of power.

(b). The best course of action to be taken further will be decided after the report of the above Committee is received.

### Medical College for Kerala

**4839. Shri P. Kunhan:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether there is any proposal under consideration to start a new Medical College in Kerala during the Fourth Plan period; and

(b) the criteria accepted by Government for sanctioning new Medical Colleges?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) No.

(b) The norm of one medical college for 5 million population as recommended by the Mudaliar Committee is kept in view besides other factors such as availability of resources, qualified teachers, equipment, and bed facilities for giving clinical practice for the establishment of new medical colleges.

### Gold Bonds

**4840. Shri Ramachandra Ulaka:**  
**Shri Dhuleshwar Meena:**  
**Shri Ram Sewak Yadav:**  
**Shri Bagri:**

Will the Minister of Finance be pleased to state:

(a) the amount of gold invested in the gold bonds up-to-date, State-wise; and

(b) whether the response to them is encouraging?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) The State-wise subscriptions to the National Defence Gold Bonds 1980, received upto the 23rd April, 1966, are:

State	Gold tendered in Kilogrammes
Andhra Pradesh	993
Assam	11
Bihar	51
Gujarat	1,108
Jammu & Kashmir	8
Kerala	260
Madhya Pradesh	207
Madras	1,860
Maharashtra	5,948
Mysore	118
Orissa	73
Punjab	246
Rajasthan	175
Uttar Pradesh	338
West Bengal	470
Delhi	264
Goa	10
Pondicherry	11
TOTAL	12,151

(b) Although the response has not been upto the expectation, it has not been unsatisfactory.

#### **D.V.C. Power Rate**

**4841. Shri Mohammad Elias:**  
**Shri S. M. Banerjee:**  
**Dr. Ranen Sen:**

Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that Gov-

ernment have constituted a Committee to look into the question of power rate increase by the Damodar Valley Corporation on the objections of the two State Governments of Bihar and West Bengal, who are the consumers of the D.V.C. Power;

(b) how an impartial review can be made by the Committee which includes the representatives of the State Governments, which have direct interest in the matter; and

(c) whether Damodar Valley Corporation is not competent enough to design its policy and if so, under which provisions of the law the above Committee has been formed by the Central Government?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):** (a) Yes.

(b). The Government considered the inclusion of representatives of the two State Governments as essential for a correct and proper understanding of their viewpoints and that such inclusion would not stand in the way of the Committee reaching objective and reasonable conclusions.

(c) The Committee was constituted with the concurrence of DVC and the participating State Governments with a view to facilitating an agreed solution. The provisions of the DVC Act do not preclude such a course.

#### **L.I.C. Advances for Housing Schemes**

**4842. Shri Daljit Singh:** Will the Minister of Works, Housing and Urban Development be pleased to state the amount advanced by the Life Insurance Corporation for Housing Schemes under the Low and Middle Income Group Housing Schemes in Punjab during the years 1965 and 1966 so far?

**The Minister of Works, Housing and Urban Development (Shri Mohr Chand Khanna):** In 1964-65, Rs. 182.04 lakhs; for the Low Income Group Housing Scheme and Rs. 13.50 lakhs for the Middle Income Group Housing Scheme.

In 1965-66, Rs. 49.50 lakhs for the Low Income Group Housing Scheme and Rs. 14.50 lakhs for the Middle Income Group Housing Scheme.

उत्तर प्रदेश में जलरूढ़ क्षेत्र

4843. श्री विश्वनाथ पाण्डेय : क्या सिंचाई और विद्युत् मंत्री यह बताने की कृपा करेंगे कि :

(क) 1965-66 में उत्तर प्रदेश में कितना क्षेत्र जलरूढ़ हो गया था; और

(ख) जलरूढ़ क्षेत्र को कृषि योग्य बनाने के लिये उक्त अवधि में कितनी केन्द्रीय सहायता दी गई ?

सिंचाई और विद्युत् मंत्री (श्री फलरूहीन ग्रहमब) : (क) मिली हुई सूचना के अनुसार अधी-भूमि जल स्तर में वृद्धि के कारण 4016 एकड़ भूमि में जल जमाव हो गया है परन्तु वर्षा के पानी के इकट्ठा हो जाने के कारण निकास प्रणाली में अवरोध हो जाने से 1,41,725 एकड़ क्षेत्र प्रभावित हुआ है।

(ख) 1965-66 वर्ष के लिये राज्य की बाढ़ नियंत्रण, जल-जमाव-रोध और जल निकास की सारी स्कीमों पर धन लगाने के लिये राज्य सरकार को 147.50 लाख रुपये स्वीकार किये गये थे।

उत्तर प्रदेश की सिंचाई की क्षमता

4844. श्री विश्वनाथ पाण्डेय : क्या सिंचाई और विद्युत् मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि केन्द्रीय सरकार ने उत्तर प्रदेश सरकार को मुझाव दिया है कि वह अपनी सिंचाई योजनाओं को अच्छी तरह कार्यान्वित करने के लिये राज्य की सिंचाई की क्षमता के सम्बन्ध में एक बृहद् योजना तैयार करे; और

(ख) यदि हा, तो इसके बारे में उत्तर प्रदेश सरकार की क्या प्रतिक्रिया है ?

सिंचाई और विद्युत् मंत्री (श्री फलरूहीन ग्रहमब) : (क) जी, हाँ। सभी राज्य सरकारों को यह मुझाव दिया गया है कि वे सिंचाई के विकास के लिये बृहद् योजनाओं की रूपरेखा तैयार करें।

(ख) राज्य सरकार इस मामले पर विचार कर रही है।

आयंकर अधिकारी-परीक्षा

4845. श्री ए० ला० बाबुवाल : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) संघ लोक सेवा आयोग द्वारा वित्त मंत्रालय की भोग पर आय कर अधि-कारियों के पदों पर नियुक्ति के लिये की जाने वाली परीक्षा में रखी गई इस शर्त को पांच वर्ष का सरकारी कार्य में उत्तरदायी पद पर कार्य का अनुभव होना आवश्यक है, क्या धर्य है;

(ख) क्या सरकार का स्थायी कर्मचारी इस प्रयोजन के हेतु उत्तरदायी नहीं समझा जाता है;

(ग) यदि नहीं, तो केन्द्रीय सरकार के अपर डिविजन/लोअर डिविजन क्लर्कों को इस परीक्षा में बैठने का हकदार होने देने के सम्बन्ध में विचार न किये जाने के क्या कारण हैं; और

(घ) क्या अनुसूचित जातियों के उम्मीदवारों के लिये जतों में कुछ छूट है ?

वित्त मंत्री (श्री शशीन्द्र चौधरी) :

(क) ने (ग). चकि परीक्षा में बैठने के लिये उम्मीदवारों की पात्रता का विचार संघ लोक सेवा आयोग करता है, इसलिए "जिम्मेदार पद" कितने समझा जाय, इसका फैसला भी आयोग को ही करना होता है।

(घ) अनुसूचित जाति के उम्मीदवारों को उच्च आदि के मामलों में कुछ छूट देने का नस्लेख विशेष रूप से विज्ञापन में ही कर

दिया गया है। इसके अलावा, सरकार द्वारा समय-समय पर जारी किये गये सामान्य अनुदेशों का आयोग द्वारा निःसन्देह ध्यान रखा जायगा।

#### Loan to Punjab

**4846. Shri Daljit Singh:** Will the Minister of Finance be pleased to state:

(a) whether the Central Government have granted any loan to the Punjab Government for the improvement of their ways and means position during 1965-66; and

(b) if so, the details thereof?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) and (b). A ways and means advance of Rs. 2 crores was sanctioned to the Government of Punjab in June, 1965. The advance carried interest at 4 per cent per annum and was recovered by adjustment against the State Government's share of Central taxes and duties in September and October, 1965.

#### सिचाई के लिये पानी

**4847. श्री हुकम चन्द कछवाय :**

**श्री बड़े :**

**श्री युटवीर सिंह :**

क्या सिचाई और विद्युत् मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि दिल्ली नगर निगम के कारोनेशन पिलर के मल (मॉवेज) टैंक से सिचाई के लिये पानी न दिये जाने के कारण दिल्ली के ग्यारह गांवों (मुकन्दपुर, मलसावा, शडांदा, कमलापुर, सजापुर आदि) में फसलें नष्ट हो जाने के परिणामस्वरूप वहाँ के किसानों में काफी असंतोष व्याप्त है; और

(ख) इस सम्बन्ध में सरकार ने क्या कार्यवाही की है ?

**सिचाई और विद्युत् मंत्री (श्री कन्हरीन ब्रह्मचारी):** (क) जी, हाँ। नजफगढ़ नाले में कम पानी पड़ने की वजह से जब किसानों को पानी की सप्लाई कम हुई तो वे कुछ असंतुष्ट हो गये। यह नजफगढ़ नाला कारोनेशन पिलर पर सीबेज ट्रीटमेंट प्लांट को पानी देता है।

(ख) किसानों की सिचाई सम्बन्धी मार्गों को यथा-सम्भव अधिकतम पूरा करने के लिये पम्पिंग स्टेशन के रेगुलेटर के सधी द्वार बन्द कर दिये गये थे और कारोनेशन पिलर प्लांट पर नजफगढ़ के लगभग गार पानी का उपचार के लिये तथा बाढ़ में सिचाई के लिये पम्प किया गया था किन्तु रेगुलेटर के प्रतिस्नोत नाले पर कुछ काम करने के लिये 19-4-66 को ये द्वार खोलने पड़े और 24-4-66 को फिर बन्द कर दिये गये।

#### Hazards of Smoking

**4848. Shri Shree Narayan Das:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether the attention of Government has been drawn to the speech delivered by Dr. R. Vishwanathan Emeritus Scientist at a Seminar on Smoking and health organised by the Akhil Bhartiya Shareerik Shiksha Parishad in New Delhi on the 27th March, 1966, stating that Government should take immediate steps to warn the public against the hazards of smoking; and

(b) if so, the reaction of Government thereto?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes.

(b) Government agree that publicity regarding harmful effects of smoking should be intensified as part of general health education activity of the Central and State Health Education Bureaus.

**Payment to Blood Donors**

**4849. Shri Yashpal Singh:**  
**Shri Maheswar Naik:**

Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether Dr. Douglas Stewart, a Canadian Red Cross official has suggested the stoppage of funds to hospitals for payment to professional blood donors and collection of blood through Red Cross; and

(b) if so, the Government's reaction thereon?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes.

(b) It is the policy of Government to discourage professional donors. Towards this objective, efforts are being made to organise Voluntary Blood Transfusion Services in the principal towns and cities of the country. The Indian Red Cross Society is also participating in this effort.

**District Parks in Delhi**

**4850. Shri Maheswar Naik:**  
**Shri Dharmalingam:**

Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) whether the Landscape Committee of his Ministry have approved a major scheme of the Delhi Development Authority envisaging the development of lands for district parks in and around Delhi;

(b) the main features of the scheme; and

(c) the financial aspects of the scheme?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) and (b). The Landscape Committee considered a note for the phased development of green areas in Delhi and New Delhi and decided that the Recreational and Park areas Sub-Committee of the Delhi

Development Authority should examine the proposals and draw up a detailed phased programme for the consideration of the Landscape Committee.

(c) A rough idea of the cost of laying gardens is about Rs. 6.20 crores.

**Manufacture of Contraceptives**

**4851. Shri Warior:**  
**Shri Vasudevan Nair:**

Will the Minister of **Health and Family Planning** be pleased to state:

(a) whether a new company called the Hindustan Latex Ltd., had been registered in the public sector to manufacture contraceptives; and

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

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes, Sir.

(b) The required information is contained in the statement laid on the Table of the House. [Placed in Library. See No. LT-6228/66].

**Tax Liability of Ex-Chief Minister of Orissa**

**4852. Shri Hari Vishnu Kamath:**  
Will the Minister of **Finance** be pleased to state:

(a) whether the Special Investigation squad which investigated the tax liability of Shri Bijayananda Patnaik, former Chief Minister of Orissa has submitted a report ad interim if not, final;

(b) the findings contained therein; and

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

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) No, Sir. Investigations regarding the tax liability of Shri Patnaik are still in progress.

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

### होम्योपैथिक बोर्ड

4853. श्री हुकम चन्द कछवाय :

श्री स० मो० बनर्जी :

श्री बाजी :

श्री काशी राम गुप्त :

श्री प्रिय गुप्त :

क्या स्वास्थ्य तथा परिवार नियोजन मन्त्री यह बताने की कृपा करेंगे कि :

(क) किन किन राज्यों में अभी तक होम्योपैथिक बोर्ड नहीं बन सके हैं :

(ख) इसके क्या कारण हैं :

(ग) उनके कब तक बनाये जाने की सम्भावना है :

(घ) क्या यह सच है कि जिन राज्यों में होम्योपैथिक बोर्ड नहीं बन सके हैं वहाँ अध्यापनीय संस्थाओं द्वारा बॉगस होम्योपैथिक डिग्रियों की बिक्री की जा रही है : और

(ङ) यदि हाँ, तो इस सम्बन्ध में सरकार का क्या कार्यवाही करने का विचार है ?

स्वास्थ्य तथा परिवार नियोजन मंत्रालय में उपमंत्री (श्री ब० सू० मूर्ति) : (क) मद्रास, राजस्थान, मेसूर तथा पंजाब ।

(ख) और (ग). यह विषय राज्य सरकार के क्षेत्र में आता है ।

(घ) और (ङ). अधिकांशतः जानी डिग्रियों के दिये जाने की रिपोर्टों के प्रति राज्य सरकारों का ध्यान आकृष्ट किया गया है ।

### होम्योपैथिक चिकित्सा पद्धति

4854. श्री हुकम चन्द कछवाय :

श्री स० मो० बनर्जी :

श्री प्रिय गुप्त :

श्री काशी राम गुप्त :

श्री बाजी :

क्या स्वास्थ्य तथा परिवार नियोजन मन्त्री यह बताने की कृपा करेंगे कि :

(क) 1963-64, 1964-65 और 1965-66 में केन्द्रीय सरकार ने होम्योपैथिक चिकित्सा पद्धति पर कितनी धन राशि खर्च की है ;

(ख) केन्द्रीय सरकार किन किन होम्योपैथिक चिकित्सा कालिजों को कितनी कितनी आर्थिक सहायता दे रही है ;

(ग) 1965-66 में सरकार ने किन किन कालिजों की आर्थिक सहायता में कटौती की है और वह कटौती कितनी है ; और

(घ) इस कटौती का क्या कारण है ?

स्वास्थ्य तथा परिवार नियोजन मंत्रालय में उपमंत्री (श्री ब० सू० मूर्ति) : (क) केन्द्रीय सरकार द्वारा इन वर्षों में दिये गये अनुदान इस प्रकार हैं :—

1963-64. 3,35,458 रुपये

1964-65. 2,26,879 रुपये

1965-66. 2,28,367 रुपये

(ख) एक विवरण मभा पटल पर रखा गया है, [पुस्तकालय में रखा गया। देखिये संख्या एल० टी०—6229/66]

(ग) इन संस्थानों को दिये गये अनुदानों की रकम में कोई कटौती नहीं की गई है क्योंकि ये अनुदान वास्तविक खर्च के आधार पर दिये गये हैं ।

(घ) यह प्रश्न नहीं उठता ।



**Tungabhadra High Level Canal  
(Stage-II)**

**4855. Shri P. Venkatsubbaiah:  
Shri Eswara Reddy:**

Will the Minister of Irrigation and Power be pleased to state:

(a) whether Government are aware that severe famine conditions are prevailing in the Rayalaseema area which is to be served by the Tungabhadra High Level Canal-second phase; and

(b) if so, the steps Government will take to execute the Second Stage of Tungabhadra high level canal scheme to alleviate the distress of the people of that area?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**

(a) Drought conditions are prevailing in Rayalaseema area.

(b) The Second stage of Tungabhadra high level scheme is expected to be taken up for execution in 1967-68 in continuation of the First Stage.

**Allotment of Flats by Delhi Development Authority**

**4856. Shri Yashpal Singh:  
Shri P. C. Borooah:**

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

(a) whether the Delhi Development Authority received few applications for allotment of flats;

(b) whether it is a fact that there was poor response to the recent sale of flats in the Tagore Gardens and Nauroji Nagar Colonies, Delhi by the Delhi Development Authorities;

(c) if so, the number of applications and the flats to be sold and those actually sold;

(d) whether any assessment has been made to find out the reasons for poor response; and

(e) if so, what they are and the steps being taken to popularise the scheme?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) to (c). The number of flats released by Delhi Development Authority in the Safdarjang and Najafgarh Residential Schemes was 60 and 100, respectively—in all 160 flats. For the 60 flats in Safdarjang Scheme, 175 applications were received and all the 60 flats have been disposed of. In the case of flats in Najafgarh Scheme, 44 applications were received and the Delhi Development Authority has been able to dispose of only 38 flats.

(d) and (e). The matter is under consideration.

**किशन बांध**

**4737. श्री हुकम चन्द कछवाह :**

**श्री बड़े :**

**श्री किशोर लाल :**

**श्री बिजनाथ पाण्डेय :**

क्या सिवार्ड और बिद्युत् मन्त्री यह बनाने की कृपा करेंगे कि :

(क) क्या यह सच है कि बिजली की सप्लाई के प्रयाजनाथ सरकार यमुना और टॉन्स के संगम में लगभग 10 मील दूर 730 फुट ऊँचे किशन बांध बना रही है ;

(ख) क्या बांध का निर्माण केन्द्रीय तथा राज्य सरकार के सहयोग से किया जा रहा है ;

(ग) केन्द्रीय तथा राज्य सरकार का हिस्सा निर्माण कार्य की लागत में किस अनुपात में होगा ; और

(घ) निर्माण-कार्य कब तक पूरा हो जाने की सम्भावना है ?

**सिवार्ड और बिद्युत् मंत्री (श्री कलकशीन महलबा) :** (क) उत्तर प्रदेश सरकार

प्रभी किशाऊ में बांध के निर्माण के लिये आवश्यक अनुसन्धान कर रही है।

(ख) से (घ) . इस समय इसका प्रश्न नहीं उठता।

### Kamla River

**4858. Shri Shree Narayan Das:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether the attention of Government has been drawn to the fact that the river Kamla on which a barrage has been recently constructed near Jainagar in Bihar is showing tendency to leave its present bed and flow towards east direction upstream in the territory of Nepal thus making the barrage useless; and

(b) if so, its present position and the steps taken to prevent the tendency of the river?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**

(a) and (b). Some spill channels of river Kamla in Nepal territory are tending to develop and are likely to become regular channels in course of time. In order to meet this situation, the Government of Bihar have formulated a scheme to extend the existing embankments on either side of river Kamla from the Indo-Nepal border for a few miles into Nepal territory. The permission of His Majesty's Government of Nepal has been sought for undertaking this work.

### Work Charged Staff of C.P.W.D.

**4859. Shri Vishram Prasad:** Will the Minister of Works, Housing and Urban Development be pleased to state:

(a) whether it is a fact that under orders issued by the Government in 1962 transferring work-charged staff of C.P.W.D. to regular (classified) establishment on pensionable basis, their age of retirement was reduced from 60 to 58 years;

(b) whether it is also a fact that as a result of the above orders, a number of Work Assistants thus transferred to regular establishment have been retired on attaining the age of 58 years without any pensionary benefits due to want of permanent posts in which they could be confirmed; and

(c) if so, whether Government have any proposal under consideration to make these affected persons eligible for pension and to enhance their age of retirement?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) No. A number of categories, non-industrial in nature, were transferred from work-charged establishment where the age of retirement is 60 to the Regular Classified Establishment where the age of retirement is 58 for Class III employees. Options were given to the incumbents of the posts either to continue to remain on the work-charged establishment or to come over to the regular establishment.

(b) Yes.

(c) There is no proposal to enhance the age of retirement of the Work Assistants who opted to come over to the regular establishment. Proposals are, however, being framed to create additional permanent posts in the category of Work Assistant with effect from the 1st April, 1964. All workers who were in service on that date will be confirmed in these posts according to their seniority and suitability.

### स्टाफ कारों का उपयोग

**4860. श्री बिष्णु प्रसाद :**

**श्री गुलशन :**

**श्री प० ह० मील :**

क्या बिस् मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकार की स्टाफ कारों का उपयोग प्रायः मन्त्रियों

तथा उच्च पदाधिकारियों द्वारा किया जाता है; और

(ख) क्या यह भी सच है कि स्टाफ कार उन कर्मचारियों को भी नहीं दी जाती जिनको प्राधी गत के बाद तक बैठना पड़ता है ?

चित्त मंत्री (श्री शशीन्द्र चौधरी) :

(क) स्टाफ-कारों का उपयोग वास्तविक सरकारी काम के लिए मन्त्रियों द्वारा और विरिष्ठ अधिकारियों सहित सरकारी कर्मचारियों द्वारा भी किया जाता है।

(ख) सरकारी काम के लिए स्टाफ-कारों का उपयोग हर समय किया जा सकता है। पर कार्यालय और निवास स्थान के बीच की यात्रा आम तौर पर ड्यूटी की यात्रा नहीं मानी जाती और उसके लिए निर्धारित दर पर रकम वसूल की जाती है। जिन अगजपत्रित कर्मचारियों का काम के सामान्य समय के बाद काम करना पड़ता है उन्हें क्षतिपूर्ति के रूप में समयोपरि भत्ता दिया जाता है। कुछ हालतों में यात्रा-खर्च भी दिया जाता है। ऐसे मामलों में स्टाफ कार का उपयोग स्टाफ कार की अन्यत्र आवश्यकता और प्रशासनिक बातों पर, जिनमें ड्राइवर को देय समयोंपर भत्ते के प्रतिनिधित्व खर्च की बात भी शामिल है, निर्भर करता है। कुछ विभागों में, वहां के काम की प्रकृति को देखते हुए, रात में ड्यूटी करने वाले कर्मचारियों के लिए सरकारी गाड़ियों का प्रबन्ध किया जाता है।

सिक्कों की कमी

4861. श्री बिश्वाम प्रसाद : क्या चित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि देश में एक पैसे के सिक्के में लेकर दस पैसे तक के सिक्कों की भारी कमी है; और

(ख) क्या दिल्ली में बाहर किसी बाजार में इसके बारे में कोई सर्वेक्षण किया गया है ?

चित्त मंत्री (श्री शशीन्द्र चौधरी) :

(क) जी, नहीं।

(ख) जी, नहीं। चूंकि यह मालूम है कि सिक्कों की अनुमति माग की दृष्टि से उनकी पूर्ति की स्थिति बिल्कुल सन्तोषजनक है, इसलिए सर्वेक्षण करना आवश्यक नहीं समझा जाता।

अस्पतालों पर खर्च

4862. श्री बिश्वाम प्रसाद : क्या स्वास्थ्य तथा परिवार नियोजन मंत्री यह बताने की कृपा करेंगे कि :

(क) दिल्ली में केन्द्रीय सरकार के अन्तर्गत चल रहे एनोपैथिक अस्पतालों, चिकित्सा अनुसन्धान केन्द्रों तथा प्रयोगशालाओं पर गत दो वर्षों में कुल कितना खर्च हुआ है ;

(ख) उक्त अवधि में प्रायुर्वेदिक डिस्पेंसरियों पर कितना खर्च किया गया है ; और

(ग) स्वास्थ्य मन्त्रालय में प्रायुर्वेदिक विशेषज्ञों (बैद्यों) और एनोपैथिक विशेषज्ञों की प्रलग अलग संख्या क्या है ?

स्वास्थ्य तथा परिवार नियोजन मन्त्रालय में उपमंत्री (श्री ब० सू० मूर्ति) : (क) केन्द्रीय सरकार के नियन्त्रण में सफदरजंग और बिल्किशन अस्पताल तथा केन्द्रीय स्वास्थ्य योजना और उससे सलन प्रयोगशालाएं हैं। इन तीन एककों को चलाने के लिए पिछले दो वर्षों का बजट इस प्रकार है :-

	1964-65	1965-66
(वाम्नाविक)	संगोष्ठित	प्राक्कलन
	र०	र०
सफदरजंग		
अस्पताल	80,82,909	91,50,000
बिल्किशन अस्प-		
ताल एवं		
उपचर्चा गृह	36,76,208	37,05,400
केन्द्रीय स्वास्थ्य		
योजना	1,33,40,884	1,39,28,300

(ख) ज्ञान ही तक केन्द्रीय स्वास्थ्य योजना के अन्तर्गत केवल एक आयुर्वेदिक डिस्पेंसरी थी। इस पर गत दो वर्षों में किया गया खर्च इस प्रकार है :—

1964-65 1,09,700 रुपये (वास्तविक)

1965-66 1,82,200 रुपये (वास्तविक)

8-3-1966 से एक दूसरी आयुर्वेदिक डिस्पेंसरी काम करने लग गई है।

(ग) मेडिकल अफसरों (विशेषज्ञों सहित) की कुल संख्या इस प्रकार है :—

सफदरजंग अस्पताल 265 (रजिस्ट्रारों और डाउम सर्जनों सहित)

बिलिंग्टन अस्पताल

और उपचर्यागृह 96 (तदैव)

केन्द्रीय स्वास्थ्य योजना 382

आयुर्वेदिक डिस्पेंसरी 5

स्वास्थ्य सेवाओं के महानिदेशालय सहित स्वास्थ्य एवं परिवार नियोजन मन्त्रालय के स्टाफ में 54 एलोपैथिक मेडिकल अफसर और 8 आयुर्वेदिक अफसर हैं।

### समस्योपरि भला

4863. श्री बिधान प्रसाद : क्या जिल्ल मन्त्री यह बताने की कृपा करेंगे कि 1964-65 तथा 1965-66 में मन्त्रियों तथा केन्द्रीय सरकार के अधिकारियों के सम्बद्ध स्टैनो-क्वार्शों तथा अन्य निजी कर्मचारियों (पर्सनल स्टाफ) को कितना समस्योपरि भला दिया गया ?

जिल्ल मंत्री (श्री सचीन्द्र चौधरी) : सूचना इकट्ठी की जा रही है और मिलते ही उसे सभा की मेज पर रख दिया जायगा।

### रामगुडम परियोजना

4864. श्री हुकम चन्द कछवाय :

श्री बड़े :

श्री किसान घटनाक :

क्या सिन्हाई और बिछुत मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रामगुडम परियोजना का और विस्तार करने के सम्बन्ध में डा० जे० धर्म तेजा के साथ वी जा रही बातचीत अफसल हो गई है ;

(ख) यदि हां, तो इसके क्या कारण हैं ;

(ग) क्या सरकार उक्त परियोजना के लिये वित्तीय सहायता देने के लिये गहमत हो गई है ; और

(घ) यदि हां, तो उसका व्योरा क्या है ?

सिन्हाई और बिछुत मंत्री (श्री फल्लूहीन ग्रहणव) : (क) तथा (ख) रामगुडम में टने-की के आधार पर 66 मैगावाट के तीन यूनिट वाले बिजली उत्पादन केन्द्र के प्रतिष्ठापित करने के सम्बन्ध में बातचीत करने के पश्चात् 7 मई, 1965 को आन्ध्र प्रदेश के राज्य बिजली बोर्ड के अध्यक्ष और डा० जे० धर्म तेजा के बीच एक समझौते पर हस्ताक्षर किये गये थे।

समझौते के अनुसार, इससे पहले कि समझौता लागू हो, डा० तेजा को समझौते की तारीख से दो मास के भीतर कुछ शर्तें पूरी करनी थी। डा० तेजा अभी तक उन शर्तों का पूरा नहीं कर पाये हैं और उन्होंने राज्य बिजली बोर्ड को उनके द्वारा पहले स्वीकार की गई शर्तों में कुछ संशोधन करने का सूझाव दिया है। इस परिवर्तित स्थिति को तथा इसके परिणामस्वरूप हुई देरी को ध्यान में रखते हुए, राज्य सरकार ने इस स्कीम को त्याग दिया है और इसके स्थान पर कोटागुडम चरण-3

स्कीम की स्वीकृति के लिये प्रार्थना की है। तदनुसार रामागुण्डम (3 x 66 मैगावाट) स्कीम को छोड़ देने का फैसला किया गया है।

(ग) तथा (घ). जी, नहीं। प्रश्न नहीं उठता।

### क्षय रोग उन्मूलन

4865. श्री श्रीकार लाल बेरवा :

श्री हुकम चन्द कछवाय :

श्री युद्धवीर सिंह :

श्री बड़े :

डा० लक्ष्मीनन्त सिंहजी :

क्या स्वास्थ्य तथा परिवार नियोजन मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का विचार आगामी 25 वर्षों में क्षय रोग को समाप्त करने का है;

(ख) यदि हाँ, तो इस बारे में गत वर्ष की तुलना में इस वर्ष कितनी प्रगति हुई है;

(ग) गत वर्ष किये गये व्यय की तुलना में इस वर्ष कितना प्रतिशत व्यय किया जायेगा; और

(घ) क्या सरकार का विचार देश में कोई नये क्षय रोग अस्पताल खोलने का है ?

स्वास्थ्य तथा परिवार नियोजन विभाग में उपसचिव (श्री ब० सू० भूति) : (क) जी हाँ।

(ख) गत वर्ष की तुलना में इस वर्ष कितनी प्रगति हुई है इतनी जल्दी इसका निर्धारण नहीं किया जा सकेगा।

(ग) क्षय रोग सम्बन्धी योजनाओं पर केन्द्रीय सरकार ने गत वर्ष जितना व्यय किया इस वर्ष उसमें अधिक व्यय न करने का धन्य-ज्ञान है।

(घ) इस वर्ष सरकार का कोई नया क्षय रोग अस्पताल खोलने का विचार नहीं है। रोगियों का घर पर उपचार करना उतना ही

प्रभावकारी होता है जितना अस्पतालों में और इस पर अपेक्षाकृत खर्च कम आता है। क्षय रोग रोगियों के माध्यम से जितना अधिक हो सकेगा उतने सक्रिय-रोगियों का उपचार करने का लक्ष्य है और इस प्रकार प्राथमिकता जिला क्षय रोग रोगियों के खोलने को दी जा रही है।

### Girl Medicos

4886. Dr. P. Srinivasan: Will the Minister of Health and Family Planning be pleased to state:

(a) the percentage of girls admitted into the various Medical Colleges in various States in 1964-65 and 1965-66;

(b) whether there are any proposals to advise States to increase their percentage of admission into Medical Colleges upto 50 per cent in the context of Family Planning expansion programme; and

(c) if so, the details thereof?

The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy): (a) The requisite information is given in the statement laid on the Table of the House. [Placed in Library. See No. LT-6230/66].

(b) There is no such proposal.

(c) Does not arise.

### Ceiling on Urban Property

4867. Shri Kolla Venkalah: Will the Minister of Planning and Social Welfare be pleased to state:

(a) whether Government have finalised its decision regarding the imposition of ceiling on urban property as demanded by the All-India Congress Committee's meeting at Guntur in 1964;

(b) if so, the proposed ceiling;

(c) the purpose of it; and

(d) if the reply to part (a) above be in the negative, the reasons for the delay?

**The Deputy Minister in the Ministry of Finance (Shri L. N. Mishra):** (a) No, Sir.

(b) and (c). Question does not arise.

(d) The question of fixing a ceiling on urban property raises complex issues. These are under examination.

#### Diversion of Godavari Waters

**4868. Shri Firodia:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether it has been found practicable to divert the waters of river Godavari to Krishna basin while undertaking seismic studies of possible sites for a barrage thereon; and

(b) if so, the extent of extra area which can be brought under irrigation with this water?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):** (a) No seismic studies have been undertaken in this connection.

(b) Does not arise.

#### पेय जल की सप्लाई

**4869. श्रीमती जोहराबेन चावडा :** क्या स्वास्थ्य तथा परिवार नियोजन मन्त्री यह बताने की कृपा करेंगे कि :

(क) देश में कितने ऐसे गांव हैं जहां पर शुद्ध पेय जल की सप्लाई की कोई व्यवस्था नहीं है ; और

(ख) इन गांवों में यह व्यवस्था कब तक कर दी जायेगी ?

स्वास्थ्य तथा परिवार नियोजन मंत्रालय में उपमन्त्री (श्री ड० सू० मूर्ति) : (क) और (ख). सूचना राज्य सरकारों से एकत्र की जा रही है और प्राप्त होते ही मभा पटल पर रख दी जायेगी ।

#### Smallpox in Delhi

**4870.. Shri D. C. Sharma:**  
**Shri Rattan Lal:**  
**Shri Ramachandra Ulaka:**  
**Shri Dhuleshwar Meena:**

Will the Minister of Health and Family Planning be pleased to state:

(a) whether the incidence of small-pox has increased lately in Delhi;

(b) if so, the details thereof; and

(c) the steps taken in the matter?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) Yes.

(b) A statement showing the number of cases and deaths due to small-pox recorded in Delhi during the period from January, 1965 to April, 1966 (29-4-1966) is laid on the Table of the House. [Placed in Library. See No. LT-6231/66].

(c) The following steps have been taken to check the spread of the disease:

- (i) Vaccination drive in the affected areas has been intensified.
- (ii) Vaccination staff has been augmented.
- (iii) Affected areas are under surveillance.
- (iv) Health Education and publicity measures have been intensified.

#### महाराष्ट्र में ग्राम्य मकान निर्माण योजना

**4871. श्री ड० जि० पाटिल :** क्या निर्माण, आवास तथा नगरीय विकास मन्त्री यह बताने की कृपा करेंगे कि :

(क) 1965-66 में महाराष्ट्र सरकार को ग्राम्य मकान निर्माण योजना के अन्तर्गत कितनी राशि दी गई थी और राज्य सरकार ने इस अवधि में उस पर कितनी राशि खर्च की ; और

(ख) 1966-67 में महाराष्ट्र को कितनी राशि देने का विचार है ?

निर्माण, आवास तथा नगरीय विकास मंत्री (श्री मेहर चन्द लाला) : (क) 1965-66 के दौरान महाराष्ट्र में ग्रामीण आवास योजना के लिए 70 लाख रुपये की राशि की व्यवस्था थी। 1965-66 में वास्तव में खर्च की गयी राशि उपलब्ध नहीं है, किन्तु वास्तव में जारी की गयी केन्द्रीय सहायता 69.98 लाख रुपये है।

(ख) 40 लाख रुपये।

भारत सरकार के मद्रासालयों (प्रेतों) में रिक्त पद

4872. श्री नरदेव स्तारक : क्या निर्माण, आवास तथा नगरीय विकास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत सरकार के सभी मद्रासालयों के प्रत्येक विभाग में काफी बड़ी संख्या में पद रिक्त पड़े हैं और उन पर नई नियुक्तियां नहीं की जा रही हैं जिससे उत्पादन पर बुरा प्रभाव पड़ रहा है ;

(ख) यदि हां, तो प्रत्येक मद्रासालय में प्रत्येक विभाग में कितने पद गत दो वर्षों से रिक्त पड़े हैं ; और

(ग) उन पदों पर नियुक्तियां न करने के क्या कारण हैं ?

निर्माण, आवास तथा नगरीय विकास मंत्री (श्री मेहर चन्द लाला) : सूचना इकट्ठी की जा रही है तथा सभा पटल पर रख दी जायेगी।

**Seizure of Gold and Currency in Bombay**

4873. **Shri Baswant:**

**Shri Vishwa Nath Pandey:**

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the customs authorities made one of the

biggest haul in the second week of April, 1966 at Bombay when they seized 3,000 tolas of gold and currency worth Rs. 4.5 lakhs; and

(b) if so, the action Government are considering to take in the matter?

**The Minister of Finance (Shri Sachindra Chaudhuri):** (a) Yes, Sir. On 14th April, 1966 the Bombay Customs authorities seized 3,000 tolas of gold and currency worth Rs. 5,24,975.

(b) Seven persons have been arrested in this connection. Further investigations in the matter are in progress.

**Oral Contraceptives**

4874. **Shri P. C. Borooah:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether suitability of the first British Oral Contraceptive discovered by Dr. Vladimir Petrow to Indian conditions has been tested; .

(b) if so, the result thereof in terms of fertility control in India; and

(c) the overall progress made in the development of an oral contraceptive suited to the Indian conditions?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** (a) and (b). The first British Oral Contraceptive discovered by Dr. Vladimir Petrow was a compound containing Megestrol acetate 4 mg. & Ethinyl Oestradiol 0.05 mg. The I.C.M.R. received 50,000 tablets (trade mark Volidan) on the 21st January, 1964 and the trial is in progress. The results are expected by the end of 1966 or the beginning of 1967.

(c) The control trials with several oral contraceptives are in progress in different parts of the country and it is too early to decide on their mass use. The indications so far are not very encouraging.

**Kopili Project**

4875. **Shri P. C. Borooah:** Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question No. 1714 on the 2nd December, 1965 and state the reasons for not including the Kopili Project in the Fourth Plan?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):** The detailed investigations on the Kopili Project are now in progress. The question of its inclusion in the Fourth Plan will arise after the investigations are completed and the feasibility of the project is established.

**Welfare of Scheduled Castes and Scheduled Tribes in Orissa**

4876. **Shri Ramachandra Ulaka:**  
**Shri Dhuleshwar Meena:**

Will the Minister of Planning and Social Welfare be pleased to state:

(a) the amount proposed to be spent on the welfare of the Scheduled Castes and Scheduled Tribes in Orissa State during 1966-67; and

(b) the items on which the amount will be spent?

**The Deputy Minister in the Department of Social Welfare (Shrimati Chandrasekhar):** (a) Rs. 185.73 lakhs. (Rs. 172.73 lakhs for Scheduled Tribes and Rs. 13.00 lakhs for Scheduled Castes).

(b) A statement is laid on the Table of the House. [Placed in Library. See No. LT-6232/66].

**Penal Rent**

4877. **Shri Yashpal Singh:**  
**Shri Manoharan:**  
**Shri Priya Gupta:**  
**Shri Onkar Lal Berwa:**  
**Dr. M. S. Aney:**

**Shri Kapur Singh:**  
**Shri Sezhiyan:**

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

(a) whether it is a fact that certain appeals of Government servants representing against the recovery of alleged penal rents which are in arrears for Government accommodation are lying with his Ministry for over 20 months;

(b) if so, the normal time taken by his Ministry to dispose of such appeals; and

(c) whether Government propose to fix a time limit by which such appeals are finally disposed of and no recoveries are made during the pendency of appeals with Government?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) No.

(b) and (c). Representations from Government servants are dealt with as expeditiously as possible, but no specific time limit can be fixed. Enhanced rents are to be recovered only when an officer retains Government accommodation after the cancellation of his allotment under the rules. Normally the rules are not relaxed, and recoveries have to be made to prevent accumulation of arrears of rent. The amount so recovered is, however, refunded, if the representation is accepted.

**Eviction Notices to Families of Jawans**

4878. **Shri P. R. Chakravarti:**  
**Shri P. C. Borooah:**

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

(a) whether it is a fact that eviction notices have been served on the dependents of those allottee-Government employees holding Government accommodation under the General Pool in New Delhi, who had offered



their services in the army and selected for Emergency Commission and posted at out-stations including the frontiers in contravention of the declared Government policy not to dislodge families of armed personnel;

(b) if so, how many families have been served with such notices:

(c) how many have already been evicted since the allottee went out on selection for Emergency Commission;

(d) the period of notice already allowed; and

(e) whether any representations against such evictions are pending?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** (a) According to the existing policy of Government, a Government servant who is selected for an Emergency Commission can be allowed to retain General Pool accommodation during the period of training and thereafter for a further period of two months if he is posted to a 'non-concessional area'. If he is posted to a 'concessional area', his family is permitted to retain the civil accommodation or to occupy suitable alternative accommodation until he is re-posted to a family station or until he avails of the concession that may be given by the Ministry of Defence to move his family to a selected place of residence at another station, subject to normal rules applicable to regular service officers' personnel. There has been no case of contravention of this policy.

(b) Does not arise.

(c) to (e). No families have so far been evicted. However, in one case of an officer, who was selected for Emergency Commission, and posted to a 'non-concessional area', a notice to show cause why eviction should not be done has been served as the officer did not vacate the accommodation at the end of the concession period permissible in his case.

**निर्माण, आवास तथा नगरीय विकास मंत्रालय के कर्मचारियों द्वारा प्रदर्शन**

4879. श्री श्रीकार लाल शेरवा: क्या निर्माण, आवास तथा नगरीय विकास मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि 14 अप्रैल, 1966 को उनके मन्त्रालय के 1000 से अधिक कर्मचारियों ने प्रदर्शन किया था ;

(ख) यदि हाँ, तो उनकी मांगों का ज्योरा क्या है ; और

(ग) उनकी मांगों पर सरकार ने क्या निर्णय किया है ?

निर्माण, आवास तथा नगरीय विकास मंत्री (श्री मेहर चन्द खन्ना) : (क) जी हाँ, लेकिन संख्या का पता नहीं ।

(ख) यह अभिवेदित किया गया था कि इस मन्त्रालय के कार्यालय जापन संख्या 24/15/65-ए डी एम 1 दिनांक 5 अप्रैल 1966 के अनुसार सहायकों/उच्च श्रेणी-लिपिकों का 1 अप्रैल, 1966 से परावर्तन, गृह मन्त्रालय के कार्यालय जापन संख्या एफ० 3(27)/65-सी एस II, दिनांक 25 फरवरी, 1966 में दिये गये आदेशों के विरुद्ध था ।

(ग) परिवर्तित सहायकों में से दो तथा परावर्तित उच्च श्रेणी लिपिकों में से तीन को क्रमशः सहायकों तथा उच्च श्रेणी लिपिकों के रूप में पदोन्नत किया जा चुका है । गृह मन्त्रालय से कहा गया है कि बहू शेष परिवर्तित व्यक्तियों के लिए सहायकों/उच्च श्रेणी लिपिकों के उचित रिक्त स्थानों का पता लगाएँ ।

**Reservoir on Cheyyer River**

4880. Shri Eswara Reddy: Will the Minister of Irrigation and Power be pleased to state:

(a) whether the project reports of Pulivendala channel and reservoir on

river Cheyyer in Cuddapah district of Andhra Pradesh was submitted by the State Government;

(b) if so, the action taken thereon;

(c) whether it is a fact that foundation stones were laid for both the projects as early as in 1961-62, and no work has been done since then on the projects; and

(d) if so, the reasons for the delay in their execution?

**The Minister of Irrigation and Power (Shri Fakhruddin Ahmed):**

(a) No.

(b) Does not arise.

(c) Yes.

(d) These two schemes were included in the list of additional new irrigation schemes on which a view had yet to be taken by the Planning Commission, regarding their inclusion in the Third Plan.

#### **Street Lights in Government Colonies**

**4881. Shri Himmat Singhji:  
Shri Yashpal Singh;  
Shri Sudhansu Das;  
Shri B. K. Das;  
Shri S. C. Samanta;  
Shri N. R. Laskar;**

Will the Minister of **Works, Housing and Urban Development** be pleased to state:

(a) whether street lights have not been provided in certain Government Colonies occupied by Government servants;

(b) if so, the names of these Colonies;

(c) the reasons therefor;

(d) for how long the street lights have not been provided in these localities; and

(e) when Government propose to provide street lighting in these areas?

**The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna):** It is presumed that information has been sought in regard to Government colonies in Delhi only. If so, the answer is as follows:—

(a) Yes.

(b) and (d)—

(i) Shahjahan Road—Since October 1963.

(ii) Part of Pandra Road—since 1954.

(iii) Punchkuin Road (type I quarters)—since December 1964.

(iv) Multi-storeyed flats in R. K. Puram—Since September 1965.

(v) Part of Neighbourhood II and Neighbourhoods IV, V and VII of R. K. Puram—Since September, 1965.

(c) Provision and maintenance of street lights is the responsibility of the local bodies. Except in part of Pandara Road, street lights have been provided by Government in the other colonies but these have not yet been taken over and energised by the local bodies.

Of the colonies, Shahjahan Road, Pandra Road (part) and the multi-storeyed flats in R. K. Puram fall in the area of the New Delhi Municipal Committee who have not agreed to energise the street lights and maintain them as the roads are not 'public streets' within the meaning of the Punjab Municipal Act.

Sanction for the provision of street lights on Pandra Road (part) has been given by Government but the work has not been executed as the New Delhi Municipal Committee are not agreeable to taking over the street lights for maintenance, etc.

The other two colonies are within the jurisdiction of the Delhi Municipal Corporation. The street lights provided by Government will be energised

after the roads are taken over by the Corporation for maintenance.

(e) In the areas falling under the Municipal Corporation of Delhi, street lights are expected to be energised within a month or two.

The question of maintenance of street lights in the colonies in the New Delhi Municipal Committee area is being pursued with them and the street lights will be energised as soon as an agreement is reached.

#### Medicinal Plants

4882. **Shri D. C. Sharma:** Will the Minister of Health and Family Planning be pleased to state:

(a) whether the desirability of having a herbarium at the Centre as well as in the States for the proper identification of medicinal plants has been considered;

(b) if so, with what results;

(c) the steps proposed to be taken in the matter; and

(d) if not, the reasons therefor?

**The Deputy Minister in the Ministry of Health and Family Planning (Shri B. S. Murthy):** Yes.

(b) and (c). Two herbaria, one at Hardwar and the other at Rani-khet have been set up. The question of setting up more herbaria is under consideration.

(d) Does not arise.

12 hrs.

#### RE. EXPLOSION IN BHUSAVAL GOODS YARD

**Mr. Speaker:** I have received several notices about the Railway accident at Bhusaval. Earlier I had received an intimation from the Railway Minister that he wanted to make a statement. That statement is a

long one; he will place it on the Table of the House and I will allow questions tomorrow.

**Shri Hari Vishnu Kamath (Hoshangabad):** Will it be circulated?

**Mr. Speaker:** Yes; it will be circulated.

**श्री बागड़ी (हिसार) अध्यक्ष** महोदय, इस बारे में मेरा एक कामरोको प्रस्ताव था। उसने बारे में मंत्री का बयान होना चाहिए था, लेकिन आपने उनका बयान सुने बगैर मेरे इस प्रस्ताव को नामंजूर कर दिया है।

**अध्यक्ष महोदय :** यह ठीक है, कि उस कामरोको प्रस्ताव को मैंने नामंजूर कर दिया है, लेकिन मैंने कानिग एटेंशन नोटिस मंजूर किये हैं।

**श्री बागड़ी :** इस बारे में मेरा व्यवस्था का प्रश्न है।

**अध्यक्ष महोदय :** जिसको मैंने नामंजूर किया है, उसको आप इस वक्त इस तरह रोज नहीं कर सकते हैं। अगर आप चाहते हैं कि मैं इसको फिर देखूँ, तो आप मुझे लिख दें। मैं उसको फिर देखने के लिए तैयार हूँ। मिनिस्टर साहब का स्टेटमेंट अभी आना है। मैंने वह कामरोको प्रस्ताव क्यों नामंजूर किया है और वह आना चाहिए, इसको इस वक्त नहीं लिया जा सकता है।

**श्री बागड़ी :** उसको नामंजूर करने के बारे में मेरा व्यवस्था का प्रश्न है। ग्रामाम के मुख्य मंत्री ने बयान दिया है कि ये सब रेल दुर्घटनायें एक मृत्युज्जम कार्यवाही का नतीजा हैं।

**अध्यक्ष महोदय :** वह दूसरा मवाल है। आप स्टेटमेंट को आने दीजिए। आप मुझे लिखिए। तब तक स्टेटमेंट आ जायेगा। मैं इस को फिर देख लूंगा।

**Shri Indrajit Gupta:** If the statement is not a very long one, it can be read.

रेलवे मंत्रालय में राज्य-मंत्री (डा० राम सुभग सिंह) : डेढ़ पन्ना है।

**Mr. Speaker:** I have another difficulty. The time available for the Finance Bill is very limited and we cannot take up any other business. Therefore, I will request the hon. Members that we can take it up tomorrow.

12.02 hrs.

#### RE. POINT OF PRIVILEGE

श्री मधु लिमये (मुंबई) : अध्यक्ष महोदय, विशेषाधिकार को लेकर मेरा एक पॉइंट फ़ाइन आर्डर है।

अध्यक्ष महोदय : इस वक़्त आप उसको रहने दीजिए। मैं कल देख लूंगा। मैं कल आप को इजाज़त दे दूंगा।

श्री मधु लिमये : दे देंगे ? बहुत अच्छा।

अध्यक्ष महोदय : कल सुन लूंगा।

12.2-1/2 hrs.

#### PAPERS LAID ON THE TABLE

##### AUDIT REPORT, 1966, ETC., IN RESPECT OF THE STATE OF KERALA

**The Minister of Finance (Shri Sachindra Chaudhuri):** I beg to lay on the Table:

- (i) Audit Report, 1966, under article 151(2) of the Constitution read with clause (c) (iv) of the Proclamation dated the 24th March, 1965, issued by the Vice-President, discharging the functions of the President in relation to the State of Kerala. [Placed in Library. See No. LT-6219/66].

- (ii) Appropriation Accounts, 1964-65. [Placed in Library. See No. LT-6220/66].

- (iii) Finance Accounts, 1964-65. [Placed in Library. See No. LT-6221/66].

##### NOTIFICATION UNDER CUSTOMS ACT, 1962, ETC.

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):** I beg to lay on the Table:

- (1) A copy of Notification No. G.S.R. 526 published in Gazette of India dated the 9th April, 1966, under section 159 of the Customs Act, 1962. [Placed in Library. See No. LT-6222/66].
- (2) The Customs and Central Excise Duties Export Draw-back (General) Thirty-ninth Amendment Rules 1966, published in Notification No. G.S.R. 528 in Gazette of India dated the 9th April, 1966, under section 159 of the Customs Act, 1962 and section 38 of the General Excise and Salt Act, 1944. [Placed in Library. See No. LT-6223/66].
- (3) A copy of the Kerala Plantations (Additional Tax) Revision Assessment, Rules, 1965, published in Notification S.R.O. No. 68/66 in Kerala Gazette dated the 22nd February, 1966, under sub-section (3) of section 27 of the Kerala Plantations (Additional Tax) Act, 1960, read with clause (c)(iv) of the Proclamation dated the 24th March, 1965, issued by the Vice-President, discharging the functions of the President, in relation to the State of Kerala. [Placed in Library. See No. LT-6224/66].

##### INDIAN ELECTRICITY (AMENDMENT) RULES, 1966

**The Minister of State in the Ministry of Irrigation and Power (Dr. K. L. Rao):** I beg to lay on the Table a copy of the Indian Electricity

(Amendment) Rules, 1966, published in Notification No. G.S.R. 523 in Gazette of India dated the 9th April, 1966, under sub-section (3) of section 38 of the Indian Electricity Act, 1910. [Placed in Library. See No. LT-6225/66].

12.04 hrs.

### RELEASE OF MEMBERS

(Sarvashri Venkaiah and Narayana-swamy)

**Mr. Speaker:** I have to inform the House that I have received the following letter, dated the 29th April, 1966, from the Superintendent, Central Jail, Hyderabad:

"I have the honour to inform you that Sarvashri Kolla Venkaiah and Madala Narayana Swamy, Members, Lok Sabha were released from detention on the 28th April, 1966."

**Shri Nath Pai (Rajapur):** When was the intimation received?

**Mr. Speaker:** It was received day before yesterday.

**Shri Hari Vishnu Kamath (Hoshangabad):** Why so late?

**Mr. Speaker:** I shall look into it.

**Shri Hari Vishnu Kamath:** This is not the first case.

**Shri Nath Pai:** They were released on the 28th April.

**Mr. Speaker:** I shall look into it.

12.05 hrs.

### COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS EIGHTY-EIGHTH REPORT

**Shri Krishnamoorthy Rao (Shimoga):** I present the Eighty-eighth Report of the Committee on Private Members' Bills and Resolutions.

12.05-1/4 hrs.

### PUBLIC ACCOUNTS COMMITTEE FIFTY-SECOND REPORT

**Shri Morarka (Jhujhunu):** I present the Fifty-second Report of the Public Accounts Committee on Action taken by Government on the Recommendations of the Committee contained in their 27th, 28th, 29th, 31st, 33rd, 34th, 35th, 36th, 38th, 39th and 40th Reports relating to Civil, Defence and Finance Accounts and Revenue Receipts as well as a Review of Action taken by Government on Recommendations made by the Committee from time to time.

12.05-1/2 hrs.

### RE. EXPLOSION IN BHUSAVAL GOODS YARD

**The Minister of State in the Ministry of Railways (Dr. Ram Subhag Singh):** I lay on the Table a statement regarding explosion in Bhusaval Down Goods Yard of Central Railway on 2nd May, 1966. [Placed in Library. See No. LT-6218/66].

12.05-3/4 hrs.

### SUSPENSION OF RULE 219

#### APPLICATION OF GUILLOTINE FOR DISPOSAL OF BILL

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

"That rule 219(2) of the Rules of Procedure and Conduct of Business in Lok Sabha, in its application to the Finance Bill, 1966, in so far as it relates to the hour at which every question necessary to dispose of the Bill has to be put, be suspended."

**Mr. Speaker:** According to the rule, the guillotine has to be applied at five o'clock. I am extending it by one hour.

**Shri Hari Vishnu Kamath** (Hoshangabad): You are extending the time and not curtailing it, I hope.

**Mr. Speaker:** The time is not being curtailed; rather, we are having it extended so that the guillotine could be applied at six o'clock.

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

"That rule 292(2) of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the Finance Bill, 1966, in so far as it relates to the hour at which every question necessary to dispose of the Bill has to be put be suspended."

*The motion was adopted.*

**Mr. Speaker:** The motion is adopted, and the rule is suspended.

**Shri Satya Narayan Sinha:** I would like that this guillotine should be applied at six o'clock, including all the stages, including the passing of the Bill.

**Shri Hari Vishnu Kamath:** If necessary, it may be extended to 7 P.M.

**Mr. Speaker:** That would not be possible, because the President is unveiling the portrait.

**Shri Ranga** (Chittoor): Does it mean that the third reading also would be over today?

**Mr. Speaker:** Yes.

**Shri Ranga:** How much time would be available for the third reading?

**Mr. Speaker:** We shall finish that within one hour.

12.07 hrs.

#### FINANCE BILL, 1966—contd.

**Mr. Speaker:** The House will now take up further consideration of the following motion moved by Shri Sachindra Chaudhuri on the 29th April, 1966, namely:—

"That the Bill to give effect to the financial proposals of the

Central Government for the financial year 1966-67, be taken into consideration."

**श्री शिव नारायण (वांसी) :** जब गिलोटीन हो रहा है, तब पांच बजे क्यों न खत्म कर दिया जाये ?

**अध्यक्ष महोदय :** पूरा वक्त भी तो मिलना चाहिए ।

**Shri Sheo Narain:** If guillotine is going to be applied, why should we sit unnecessarily till 6 P.M.?

पांच बजे गिलोटीन करा दीजिए ।

**डा० राम मनोहर लोहिया** (फर्रुखाबाद) : अध्यक्ष महोदय, मेरा एक विशेषाधिकार का सवाल था । वह खाद्य मंत्री के खिलाफ नहीं है वह दूसरा है ।

**अध्यक्ष महोदय :** वह अन्य मंत्री के खिलाफ हों या किसी और के खिलाफ हो, उसको इस वक्त नहीं लिया जा सकता है ।

**डा० राम मनोहर लोहिया :** आप सुन तो लीजिए । महाराष्ट्र के एक अखबार में प्रधान मंत्री के ये शब्द छपे हैं कि मुबलगायाम् साहब किसानों के यहाँ जा रहे हैं, लोक सभा थोड़े ही भनाज दे देगी । लोकसभा का इतना जबर्दस्त अपमान हुआ है कि मैं आप से कह नहीं सकता हूँ ।

**अध्यक्ष महोदय :** अच्छी बात है । मैं इस वक्त इस को नहीं ले सकता हूँ ।

**डा० राम मनोहर लोहिया :** कब लेंगे ?

**अध्यक्ष महोदय :** माननीय सदस्य जब चाहे किसी बात का उठा दें, तो उसको उसी वक्त नहीं लिया जा सकता है ।

**डा० राम मनोहर लोहिया :** मेरा कोई भी विशेषाधिकार का प्रश्न आप ने नहीं लिया है । मैं कहाँ जाऊँ ?

**अध्यक्ष महोदय :** यह नहीं हो सकता है कि माननीय सदस्य जब चाहे कोई सवाल

उठाये और उसको उसी वक्त ले लिया जाये । माननीय सदस्य इस सवाल को इस तरह रेज नहीं कर सकते हैं ।

डा० राम मनोहर लोहिया : प्राप बता दीजिए कि मैं इस को कब उठा सकता हूँ । मैं प्राप से पूछता हूँ कि क्या मन्त्रियों के खिलाफ विशेषाधिकार का प्रश्न प्रा सकता है या नहीं ।

अध्यक्ष महोदय : हमेशा प्रा सकता है ।

डा० राम मनोहर लोहिया : प्रापने कब लिया ? कौनसा प्रश्न लिया ?

अध्यक्ष महोदय : मैंने लिया नहीं है, इसका मतलब यह नहीं है कि वह नहीं प्रा सकता है । माननीय सदस्य बैठ जायें ।

Now, Dr. M. S. Aney may continue his speech. We have only 55 minutes now left for the general discussion. I have received a request from Shri A. K. Gopalan as well that he has come back and he wants to speak. He has all my sympathies. But I would suggest that if it is possible for him, he might speak during the clause-by-clause consideration; I shall give him that much time then and he can say anything that he wants, because now only 55 minutes are left and the hon. Minister has to reply.

Shri A. K. Gopalan (Kasergod): I hope you will have some sympathy for me...

Mr. Speaker: He has that; I have said that already.

Shri A. K. Gopalan: It would be impossible for me to speak during the clause-by-clause consideration, because I have not gone through all the budget papers; also I have not given any cut motions. Therefore, I would request you to kindly see that I am allowed some time now, because I have prepared only as far as the general reactions of my party are concerned.

Mr. Speaker: It is so unfortunate that he could not speak day before yesterday; he was here then and he could have been accommodated, but probably his doctor did not advise him to speak. Would he be satisfied with 15 minutes? I can ask the hon. Minister to speak after 15 minutes.

Shri A. K. Gopalan: 15 minutes would be too short a period.

Mr. Speaker: He should realise our difficulties also.

Shri A. K. Gopalan: The sittings of Parliament have been extended by three or four more days. 15 minutes more would not make much difference.

Mr. Speaker: All right, I shall give him 20 minutes. Now, Dr. M. S. Aney; he will be very brief.

Dr. M. S. Aney (Nagpur): When I was interrupted on the 3rd May, on an objection for want of quorum, I was trying to explain the principles laid down by the Dar Commission. But the most important conclusions which virtually amounted to the subordination of the principle of linguistic affinity in the matter of the formation of autonomous States are laid down by the committee known as the J.V.P. Committee. It was the first body that sounded a note of warning against the linguistic principle. They are reproduced at page 16, in para 62 of the States Reorganisation Commission's Report. It contains (a), (b), (c) and (d). I shall read only two clauses:

"(c) language was not only a binding force but also a separating one; and

(d) the old Congress policy of having linguistic provinces could only be applied after careful thought had been given to each separate case and without creating serious administrative dislocation or mutual conflict which would jeopardise the political and economic stability of the country."

[Dr. M. S. Aney]

I have taken this trouble to show that the latest policy statement of the Government of India was not in favour of recognition of the linguistic principle but opposed to it.

It is true that J.V.P. Committee stated that a beginning could be made with the creation of Andhra. Since April, 1949, when the J.V.P. Committee's Report was adopted, the Congress Party has broadly adhered to the views expressed in this report. The Election Manifesto issued by the Congress in 1951 is the last word so far as the Congress is concerned. And the Government of India endorsed the views of the Congress in this behalf. The Manifesto declared that the decision about the reorganisation of States would ultimately depend on the wishes of the people concerned.

One more fact about this J.V.P. Report deserves to be mentioned specifically. It stated that the Marathi-speaking territories may join together in one State if they want to. But the merger of Vidarbha districts in them is entirely a matter for the people of Vidarbha to decide. I want the hon. Minister to take note of that particular remark made in the J.V.P. Committee's Report.

This right of the people of Vidarbha was not only conceded by the States Reorganisation Commission, but it has shown in Chapter VIII, and particularly in paragraphs 444 and 457 that it will be in the interests of all concerned if the Marathi-speaking districts of Madhya Pradesh which form a compact unit are constituted into a separate State. This is the finding of the States Reorganisation Commission, the only authoritative document which exists with the Government of India; it should be completely followed and adhered to.

The area is 36,380 square miles and the population, according to the census of 1961 is a little short of one crore, but I am sure that it must be

greater than one crore now if the rate of increase in the population in the last five years is taken into consideration. I am sure that the Government of India will be imaginative enough to understand the consequences that are bound to follow if the legitimate demand for the creation of the State of Vidarbha is left unsatisfied in spite of its being strongly supported and unanimously recommended by the SRC. While those that have been positively turned down by that body are being taken up by the Government on the insistence of the people of Punjab and Haryana, and rightly too, those which had been turned down had been taken up and those which had been accepted had been discarded. That is the position. The Central Government's obstinate attitude will mean nothing but a challenge to a law-abiding but sensitive people of Vidarbha to give more dynamic proof of their keenness for the demand.

Sir, I can assure the Government that their callous attitude towards the people will only create a situation wherein the law-abiding people will be thrown more and more in the hands of certain sections of the political parties which have more affinity with the expansionism of the people of the Chinese republic and the religious bigotry and fanaticism of the Pakistani dictator.

I am now coming to my second point. The Government of India must look at the picture of the deep discontent that is seen throughout the whole country. Many sections of the people occupying large parts of some of the big States are wholly dissatisfied with the treatment meted out to them. Take the case of tribal areas in the State of Assam. They were not against remaining inside the Indian Union but they are against being dominated by the people of Assam in the Brahmaputra valley.



What is the discontent in Madhya Pradesh prevailing among the scheduled tribes area due to? They will feel unhappy and miserable under the rule of a majority which has failed to do justice to them in the last eighteen years. The Bastar tragedy has a deeper meaning than what is made to appear on the surface. It is a revolt against remaining in a state of slavishness under those who have done nothing for them for centuries together and who are unable to appreciate the enormous sacrifices the ruling chiefs of the tribal people have made, in the interest of forming and promoting the progress of the Indian nation by abdicating peacefully their sovereign rights and agreeing to live like ordinary citizens in the hope that the majority which will dominate over them will befriend them and help them more and more quickly to the uplift of their own people. Instead of that they come to see that they are treated like beasts of their own forests who can be killed and slaughtered by the shikari if they happen to displease those who hold the authority in their own hands.

Now, I come to the third point. The third thing which is not yet thoroughly understood is that there are symptoms of a growing grouping among the smaller States of India for protecting their own interests against the autocratic authority of a few big and scheming States in the north and south of India.

**Mr. Speaker:** The hon. Member's time is up.

**Dr. M. S. Aney:** Within two minutes I will conclude. The Pradesh Congress Presidents of Bihar and Maharashtra combined together in the name of holding conferences of the Chief Ministers are giving power in the hands of those who have become the satraps and nabobs, reducing the statutory institution of the Parliaments and their Cabinets to a position of less consequence in the solution of the problems of the na-

tion. In regret to say that even the Ministers of Cabinet rank show scant courtesy to the parliamentary institutions. A parliamentary committee duly constituted, under the express desire of the Home Minister, by the Speaker for considering the problem of the demand of a Punjabi Suba was virtually trifled with by the Home Minister himself. This has encouraged the lesser and irresponsible elements to take up an attitude of antagonism to that Committee, its members, and to their duties and responsibilities, and the Committee's report. To this, the President of the Congress, whoever he may be, was a party along with the Home Minister. This is an unholy combination against which the Indian democracy must be very vigilant and conscious.

I will conclude by saying that the conduct of the Minister of Home Affairs, for whose integrity I have personally great respect, has shown that the interests of Indian democracy require to be placed in the hands of those who have greater regard for parliamentary democracy and less for glorification of personalities.

**Shri A. K. Gopalan:** Mr. Speaker, Sir, first of all I thank you for giving me an opportunity, after 16 months, to say a few words.

**Shri Hari Vishnu Kamath (Hoshangabad):** He is not responsible for that.

**Shri A. K. Gopalan:** I do not say that you are responsible, because I know that you are not responsible. It was Shri Nanda who wanted to give me some rest, and when the DIR is hanging on, I do not know whether I will be able again to speak, and that is why I requested you to give me some time. I would be short.

The hon. Finance Minister, in his speech moving the Finance Bill, has claimed generosity by granting some relief in taxation. The so-called

[Shri A. K. Gopalan]

generosity of the Finance Minister comes out only after imposing a crushing burden of nearly Rs. 100 crores on the Indian people whose belts are already too tight. If at all one has to call his tax concession as an act of generosity, it would be the generosity of a highway-man who returned the valet to a traveller after relieving him of all his cash. Moreover, the concessions that he has announced will not reach the common man in this country who deserves not only concessions but also a tax holiday. The Finance Minister claims that the burden of taxation is so distributed that the economically weaker sections of society have less of these rigours. It is indeed difficult to accept this contention because his main direction of attack is against the weaker and weakest sections of the community, whose conditions have deteriorated considerably as a result of the government's policies. The Finance Bill is in reality a Bill which strengthens the big business and increases the grip of the foreign monopolists on our economy. No platitudes on the part of the Finance Minister can hide this hard reality that is facing our country today.

Let us look at the proportion of direct and indirect taxation that the Central as well as the State Governments have been levying in the total tax revenues since 1950-51. As I have no time, I will not give all the figures, but I will give a few figures.

Year	Direct taxation percentage	Indirect taxation percentage
1950-51	36.8	63.2
1955-56	33.7	66.3
1960-61	29.9	70.1
1964-65	29.4	70.6

So, direct taxation comes down from 36.8 to 29.4 per cent and indirect taxation goes up from 63.2 to 70.6 per cent.

The bankrupt policies of the government are leading our economy to utter ruin and disaster. The over-reliance of government on foreign aid and loans is increasingly exposing our economy to foreign pressure as well as blackmail. India's reliance on foreign doles had been increasing steadily during all these three plans. The total foreign aid received during the first plan was Rs. 194 crores, i.e. 5.8 per cent of the total investment. The total foreign aid received during the second plan was Rs. 1,422 crores i.e. 21.1 per cent of the total investment. The total foreign aid received during the third plan reached Rs. 2,650 crores, i.e. 25 per cent of the total investment. The fourth plan is so much dependent on foreign doles that even the sovereign Parliament cannot discuss the plan draft unless it is okayed by Washington and the World Bank. Every budget is subject to close scrutiny by World Bank and if this trend continues, soon the Planning Commission would become a defacto subsidiary of the World Bank. *The Hindustan Times* of 1st May gives a very startling report. The PTI report says:

"Back-seat driving has its own advantage. Asoka Mehta remarked amidst laughter and cheers from an audience of industrialists and businessmen and scholars interested in India. He said the Indian Finance Minister has given some incentives and that perhaps something more could be done after general elections."

Something more is coming after the general elections. The only inference is that there is a general election in the near future.

Another PTI report of the same day says:

"Much of the change in the Indian economic policies was the result of steady pressure from the United States and World Bank."

In its analysis of news from Delhi, *Times* said, US pressure had been particularly effective because US provided the largest part of the foreign exchange needed to finance India's development and keep her industry moving.

Whether these are called strings or conditions, the *Times* said, India has little choice now but to agree to many of the terms that the World Bank is putting on its aid. For India has nowhere else to go."

How can the government of a self-respecting nation shut its eyes to this level of self-degradation?

The foreign loans have to be paid back with interest. More than one-third of the Rs. 4,000 crores of foreign aid which the government expects during the fourth plan would be required for repayment of loans and interest. The per capita indebtedness of India to the foreign countries has now reached a record figure of Rs. 85. The leaders are saying everyday that we need more aid to end aid. I am sure, in this way we shall never end aid. Every free nation has to decide whether or not it would permit its plans and policies to be based on habitual, chronic, incurable beggary. More slavery to end slavery is impossible.

The February 1966 issue of *Westminster Bank Review* pointed out India as the most heavily indebted developing country in the world and said:

"Some countries with debts maturing in the next few years can repay them only by diverting funds from development plans and others cannot repay at all unless rephrasing is allowed so that payment is postponed. But that is hardly solving the problem."

The journal noted that during 1964 the debt repayment of the develop-

ing countries amounted to more than half the net aid which the countries received. The growing proportion of debt repayment to the net aid received is a dangerous portent and will result in mortgaging the economy of the aid-receiving countries.

I am not surprised to see the World Bank Mission resorting to blackmailing tactics or the US monopolists insisting on more concessions before agreeing to invest in India. It is their notorious role which they are playing in every aid-receiving country. Unless they use these underhand methods, they cannot earn a fabulous profit. The Government should expect more such pressures and blackmail if it has to rely on foreign aid and private capital. I am, however, extremely surprised to see the Indian Government surrendering to these pressures and blackmail.

The official spokesmen of the Government of India have lost, I am sorry to say, every sense of national dignity and honour. They do not think that suspension of aid to India by the imperialist powers was in any way insulting to our country's honour. They do not feel the crude interference by the World Bank Mission in the economic affairs of the country as a virtual dictation of terms for giving aid to India. The obnoxious role played by the Government of India in signing the notorious fertilizer deal has been rightly compared by some to the role of Mirjafars and Mirkasims during the days of East India Company.

There is no parallel in the modern world history to the begging mission launched by the Government during the last few days. All the countries in the world have been approached for alms and the Union Food Minister even went to the extent of convening a meeting of Ambassadors of other countries to initiate the Government's begging operation. The Indian Government did not feel it a matter of shame even to receive funds collected from pocket money of school

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children of other countries. More than 24 countries threw alms into the begging bowl of the Indian Government and the begging operation is still continuing in full swing.

The abject dependence on PL 480 imports has played havoc in our agricultural economy during the recent years and the country is importing more and more food from United States as the days go by. Instead of introducing genuine land reforms, Government prefers to import food and other agricultural commodities. The crores of rupees pumped into the rural sector during the three plans has only enriched the upper strata in the villages, keeping the mass of peasants impoverished.

Why is it that we have not succeeded in increasing agricultural production? The reforms for rights in land had been taken in isolation from the measures for reform in the system of cultivation. Government looks only to the system of reform in cultivation and not to the reform of right in land. There is a very strong connection between these two and the Government has not understood it. So long as the fruits of cultivation do not reach the tiller, we can never expect him to feel enthused. The tiller is the key factor deciding the success or failure of production scheme is the basic truth which our planners and Government have consistently ignored.

Instead of solving the problem of foodgrains production and distribution domestically, the Government has sought the shameless course of succumbing to blackmail by American Government, World Bank and American big business, and accepting the now inglorious fertilizer deal, about which I have just now explained.

Before my arrest in 1964, I made an humble attempt to focus the attention of the Government on the deteriorating food situation in the country. I particularly pointed out, you

might remember, Sir, the food situation in Kerala, which was alarming in those days. The Food Minister, however, was complacent and assured me that Government was doing all that was needed. Events have shown that the Food Minister was not serious then, and also now, about the most vital requirements of people's livelihood. So, we see in newspapers that in Orissa 50 people have died of starvation. That is what is seen as reported in newspapers. There may be many other unreported starvation deaths also. Perhaps, the Food Minister is thinking that PL-480 is the solution to all the agrarian problems of the country.

One and a half year have passed but the Food Minister has failed to learn the lessons from the criminal mistakes committed by his Government. He now says that everything will be OK and there will be self-reliance by 1970. However, the so-called priority given to agriculture during the Fourth Plan will only further fatten the rural rich and the food production would continue to remain stagnant. The Food Minister is almost echoing the statements of the US Secretary of Food on India's agricultural problems. What the US Secretary of Food says today, the Union Food Minister will say it tomorrow. Instead of calling him Food Minister, it would be more appropriate if we call him Minister for PL 480. He needs assistance of US Aid officials even to calculate the quantum of food deficit in India.

Every imported grain of wheat killed a grain which could grow on our own soil. Foreign food had rendered the implementation of our accepted national policies impossible. Let us understand that the problem of achieving self-sufficiency in food, which is yet an incomplete national task, is an integral part of our independent national development. India can never be self-sufficient unless we complete the agrarian revolution. We

will have to implement our land reforms programme with a national will and determination. We will have to build up a socialised system of food distribution and evolve remunerative price policies for our peasants.

I will now deal with only two or three other topics before I conclude. The by-product of PL 480 doles is the Indo-US Foundation which is being severely criticised by prominent educationists in the country every day. The new organisation will enable US Government to control the vast field of our educational activities by utilising our own money. In the name of research projects the Central Intelligence Agency of the United States will be free to carry on subversive activities in the country. Many persons can be bought over systematically with the heap of funds in the hands of the Foundation and use them for furthering the interest of the US Government. One is really shocked to see the Prime Minister of our country giving her consent to such a neo-colonialist venture. This is the most shameless deal after the VOA episode. It is serious enough to open the eyes of the country to the real dangers to our freedom and national integrity. Thus, America will be controlling us with our own money in our own country.

The reckless borrowing from the imperialist powers is, to a great extent, responsible for the serious foreign exchange crisis that is facing the Indian economy. That is another big danger. Nearly 20 per cent of our exports are mortgaged for the payment of foreign debts which is no doubt causing concern among those who wish India to be independent of foreign exploitation.

The Government is trying to come out of the crisis by borrowing more from the imperialist countries and increasing the exports. I have already dealt with imperialist aid. As regards export promotion, I will give only one example of the sugar industry. In the name of earning foreign exchange of so many lakhs of rupees during 1966-67 the Government of India is

likely to incur a loss of about Rs. 20 crores on export of 3.5 lakh tonnes of sugar. The Government recovers this amount from the Indian consumer by way of excise duty. The Finance Minister proposes to increase this excise duty in the Finance Bill. As he has admitted, "the increase in duty is meant primarily to cover the substantial subsidy that has to be paid on exports of sugar".

This year the export loss has gone up because the prices of sugar in the international market have gone up. The loss to India in one year has increased by Rs. 2.5 crores. The Government now proposes to sell sugar to other countries, mainly to US, at Rs. 371 per ton which means about three kilos per rupee. Just compare this cheap price with the price that the Indian consumer is being made to pay for sugar by paying additional excise duty. At present the controlled rate of sugar is Rs. 1.25 per kilo. In the black market it may be more, about Rs. 2. What a high price our people have to pay in order to earn foreign exchange!

This is only as far as sugar is concerned, but if we study commodity by commodity, the price at which India is exporting to other countries, the picture is indeed revealing. Every year the international prices of India's traditional exports are going down while the prices of products we import from imperialist countries are increasing by leaps and bounds. Only one example I will give. Recently, the prices of sulphur have been increased by 20 per cent by US monopolists and India was compelled to accept those conditions.

As far as the question of shipping of foodgrains is concerned, the US is taking full advantage of India's difficulties. India has now to pay freight for 50 per cent of the foodgrains in dollars. The charges paid by India are substantially higher than the market rates. The London correspondent of the *Economic Times* reported on February 11 this year that India

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had to pay \$26 per ton compared with \$10.85 per ton for US flag oil carriers for similar distances.

Therefore, the dependence of Government on foreign monopolists has landed us into all types of difficulties. US aid may appear to be a delicate necklace today but tomorrow it will turn into a hangman's rope. I, therefore, warn the Government about the dangerous consequences that foreign aid and private capital would cause to the Indian people.

The next point that I want to raise is about non-development expenditure during the three Plans. During the First Plan the non-development expenditure was Rs. 2,619 crores which went up to Rs. 4,206 crores. The expenditure in the Third Plan is Rs. 9,000-and-odd crores indicating that non-development expenditure has gone up by 37.1 per cent during the last 15 years. About the condition of the people in this country as a result of this policy I do not want to say anything because it is there. I do not know of other parts of the country because I was not moving about but at least as far as Kerala is concerned, 2 lakhs non-gazetted Government employees have given notice of a strike on the 24th. As far as the Premier Tyre Factory at Kalamassery (Kerala) is concerned, every day hundreds of workers are arrested and even according to the Education Minister, whom I once met when I was coming to the court, about a lakh of people are unemployed today due to the power cut. I do not want to say anything about it now. If I have an opportunity when the question of Kerala comes, I will speak.

Instead of easing the problem of unemployment, Government also is trying to introduce unemployment. Automation is introducing unemployment into the system. By introducing automation in LIC Government has given a lead and there are others also—I am told, the LIC, State Bank,

Calcutta Electric Supply Corporation, Dunlop Rubber, Bata and scores of other business organisations—have either gone in for electronic computers or are going in for them. I understand that an assurance was given by the Finance Minister that there will be no question of retrenchment. That is wrong because according to the facts as we see today, there will be retrenchment. About 30,000 people who will be retrenched from L.I.C. if automation is introduced.

Already we have got so many problems. The people are on the war path. If the computers throw the people out, the people will certainly unite, take the computer and put it into the Arabian Sea because it is a question of their existence. So, it will be a fight between the machine and the man. Unless there is a little change in the economic situation in the country, do not commission the computer in Bombay and do not talk of a new one for Calcutta. See that it is stayed, that it is not done.

I want to say only one thing more. What remains of planning after all this? If the foreign monopolists and their Indian big business partners are to decide on imports, profits, incentives and so on, that is the end of all planning. What remains of our economic independence if all the decisions about the Indian economy are to be taken in Washington and New York and the Government exists here only to implement what the US monopolists and the World Bank dictate? Once our economy becomes totally dependent on the US imperialists, our political independence itself is in danger.

**The Minister of Finance (Shri Sachindra Chaudhuri):** Sir, I will try and contain my reply as short and composite as possible because we are running short of time and I will welcome any suggestions made on the second and third readings of the Bill. In view of the shortage of time, however much I would like to answer

point by point my good friends either opposite or on this side of the House, I am afraid I will not be able to do that because I will have to confine myself to general observations and remarks.

As far as I could see, the broad pattern of the comments that have been offered—and they were offered in a very forceful manner—is this. One pattern was: Hand over the economy to the private sector and a millenium will come; you have been running the country badly, putting on the burden of taxes; there is no attempt at minimising taxes; you are by your taxes making it worse. The second line of comment is this—I must say that the comments fortunately for me are sharp only in their division. One cancels out the other.

As I said, I do not propose to—I have not done so before—take any individual names and say that Shri So-and-so said so-and-so and the answer has been given by Shri So-and-so. But I may merely give the broad pattern so that this House might be conscious of the fact that there are two views in the matter. Perhaps, the old adage: "*Medio tutissimus ibis*".

"The middle course is the best", still holds good. If I steer that course, perhaps this House ultimately will agree with me that I have not acted in bad faith.

This is the first line of argument. Not only that, it goes further. What they say is that it is bad, it is a drug and a poison to receive loans from foreign countries; leave it open to private enterprise to take as much as they want to and then it becomes vitamins. We have heard, of course, what is one man's meat is another man's poison. I am not quarrelling with that, but still we have to test whether it is the same man who is taking the meat or the poison.

After all, what is the State? The State is nothing more and nothing

less than the make-up of the people in this country and I do not know that God gave the economics of India on a gold plate to be handed over to private enterprise. Private enterprise certainly has a right to live. I have recognised that, but it lives because it assists the economy and not because it condemns the other part of the economy which is the public sector.

Comments have been made—I am taking one particular example of public enterprise—that they are raising only this much. I am told that in heavy industries the ratio of profit ought to be 1:1; that is to say, if capital is Re. 1, you ought to have Re. 1 as profit. I do not know on what basis that statement is made.

**Shri M. R. Masani (Rajkot):** Turn-over.

**Shri Sachindra Chaudhuri:** Very well. Even so far as turn-over is concerned, I do not know on what basis the statement is made. These statements can be made off the cuff, just like that, without giving me an opportunity of testing it in the light of known or published knowledge. Therefore, I am left in this position that I cannot contradict or controvert it although I do not accept it and, as I said, the material is not there and, therefore, I cannot. Those who are pleading the cause of private enterprise do not make it available to me, as I said, with the logical principle of rod and measure.

I am told that what I am doing is wrong, that the policy of the Government is wrong and that we have gone wrong everywhere. Not only that, a challenge has been thrown out that they are going to oppose this Bill root, branch and stem, because they feel so bad that it should not survive. Very well, we shall see. What I am saying is this that so far as the taxation is concerned, we have heard one side only, namely, this is the amount that you take away from the economy

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of the country, from the tax-payers of this country, and the next point is not made, namely, that you return so much to the tax-payer in the shape of services, in the shape of government, in the shape of public enterprises and so on. Therefore, if you take the two into account—I am not going to give figures; I do not have the time to do it—you would see that we do return, I do not say in an entire measure, in a broad measure in the shape of concrete things, such as, public enterprise, health, roads, services and so on and so forth to the public from whom we take it.

I will not dwell at this particular point of time very much on the different proposals which have been made. As I am dealing with the private sector, all that I have to say is this. I have been criticised for giving or showing small mercies. Sir, I never show any mercy to anybody, not even to myself. Therefore, if I have given anything, it is not a mercy; it is because I feel it is quite proper that it should be given. I recognise the capacity of the private enterprise more than perhaps the protagonists that are speaking here. Recognising that, I feel that that is not killing a bird which is being talked of. If we go into it, we would find that what we take still leaves a substantial margin. We have added certainly a little to the burden but that is for the general benefit of the country. It is necessary to have that particularly when there have been such calamities as drought and aggression. We need the money for the purpose of alleviating the miseries of the people. So far as employment of this is concerned, it may be said that it is not used in a particular way. But so far as the purpose or the principle which is behind it is concerned, there cannot be any doubt at this moment that we have not done any wrong.

So far as different taxes on private enterprise are concerned, it has been said that the little that I have given

has not helped it because that will not give capital formation. In my own ignorant way, I have tried to find out what is capital formation. Does capital formation just mean more money in the hands of individuals or corporations which is not being used, or does it mean it is going to be money which is there for the purpose of being used in order that there may be greater production? Let us see this. Despite the fact that there is no money in the hands of private enterprise or in the hands of private people, if you go to any city, Delhi or Calcutta or Madras or Bombay, everywhere you find the land prices rising. Why? It is because there is somehow or other a feeling in the minds of those that have the money that it is better to invest that money in such things as land rather than put it in any industry. And that, if anything, is a confession of weakness in the private sector that they feel that it is better to put that money into something which by manipulation would put up the capital value of land and bring forward more profits to them with less of taxation rather than putting somewhere where effort, initiative and endeavour is necessary. It is not the question of absence of money but it is the absence of enterprise, we call them private enterprise, and absence of management which makes it rather difficult for private enterprise to expand. Those who want to expand, they do it in spite of taxation. I may tell this House that in spite of everything, there are people who come forward to say that they want to expand. They say, "Give us the licences; give us the power to establish different units; give us the power to import raw materials, components and so on." They do not say that because of taxation, they have got no money and, therefore, they are sitting back. It is a malaise in the economy because we have not been able to import the amount of raw material, the amount of components, the amount of intermediates



which are necessary. That is not because the money is not there but it is because these things are coming from other countries.

For 19 years, we have been nursing the private enterprise....

**Shri M. R. Masani:** Not 19 years.

**Shri Sachindra Chaudhuri:** Well, I will not quarrel over a year or two. In any event, the thing is that we have been nursing them. Whenever there is a floatation, a person has not Rs. 10 and he wants to float a company with Rs. 100. In order to do that, he goes to borrow the money; he goes to the different credit institutions of the Government. He goes again for under-writing to these several institutions. Having taken this money, having had this under-writing, they are the people who are in charge of the management of these institutions. Government does not put in 10 people to manage it. They provide money; they provide the resources. Whether it comes from the individual pockets or whether it comes from the pockets of Government makes little difference to the entrepreneur who comes forward with Rs. 10. I would like to know under what principle of economy, a person who has got Rs. 10 to play about with should go in for a scheme costing Rs. 100. There is a thing which is known as debt-equity ratio. If you produce Rs. 100 by way of equity, you should borrow about Rs. 200 or in certain special cases Rs. 300 or Rs. 400 so that at least 25 per cent should come out of your pocket and the balance out of the public, that is, those who are contributors to the company or through the sources which give you money, namely, from credit institutions. In this country, there is not that enterprise which brings forward this money. If we have been trying to have capital formation, it is just because of this that in addition to the aid that Government can give back in the shape of this capital, there should be an endeavour to mobilise the capital which is in the hands of the private people and for

that purpose what is necessary is the inducement of more production, the inducement of efficient management, the inducement of enterprise and not the inducement of tax reduction, less tax, less tax and less tax. Their enterprise cannot be energised by giving more and more money. It makes us so slow. I am afraid this is what happens. Our private industry has been a little too-aided, a little too-helped. If it had been left to struggle and strive, this would not have happened.

13 hrs.

That is so far as the taxation policy of the Government is concerned. I will not go into the little details of it at this moment. There is also a feeling that you are taking away too much by way of taxes, by way of indirect taxation. I forgot to say one thing. One of my friends here said, and here I must make a slight personal reference, that so far as taxation in this country is concerned, between Rs. 70,000 and Rs. 1 lakh income, you pay 77.4 per cent. Now, so far as 1965-66 is concerned, it was not 77.4 per cent but it was nearer 71 per cent. Leave that alone. It is not on your entire income. If you take the entirety of the income, in that case, you will find that if a person has got Rs. 70,000 as his income, about 47 per cent—I am not giving the exact figure—is taken away from him as tax and annuity deposit, and the balance is left with him. Therefore, my crude way of mathematics is this. It comes to this and no more. So far as the actual recipient of Rs. 70,000 is concerned, he gets in hand about Rs. 37,000. I ask you: Having regard to the national income of the country, is a sum of Rs. 37,000 a small amount? I am surprised to hear of moderation, that we should not tax any more. So far as the recipient of Rs. 1 lakh is concerned, it is 55 per cent, that is, 55 per cent is taken and 45 per cent is left with him. That is coming from someone who has neared the rate of growth in this country, who has neared the national income of this country.

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It so happens that my good and hon. friend who must have studied this subject had been himself responsible for all the policies of this Government. I have been here for the past four months. Some of the hon. friends have said that even within these four months, I should have done better. I agree that I should have done better. But what about those people who have been here for four years and who have left me to bear the burden. It comes ill from somebody who has done that to come and criticise me by saying that I should have done this or that. I have always deprecated the business of travelling overseas for the purpose of getting ideas as to what should be the tax or what should not be the tax. I was given a list of all overseas countries, including Spain and I was told that even Spain had done better. In all my life, I have been to Spain only once and that was 45 years ago and since then, I have not been to Spain; I do not know the conditions in Spain; I do not know what my hon. friend has seen in Spain which inspires him to say so much about Spain's progress. So far as we here are concerned, all I can say is this. The Spanish conditions are different. In Spain there has been a totalitarian Government for quite a long time ever since Franco came in. Whatever the position there might be, I am not going to emulate that particular type of Government. I believe only in democracy; it might be faulty; it might be weak; but still I have faith in my people, and in this Government, and in this Party, that we shall get over our difficulties and we shall ultimately get to the solution of all the problems. It is not necessary to go abroad to cull all his wisdom or to import ideas about taxation, for the purpose of giving a filip to the economy of this country. It just came to my knowledge that the socialist government in England at the moment has introduced a taxation on employment and by that they

mean to raise 350 million pounds by way of tax. Of course, I have been told that taxation laws in civilised countries are not interfered with so as to introduce new taxes and so on. I do not know what is newer or what is more marvellous than this: if you employ a person, you should pay a tax. I am speaking from memory; I had only a cursory glance over this. It is about 55 shillings a week; if you employ somebody beyond a certain number and, as I said, about 350 million pounds have got to be realised and that socialist government is just back in power after the elections. I do not go there; I do not want to do this. In this country I see the validity of the arguments being put forward about introduction of electronics for the purpose of calculation and so on. That is the whole question now. If we were to do this in this country, what would we save? Would we save money that way? No. What again is mentioned is that every year we talk and change the taxation policies by amending income-tax. Those gentlemen who have commented on that would probably have been happier if I had not done it either to simplify the structure of taxation or to lower taxation. If it is the opinion of the House that I should take away all the amendments and restore the complexities that were there, I should be the first person to say, "very well; let us do it". But unfortunately I do not think that this view is shared by everybody that we should never interfere with the tax statute for the purpose of making the structure simple or for the purpose of giving relief to anybody. It is true that sometimes we also raise a little tax by amendment.

**Shri Daji (Indore):** If I heard him correctly, is he prepared to withdraw the whole Bill?

**Shri Sachindrar Chaudhuri:** I said if that was the opinion of the 'House'.

**Shri M. R. Masani:** We are quite prepared for it if he will drop the

hundred crores of additional taxation and withdraw all the amendments; let us get back to last year's budget.

**Shri Sachindra Chaudhuri:** The statements of both the hon. members are rather regrettable. We make statements without taking the responsibility. Of course, each one of them—Mr. Masani and others—is a wise man. I do not say that they are not wise—I mean, the Opposition.

**An hon. Member:** He is the only wise man on that side.

**Shri Sachindra Chaudhuri:** So far as I am concerned, I am a simple man with very little wisdom and except the knowledge which I have picked up from the streets of different cities, I do not know anything; I do not claim to be an educated person in that sense.....

**Shri Hari Vishnu Kamath:** You are modesty.

**Shri Sachindra Chaudhuri:** I am a person who gathers wisdom by talking to friends like my hon. friends on the opposite and the hon. friends on this side also; that gives me a certain amount of knowledge, at any rate, which has a certain practicability about it. I do not think it is necessary for me to expatiate here on what I know or what I do not know. My friends have not come here for that purpose.

The next bunch of criticisms against me are that we have given up our socialist policies and principles, that socialism is inherent in our Constitution. I agree that socialism is inherent in our Constitution. I have been counselled not to be legalistic in this matter and I am not legalistic in this matter. I am not going to make any distinction between the actual provisions in the Constitution and the directives of the Constitution. So far as the directives in the Constitution are concerned, they say that there should be an endeavour to see—I am paraphrasing it—that production in this country is either owned or controlled by the people

of the country. There is a difference between owning and controlling. I have also to be equally alive to the provisions of Article 19 which has got enshrined in it the right to hold property, the right to carry on a business, the right to carry on any occupation, and that right is given to every individual member of this country; every individual citizen of this country has got that right. I have got to take the two together and find out what is the meaning and the meaning to which I come is this: "do not fail to recognise that right; let people exercise that right so long as it is for the general good of the country and in doing that, remember that progressively you should see that there is an economy which is a mixed economy, but a controlled economy. Have we not been progressing towards that. As I was saying, there are a few irritants about which there are complaints, namely, licensing and so on. I have said that licence will be liberalised, but I have not said that it will be withdrawn. The whole purpose is this: if there is any particular industry which is found to be working for the benefit of the general common men of this country, then there should be an encouragement to that by making things easier for import and so on; if, on the other hand, it is found that there is a glut in a particular industry, in that case there should be a stoppage of that industry at a particular point, so that there may not be over production, whether it is a consumer article or a heavy machinery. That is the idea. Then again what do we do if we do not control the economy of this country in private hands? We have such things as company law, capital issues and control over stock exchange and so on and so forth. What do we do there? These have not been written in the Statute Book by Parliament over and over again for the purpose of providing amusement to anybody, but they have been used there and written there for the very purpose of controlling the private sector which may, if not controlled, run away.

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On top of that, there is a criticism that we have kept to ourselves the right to introduce money into the industries through the financial corporations, financial institutions and so on. If I invest money in a particular system, in that case, I have got the right to call the tune, and particularly if my friends are people who are in this country and if they have taken money from me, then they have got to account for the use of that money. If that is not fulfilled I do not know what it is all about. Has there been any going away from it?—I ask myself. And the answer is: Certainly we have not done anything of that kind. The control is still continuing; the control is still there. To say, Sir, that we are going away from socialism is really something which I certainly fail to understand.

The other thing is this. We were told that so far as the monopolies are concerned, the monopolies were increasing. Now, Sir, in order to find out what is the position of the monopolies, we have, in fact, set up two different organisations, two different commissions, the Monopolies Commission and the Managing Agency Enquiry Committee. They have made their reports. Those reports are available to this House. You will see what they are. They have been presided over by independent persons. My honourable colleague the Law Minister must be looking into this for the purpose of seeing what shape he is giving, what legislative shape he can give to these two particular reports. And when he does that there would be fewer monopolies. I do not want to go into the question as to what is monopoly and what is not monopoly, what is concentration of wealth and what is not concentration of wealth and to what extent it is permissible. We might get into a debate as to whether it might be 5 lakhs to one individual or 25 lakhs to one individual. There have been certain amendments here suggesting that the small-scale industries should be considered as

having capital base of 25 lakhs and not 5 lakhs. And therefore different people have different ideas as to what is concentration of wealth and I do not want to go into it. A mixed body will go into it and do what is needed.

Then, Sir, in regard to the criticism made I would say that we have not sold ourselves to foreigners. We have gone to foreigners for the purpose of getting the very essential supplies. There have been certain speeches here saying: "Well; you should not go and get the aid of foreigners in the matter of PL 480 food." My good friend the Minister for Food is not here. But he bought food from America for the purpose of feeding the hungry people. There was a clamour going on all over the country, even in the States, and particularly in the State from which my honourable friend Mr. Gopalan comes and the clamour was that there should be rice given and not wheat only. Now, if we in our country realise the desire of the people of the country to have a particular type of food, where we find that it is absolutely necessary—and nature has not been very kind to us and we have had to suffer from draught—is it to be said that at that time we have to be so hard-hearted and say whether you are fed or not, whether one dies of starvation or not, we shall sit tight on our seat and not do the necessary thing? Now, Sir, so far as these grains are concerned, a suggestion has been made that these grains are hoarded by the middlemen. Well, I know, the middleman is an easy victim-boy to get hold of and to whip him, saying, he is the hoarder. But what happens? When you have a cultivator who has more than what he needs for him, who knows that he cannot sell his stocks except at reasonable price when he goes to hoard and he does not want to bring his stocks up? So, instead of preaching to me here and outside, if we all went out and tried to persuade our friends in the villages, in the rural areas, to bring out the food which

they can bring out, which is in excess to their need, perhaps the situation would have been better. But instead of this, we have the feeling that the Government must do everything. I have often been faced with this problem and if I am rather informal and unorthodox in the expression of my views, I hope you and the House will show me the same kindness which you have been showing all along. What I have been struggling to point out is this: Do we or do we not realise that as we have got a right to come and take part in Government, do we not have a duty to see that the Government is aided and helped to do the right thing? It is to be done not only by criticism. Of course criticism is certainly welcome and it is necessary. Government has got to be corrected. Ministers have got to be corrected, if they felt that they have no reason to stay on here; and in that I include myself. But if the Government tries to do something in the matter, has it not got the right to expect that they will give assistance in this matter?

Going back to what I was saying, the PL 480 assistance was necessary for the purpose of getting over the difficulties. Can it be said that we have sold our souls and our bodies to Americans because we have gone out to get aid? I do not honestly see why we use these terms, these terms which are terms of self-annihilations. It has been said that we go on a begging mission, with a begging bowl and so on and so forth. In this world where we hope to establish a comity of nations one nation can go to another in case of need and say: There is a need for me and kindly provide me with something. And there is nothing wrong in asking for that. If they are persuaded to give us aid, if there is a general consciousness that this country has to be helped, I think there is a value to be given to the sympathy that people show and not to deride what is given as arms or charity, and in the process we should not degrade ourselves by saying that we are taking charity or taking alms.

**Shri Indrajit Gupta** (Calcutta South West): We are paying for everything.

**Shri Sachindra Chaudhuri**: My hon. friend Shri Gupta has got a loud voice. Why can't he speak loudly?

**Mr. Speaker**: He says: We are paying for everything.

**Shri Indrajit Gupta**: We are paying for everything. There is no charity. We are paying through our noses.

**Shri Sachindra Chaudhuri**: If Shri Gupta says like that I have no quarrel. If we are paying for it, in that case, we are giving full measure for what we are getting. Therefore, I say again, we have got to think in terms of the market. When there is a willing buyer and a willing seller there can be a particular kind of market prevailing. When there is a willing buyer and not same willing seller it is not the same market which prevails. The question of what price is to be paid depends not so much on what would be paid by another person in another situation but what are our needs for us to pay that price. That is the point. In that respect, we have realised also that this PL480 assistance is not a permanent thing. It might be necessary from time to time, but cannot be made permanent. It cannot be written into our economic system. In consequence of that, it is necessary to produce more food, and in order to produce more food, fertiliser is necessary. There has been a great deal of debate as to whether the fertiliser deal has or has not been a proper deal, whether it is a proper commercial deal and whether it has surrendered our sovereignty or not. All that arose because there has been a proposal that we shall allow some people to come into this country for the purpose of building some fertiliser plants which will produce fertilisers and in return they will be entitled to have the pricing and also the management of that for a number of years,

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seven years or so. We have not barred out in any way our right to compete; we have not barred out our right to buy a certain quantity of whatever they produce at a stated negotiated price. Therefore, if we have not done that, looking at it purely from commercial point of view, I cannot say, it is a bad deal. Suppose you go and get this not from this country but from some other country, would it be open to the same criticism or not? if not, why point our finger at any particular country at all? Fertiliser is necessary for this country. It is known to this House; it has been talked of quite often. We have already started putting up two other fertiliser plants with assistance.

13.18 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

from another country, which we hope will come into production. Equally we are trying to get whatever help we can in the matter of fertilisers. How is it said that in the matter of getting our fertilisers we are selling our souls?

From fertilisers we go on to the World Bank loan. As the House is aware, one of my colleagues has gone abroad and reports are coming in as to what statement he has or has not made and what observations have been made by certain newspapers as a result of interviews either with him or with gentlemen in America. Our friend is not here, again. We do not know whether those are true or untrue. But we can certainly control the statements that we make; we can certainly give the reason or rationale for what we are doing. We cannot, with the utmost respect, possibly dictate to people in another country as to what they will say or what they will not say. The attitude of that other country might sometimes not be liked by us or it might annoy us, and I may feel or you may feel angry. But that does not in any way take away from the statement which has been made over

and over again inside this House and outside this House that this country does not consider any aid of such great momentary importance that it will sell its sovereignty to another country for that purpose or sell its self-respect for that purpose.

In regard to a question where there is a question of negotiating for a credit, after all, what is happening is this. We are considering a question of credit; we have not even negotiated for it. But we are merely considering the pros and cons of credit, and when we do that, we naturally go and talk about it, and we say 'These are our needs, this is what we would like to have; without this, we cannot do it'. Suppose I put myself in this position, and suppose the position has been that I have to go as a private individual to a bank and the bank says 'Well, look, you are saying that you need Rs. 50 lakhs for this project; you do not need Rs. 50 lakhs; you need only Rs. 25 lakhs'; then, I argue with the bank and say 'No, you are wrong', and then I might settle for Rs. 40 lakhs. When I do such a thing it cannot possibly be said that I am selling myself and selling everybody else in my family to this banker for getting that amount.

It is said that we have now got a Parliament of this country in Washington to which we go first before we come to this Parliament with our plans. I do not see that at all; I have said over and over again that we have not got our Plan ready yet, and we have not got the outline of the Plan in such distinct form that we can put it before Parliament. It is because we did not want to go to that other country with a completed Plan without giving it first to Parliament that this position has been accepted namely that we go there and we generally discuss what the overall requirement is, having regard to what we think would be the nature of the plan. There would be naturally a position where we could reconsider the matter.

**Shri Hanumanthaiya** (Bangalore City): May I point out to the hon. Finance Minister that it has never happened before? This is the first time it has happened. So much publicity is given for our negotiations for various loans before we frame a Plan. This is the first time that this has happened.

**Shri Sachindra Chaudhuri**: It may have happened for the first time. But in life something has got to happen for the first time. The first meal I ever had was for the first time; the first time I ate rice was for the first time; It is for the first time that a person is born and when he dies it is for the first time that he dies. Therefore, the first time has got to be there. The whole question is what the merit or demerit of it is, not whether it is the first time or the last time, not whether somebody has done it before or not.

The fact remains that we make an assessment of the Three Plans, and we are now on the threshold of the Fourth Plan at the moment, and at this moment, we consider this that we must have some idea of the resources so that we can cut our Plan accordingly or frame our Plan accordingly. In order to do that, we naturally ask what we shall get, and I plead that there is nothing wrong in that. We are not basing our Plan on what we shall get, but we are basing our Plan on our needs and requirements. In doing that, we have got to have before we make our Plan some idea of our resources; unless it be that it is made sky-high and it has got to be cut down later on perhaps for want of resources, we have to take a realistic view of the matter, and we have got to see whether or not the required resources are forthcoming. I am not denying this that America is a country which is an aid-giving country, and is in a position to give us large aid, although, if I may say so, their main complaint is that the balance of trade is such that they are thinking how to manage it. The balance of trade situation in this respect seems to be

for some reason or the other always against that country; in England, we hear that the balance of trade 900 million; in America we hear that the balance of trade is against them. Here, we know the balance of trade is against us. So, in every country there is the balance of trade question, and, therefore, it is that the aid-giving country has got to consider this. After all, as I said the other day, the World Bank President is a banker or is the president of a Bank which is the banker for 105 nations, and they would want an impartial assessment of the whole situation as to what aid we should get, and what aid we should not get, as a preliminary basis to our completing our Plans; in that case, I do not see that there is anything so alarming happening in regard to what we have done. If we had gone there and said that 'Well you are our fathers; you are our mothers, and give this to us, and if you do not, then we shall die, and we shall agree to anything, we shall agree to whatever you say', then in that case, certainly, you would be able to say that this is bad.

So far as strings are concerned, I agree that they may be there, and I shall not pretend that there would not be any strings. My hon. friends from the Opposition will also agree that in every bargain there are certain conditions, and I am prepared to accept the rather hackneyed term 'foreign strings'; in every bargain, there are some strings. For instance, if I go to a shop and I have got to buy from him, I have got to pay for it; not only have I got to pay for it and buy it but I have also got to carry whatever I buy. So far as the carriage is concerned, there is a trick; I may say to my seller 'Carry my parcel for me to wherever I want it to be sent'; then he may say 'No, I shall not carry, you are to carry'. Then, that is a string. But the point is this. Is that string so onerous? Is that string so bad? that it can be called either a hamstring or a guiding string? If we find that it is a hamstring which

[Shri Sachindra Chaudhuri]

completely disenergises us or which cripples us, certainly that is a string which we should reject. If, on the other hand, it is a guiding string which guides us willy-nilly in the path that somebody else indicates, in that case, certainly we should reject it. But if we know that these strings are not there but certain conditions are being put before us which we should fulfil, if there is an attempt to examine what we are doing, why should we be so shy? After all is said and done, we do not admit that we carry on our business or our industries inefficiently; so, if a person wants to have a look at it..

**Shri Krishna Menon** (Bombay City North): Do I understand the hon. Minister to say that the guiding strings are in another country?

**Shri Sachindra Chaudhuri**: I do not understand this. What I said was . .

**Shri Krishna Menon**: The hon. Minister said that there may be hamstrings or guiding strings.

**Shri Sachindra Chaudhuri**: I said that there might be hamstrings or there might be guiding strings. If there is a guiding string and that guiding string guides us along a particular road, then in that case, that guiding string might be an onerous thing. I agree there. But the point is that we shall have to look at the string to find out whether it is a hamstring or a guiding string. If the hamstring is not there, if the guiding string is not there, then what is wrong with the string?

**Shrimati Renu Chakravartty** (Barrackpore): Who is guiding him? That is the point.

**Shri Sachindra Chaudhuri**: So far as this guiding string or hamstring is concerned, I say that if they are not there, simply because there are a few conditions put or simply because there is a desire to examine our situation,

can we, as honest people, as people who pride ourselves on being efficient, resent it? Why should we resent it? Suppose I want to get some money from a bank—again, I would go to the same example—and the banker says 'You are wanting this money for the purpose of building somewhere; will you please consider whether this is better or it is better for you to build here instead of building there?'. If the banker says like that, is there anything wrong in my giving that matter some consideration? But if I accept the deliberate suggestion of this bank that I shall build and hand over the management of that building and everything else to the bank, then that is what might be called a hamstring or a guiding string. But if that does not happen, then a mere bank saying that you might do this way or that way, does not, in my humble way of thinking, at all amount to this that we have sold ourselves body and soul to another country.

These are the three sets of arguments given, and as I said, I do not want to go into them in any further detail, because, after all, there has been a great deal of debate on it, and if I may say so with the utmost respect, a debate on a very high plane, with the putting forward of arguments and the cutting down of arguments. The argument put forward by one hon. friend is destroyed by the argument put forward by another. Their object is the same, namely to have an arrow directed at me, but in the process they neutralise each other, and, therefore, I am not so badly hit. That is exactly what has been happening here.

And I must say this, before I sit down, for, I do not want to take up the time of the House any longer, that I am deeply appreciative and deeply grateful to this House for the personal kindness shown to me before and even today in the speeches that have been made. And when I have appreciated them and when I have mentioned the high level of the discussion that has taken place, I should also say that I



have either listened to or read very carefully every word that has been uttered here on this Bill till I rose to reply to the debate this morning, and having done that, I have come to the conclusion that the measures that this Government has proposed—after all, what I have proposed is not confined to me but these are measures that the Government have proposed—are measures which are, by and large, good and sound, and with those, I would like

to recommend the Finance Bill for the consideration of the House for the second time.

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

“That the Bill to give effect to the financial proposals of the Central Government for the financial year 1966-67 be taken into consideration.”

*The Lok Sabha divided.*

**Division No. 13]**

**[13.32 hrs.**

### AYES

Akkanima Devi, Shrimati  
Alagesan, Shri  
Babunath Singh, Shri  
Bakliwal, Shri  
Balmiki, Shri  
Basanna, Shri  
Bhagat, Shri B. R.  
Borooh, Shri P. G.  
Brahm Prakash, Shri  
Brij Basi Lal, Shri  
Chanda, Shrimati Jyotsna  
Chandak, Shri  
Chaturvedi, Shri S. N.  
Chaudhry, Shri Chandramani Lal  
Chaudhuri, Shri Sachindra  
Chavda, Shrimati Joraben  
Dafle, Shri  
Das, Shri B. K.  
Das, Shri Sudhanu  
Dorai, Shri Kasinatha  
Firodia, Shri  
Gackwad, Shri Patehainbhai  
Gajraj Singh Rao, Shri  
Ganapati Ram, Shri  
Gowdh, Shri Veeranna  
Hanada, Shri Subodh  
Hazarika, Shri J. N.  
Himatsingka, Shri  
Iqbal Singh, Shri  
Jaggiwan Ram, Shri  
Jyotishi, Shri J. P.  
Khan, Dr. P. N.  
Krishnamachari, Shri T. T.  
Kureel, Shri B. N.  
Lakshminanthamma, Shrimati.  
Laxmi Bai, Shrimati

Malaichami, Shri  
Maniyangadan, Shri  
Maruthiah, Shri  
Mehrotra, Shri Braj Bihari  
Mehta, Shri Jashwant  
Melkote, Dr.  
Menon, Shri Krishna  
Minimata, Shrimati  
Mirza, Shri Bakar Ali  
Mishra, Shri Bibhuti  
Mohanty, Shri Gokulananda  
Morarka, Shri  
Mukerjee, Shrimati Sharda  
Munzni, Shri David  
Murti, Shri M. S.  
Muthiah, Shri  
Naik, Shri Maheswar  
Oza, Shri  
Pande, Shri K. N.  
Pendey, Shri R. S.  
Panna Lal, Shri  
Patel, Shri Rajeshwar  
Patil, Shri J. S.  
Patil Shri M. B.  
Patil, Shri S. B.  
Pattabhi Raman, Shri C. R.  
Raghunath Singh, Shri  
Raideo Singh, Shri  
Ram Sewak, Shri  
Ram Swarup, Shri  
Ramanathan Chettiar, Shri R.  
Ranen Shri  
Rao, Shri Muthyal  
Rao, Shri Thirumala  
Reddi, Dr. B. Oopala

Roy, Shri Bishwanath  
Sadhu Ram, Shri  
Saha, Dr. S. K.  
Saigal, Shri A. S.  
Samanta, Shri S. C.  
Saraf, Shri Sham Lal  
Sarma, Shri A. T.  
Sen Shri P. G.  
Shah, Shrimati Jayaben  
Shankaraiya, Shri  
Sharma, Shri D. C.  
Shastry Shri Ramanand  
Shao Narain, Shri  
Shinde, Shri  
Shree Narayan Das, Shri  
Shukla, Shri Vidya Charan  
Shyam Kumari Devi, Shrimati  
Siddananjappa, Shri  
Singha, Shri G. K.  
Soundaram Ramachandran,  
Shrimati  
Subharaman, Shri  
Subramanyam, Shri T.  
Sunder Lal, Shri  
Tantia, Shri Rameshwar  
Tiwary, Shri D. N.  
Tiwary, Shri K. N.  
Tula Ram, Shri  
Tyagi, Shri  
Uikey, Shri  
Upadhyaya, Shri Shiva Dutt  
Varma, Shri M. L.  
Verma, Shri Balgovind  
Wadiwa, Shri  
Wanik, Shri Balakrishna  
Yadava, Shri B. P.

### NOES

Banerjee, Shri S. M.  
Bhanja Deo, Shri L. N.  
Bheel, Shri P.H.  
Chakravarty, Shrimati Reou.  
Daji, Shri  
Dandekar, Shri N.  
Oppalam, Shri A. K.  
Goudar, Shri Muthu

Gupta, Shri Indralit  
Kamath, Shri Hari Vlahnu  
Kandeppan, Shri S.  
Kapre Singh, Shri  
Kunhao, Shri P.  
Limaye, Shri Madhu  
Masani, Shri M. R.  
Muhammad Ismail, Shri

Mukerjee, Shri H. N.  
Ranga, Shri  
Sen, Dr. Ranen  
Sehriyan, Shri  
Singh, Shri Y. D.  
Solanki, Shri  
Tan Singh, Shri  
Vishram Prasad, Shri

**Mr. Deputy-Speaker:** The result of the division is: Ayes 106. Noes 24.

*The motion was adopted.*

**Clause 2—(Income-Tax).**

**Shri N. Dandeker** (Gonda): I beg to move:\*

Page 5, line 20,—

after "year" insert "or for either of the two previous years immediately preceding such previous year" (2)

**Shri P. C. Borooah** (Sibsagar): I beg to move:\*

Page 4, line 39,—

after 'sources' insert—

'if it is Dividend income or' (1)

**Shri N. Dandeker:** At Page 5, line 10, there is the definition of an industrial company, and all I am suggesting is that, in order that we should not get freak results because of fluctuations in profits from one year to another, the Explanation should have a slight modification. At the moment it reads:

"If the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than 51 per cent as the total income".

It is quite likely, and it often does happen, that income from manufacturing activities of the kind that are described here fluctuate from year to year, and you may have an accidental or freakish result whereby in a given year the income may be less than 51 per cent, in which case you get the situation that although the bulk of the investment in such a company and the bulk of its activities are in fact industrial activities as contemplated in this provision, it will, as a practical result, not be treated as an industrial company. Therefore, the amend-

ment which I have proposed will have this effect. If the words,

"If the income attributable to any of the aforesaid activities included in its total income for the previous year or for either of the two previous years immediately preceding"

were inserted, the main objective of this clause will, in fact, be achieved better than would be the case if this amendment were not put in. I am sure the Finance Minister will accept the proposition that where, in an industrial company, in fact the bulk of its capital and major part of activity is employed in the way here contemplated, and if in any particular previous year it just happens that the income is very low or there is a loss, the company may find itself treated as a non-industrial company. And it may then lose the benefit of the differential tax rate that is contemplated in the Bill. It is only for that reason I have suggested that the test should be not merely whether in the relevant previous year the income from the specified industrial activity is 51 per cent, but whether the income from these particular types of industrial activity for the previous year or in any of the two immediately preceding previous years is 51 per cent. Then alone would the objective be achieved.

**Shri Raghunath Singh** (Varanasi): I am moving my amendment.

**Shri P. C. Borooah:** Under the existing Act, a discriminatory treatment is accorded to unearned income in so far as it is subjected to a heavier surcharge. Dividend income is treated as unearned income, and therefore attracts a higher surcharge.

The capital market has been in the doldrums for quite some time past. If it is to be given a new lease of life, dividend income should not be subjected to a heavier surcharge. This

\*Moved with the recommendation of the President.

will give the necessary incentive to the people to invest their savings in companies' shares. Government securities are already treated as earned income. There is hardly any justifiable reason for treating this dividend income on a different basis and subject it to the higher surcharge. Hence I think there is need for this amendment. It should be treated on a par. If Government security is taken as earned income, I think investments in companies' shares also should be accepted as such. This is my amendment.

**Shri S. M. Banerjee (Kanpur):** I wish to speak on Clause 2 because some of the questions raised by us in the general discussion were unfortunately not replied to by the Finance Minister.

During the discussion I raised one case of a Kanpur industrialist where it is said that a sum of Rs. 31 lakhs due from him as income-tax was written off. This has created a sensation throughout the country because we have a general feeling that this was done by . . .

**Mr. Deputy-Speaker:** He said he would look into it.

**Shri S. M. Banerjee:** That is true. I want to say something more about it. This clause pertains to it. I am told that this was done when Mr. Morarji Desai was Minister of Finance and Mr. Gopala Reddi was minister of state. Whosoever it may be, whether it was Mr. Morarji Desai or anybody else, this requires a thorough probe.

**Mr. Deputy-Speaker:** What has this to do with the amendment?

**Shri S. M. Banerjee:** There is no question of amendment. I am speaking generally on clause 2.

**Mr. Deputy-Speaker:** We are on the amendments now. Time is very limited.

**Shri S. M. Banerjee:** While speaking on the clause, I can refer to it. I wish to bring to the notice of the hon. Minister another case of Kanpur.

I have already written to him that income-tax arrears to the tune of Rs. 50 lakhs are due from another industrialist, Bagla group of assessee. The certificate officer, Kanpur issued notice asking the Bagla group of assessee to show cause why a certificated house belonging to that group should not be put to auction for arrear income-tax dues. The said assessee approached for stay of the certificate proceeding which was pending for a very long time. This request could not be accepted as the assessee did not pay a single farthing so far. However, the assessee approached the board and got the stay order. I would like to know whether it is a fact that the income-tax commissioner of Lucknow who wanted to realise that amount and initiated proceedings against him is being transferred. There are these two cases; one that of Mr. Ram Rattan Gupta in whose cases Rs. 31 lakhs of income-tax had been written off and in another case which I mentioned just now, income-tax arrears totalling Rs. 50 lakhs are involved. I would like the hon. Finance Minister to throw some light on these two cases.

**श्री मधु लिमये (मुंबई) :** अध्यक्ष महोदय, मैं दूसरी धारा पर बोलना चाहता हूँ। उसमें पत्नी अनुसूची का उल्लेख है। अनुसूची में धायकर देने के लिए सीमा है 3500 रुपये। उसके बारे में मैंने संशोधन दिया है कि यह साढ़े चार हजार हो। मतलब कि जिनकी मासिक धाय 375 रुपये से अधिक है उनके ऊपर इनकम टैक्स लगे। मुझे उम्मीद है कि मन्त्री महोदय मैं जो अभी बोलने बताने वाला हूँ उनकी रोजनी में मेरे संशोधन पर विचार करके उसको स्वीकारेंगे और जो मध्यम स्थिति के लोग हैं उनको कुछ राशन पट्टा देने की कोशिश करेंगे क्योंकि दाम आज आसमान छू रहे हैं।

कुछ दिन पहले का, यह 21 अप्रैल का मेरा प्रश्न है। मैंने एक प्रश्न पूछा था अनारगिकत,

### [श्री मधु लिमये]

उसकी संख्या है 4172, उसमें मैंने पूछा था कि क्या कई साल पहले बम्बई की जो किला-चन्द देवचन्द कम्पनी है उसने साढ़े 56 लाख रुपया काटन फारवर्ड बिजनेस में स्पेकुलेशन लास के तौर पर दिखलाया था और क्या इसके बारे में किसी इनकम टैक्स आफिसर का अपराध था और क्या उस पर कार्यवाही की गई ? यह पुराना केस है लेकिन मैं इसलिए . . . . .

**उपाध्यक्ष महोदय :** इस प्रमेंडमेंट से कैसे इसका सम्बन्ध है ?

**श्री मधु लिमये :** हाँ, तो आप कैसे राहत देंगे ? टैक्स ऐडमिनिस्ट्रेशन और करों की वसूली अगर नहीं सुधारेगे और पैसा नहीं वसूल करेंगे तो आप गरीब लोगों पर ही टैक्स लगाते जायेंगे । इसलिए अध्यक्ष महोदय, मैं निवेदन कर रहा हूँ कि हमारे प्रश्न के उत्तर में कहा गया कि हाँ, उम्र आफसर की गलती थी और उम्र के खिलाफ कुछ कार्यवाही की गई । लेकिन कार्यवाही के बारे में पता चला है कि कार्यवाही के कारण उनको पैसा अधिक मिला । कुछ भी कार्यवाही नहीं की जाती और उनको सेवा निवृत्त होने की इजाजत दे देते तो उसको पैसा कम मिलता लेकिन कार्यवाही का नतीजा यह हुआ है कि सबसिस्टेंस एलावेस के रूप में पैसा उसको ज्यादा मिला । मैं निवेदन करना चाहता हूँ कि इसमें एक बड़े इनकम टैक्स आफसर का सम्बन्ध था जो इस वक्त चैयरमैन आफ दि बोर्ड आफ डायरेक्ट टैक्सेज है । मेरा मन्त्री महोदय से कई मामलों में पत्र-व्यवहार चल रहा है । तो मैं उनसे प्रदब के साथ निवेदन करूँगा कि इसके बारे में सारे जितने कागजात हैं वह मंगाये और खुद देखें । अब और एक मामला . . . . .

**Mr. Deputy-Speaker:** These are not relevant to the clause. Let him take other opportunities.

**श्री मधु लिमये :** यह इसलिए सम्बन्ध रखता है कि साढ़े चार हजार रुपये वाली बात है आखिर तो गरीब को कैसे राहत देंगे ?

**अध्यक्ष महोदय :** 6 जनवरी को वित्त मंत्रालय ने कोई परिपत्र जारी किया कि इनकम टैक्स की चोरी को लेकर जो छापे मारे जा रहे हैं यह काम बन्द किया जाय । 6 जनवरी, 1966 को यह परिपत्र भेजा है । भगत साहब से सवाल पूछा गया कि जनवरी फरवरी महीने में कितने लोगों के घरों पर छापे मारे गये या दफ्तरों में मारे गए तो मन्त्री महोदय ने कहा कि मुझे नोटिस चाहिए । अब काफी समय बीत चुका है । तो इन प्रश्नों का जवाब देते समय वह यह भी बताने की कृपा करेंगे कि क्या जनवरी के बाद आयकर की चोरियाँ निकालने के लिए कोई ठोस कार्यवाही की गई है ?

साथ ही साथ मैं यह निवेदन करूँगा कि चार पांच मामलों में जिनमें कि 72 लाख, 56 लाख, 65 लाख और 80 लाख की इनकम टैक्स की चोरी है, चैयरमैन आफ दि बोर्ड आफ डायरेक्ट टैक्सेज का प्रादेश निकला है कि मेरे रिटायर होने के पहले यह सब मामले आपको तय करने हैं क्योंकि उनके साथ आपकी दोस्ती है । एक है काशीराम अप्पवाल, हमारे शिवराम अर्जुनदास, तीसरे श्री गोपाल खेतान का मामला जिनके वकील हैं चैयरमैन आफ दि बोर्ड आफ डायरेक्ट टैक्सेज के लड़के और चौथे हैं श्री सी० एल० बजीरिया, इनका मामला है, इनके वकील भी चैयरमैन आफ दि बोर्ड आफ डायरेक्ट टैक्सेज के लड़के हैं । तो आखिरकार पूँजीपति खिला रहे हैं रिश्तत नौकरशाही को और नौकरशाही उनकी कर की चोरी माफ कर रही है । मंत्री लोगों के ऊपर भी इस तरह दबाव डाला जाता है कि मंत्री देखते हैं कि हमें कुछ पैसा मिलेगा तो अच्छा

है चुनाव लड़ने के लिए या घर का काम चलाने के लिए। इस तरह पूंजी का और राजनीति का रिश्ता बिल्कुल खराब हो गया है और इसीलिए देश में भ्रष्टाचार हो रहा है। मैं मन्त्री महोदय से निवेदन करूंगा कि नौकरशाह, मंत्री लोग और पूंजीपतियों भ्रष्टाचार के रिश्तों को बदलें। चूंकि मंत्री और नौकरशाह भ्रष्ट है इसलिए वह उनसे पैसा वसूल कर रहे हैं। तो राजनीति और नौकरशाह तथा पूंजी इनके नाते रिश्ते को यह सुधारें। उनके बिना देश की आर्थिक बरक्की नहीं हो सकती है।

अन्त में अध्यक्ष महोदय, मैं निवेदन करूंगा कि .....

**उपाध्यक्ष महोदय :** यह सब इर्रिजिबल वार्ने है मधु निमये।

**श्री मधु निमये :** मैं खत्म कर रहा हूं।

दामों की स्थिति देखते हुए जिनकी मामूली प्रामदनी 375 रुपये तक है उनके ऊपर कोई प्रायकर न लगे और जो बड़े लोग हैं जो पैसे वाले हैं उनसे सख्ती से करों की वसूली की जाय और गरीब लोगों को राहत दी जाय।

**श्री रघुनाथ सिंह :** मैं संशोधन संख्या 107 और 108 उपस्थित करना हूं। मेरा संशोधन बहुत छोटा है।

**Mr. Deputy-Speaker:** What are the amendments?

**Shri Raghunath Singh:** 107 and 108.

**Mr. Deputy-Speaker:** You did not move them when I called on you.

**Shri Raghunath Singh:** No, Sir; I was here and I stood twice to move them. It was said that they were for clause 3, but they were in fact for clause 2.

**Mr. Deputy-Speaker:** 107 and 108 were not moved.

**Shri Raghunath Singh:** You may take them as moved.

**Mr. Deputy-Speaker:** All right. Let them be taken as moved.

**Shri Raghunath Singh:** Sir, I beg to move:\*

(i) Page 5, line 13,—

After "Ships"

Insert "and their ancillary industries including diesel engines used in the construction of ships and sailing vessels." (107).

(ii) Page 5, line 17,—

after "ships"

Insert "and their ancillary industries including diesel engines used in the construction of ships and sailing vessels." (108).

मेरा प्रमंडमेंट बहुत छोटा है। इंडस्ट्रियल कंपनियों के प्रन्दर आपने शिप्स को भी रखा है। लेकिन शिप्स बड़ा वेग टर्म है शिप के मानी है। करोड़ 40 लाख रुपये से कम में तो कोई जहाज घाता नहीं। लेकिन शिप्स में मुख्य चीज जो है वह है डिजल इंजिन और उसके साथ साथ ऐंसिलियरी इंस्ट्रुमेंट। जब तक ऐंसिलियरी इंस्ट्रुमेंट और डिजल इंजिन को हममें शामिल नहीं करेंगे शिप कोई रिलीफ मिल नहीं सकती। कारण उसका यह है कि घाज जो हिन्दुस्तान में शिप बनता है उसमें 50 परसेंट सामान इम्पोर्ट होता है। खास कर डिजल इंजन इम्पोर्ट होते हैं। क्योंकि डिजल इंजन हिन्दुस्तान में बनाने का कोई कारखाना नहीं है। बड़े इंजनों को आप छोड़ दें तो भी मेसिंग वैमल्स में जो इंजन लगते हैं वह भी इंजन घाज बाहर से इम्पोर्ट किये जा रहे हैं। इस वास्ते घाजर डिजल इंजन की इंस्ट्रुमेंट को आपको प्रोत्साहन देना है तो क्लिर्नोस्कर की जैसे इंस्ट्रुमेंट है, मैन की इंस्ट्रुमेंट है इन दोनों इंस्ट्रुमेंटों से यह कहा जाय कि वह भी जहाजों को बनाये और जो मेसिंग वैमल्स हैं उन के वास्ते छोटे छोटे इंजन बनाये क्योंकि

\*Moved with the recommendation of the President.

[Shri Raghunath Singh]

50 सैकड़ा सामान जो जहाज हिन्दुस्तान में बनते हैं उन के वास्ते बाहर से इम्पोर्ट किया जाता है। 1 करोड़ 40 लाख रुपये के एक जहाज है जो कि विनाखापत्तनम में बनते हैं। विनाखापत्तनम में हम क्या करते हैं? वहां हम सिर्फ लोहे का ढांचा बनाते हैं और उसमें भी स्टील प्लेट करीब 40 सैकड़ा बाहर से इम्पोर्ट करते हैं। हमारे पास 3.3 और 4.4 स्टील प्लांट्स हैं लेकिन तो भी स्टील प्लेट हम नहीं बना रहे हैं। इसलिए मेरा नम्र निवेदन है कि इस में शिप के साथ ऐसीलिएरी इंडस्ट्रीज और साथ साथ डीजल इंजन जब तक आप उन को शामिल नहीं करेंगे तब तक इस इंडस्ट्रीज को प्रोत्साहन मिलने वाला नहीं है। अनन्तकाल तक हम डीजल इंजन इम्पोर्ट नहीं कर सकते।

आप को मालूम होना चाहिये कि डिफेंस डिपार्टमेंट भी फ्रिगेट बनाने के लिए एक कील ले डाउन करने जा रहा है बम्बई में जो कि फ्रिगेट बनायेंगे। इस तरह से बाहर से इंजन इम्पोर्ट करके हम अनन्तकाल तक बाहर के इम्पोर्ट पर निर्भर नहीं रह सकते। इसलिए शिप्स बनाने के वास्ते जो इंडस्ट्री हिन्दुस्तान में आरम्भ की जाय उस इंडस्ट्री को प्रोत्साहन देने के वास्ते निहायत लाजिमी है कि उस इंडस्ट्री को इंडस्ट्रियल कंपनी की डेफिनीशन में लाया जाय यही मेरा छोटा सा संशोधन है।

अगर आप आंकड़ों को देंगे तो आज जापान में शिपयार्ड में जो जहाज बन रहे हैं उन में से हिन्दुस्तान 3 परसेंट जहाज खरीदता है। जर्मनी में आप देखें जर्मनी में जितने शिपयार्ड्स में जहाज बन रहे हैं उसमें से 10 परसेंट जहाज सिर्फ हिन्दुस्तान खरीदता है। इसी तरह पोलैंड में कुल बनने वाले जहाजों में से 6 परसेंट जहाज हिन्दुस्तान खरीदता है और यूगोस्लाविया से कुल बनाने वाले जहाजों में से 13 परसेंट

जहाज हिन्दुस्तान खरीदता है। हिन्दुस्तान खुद जहाज बनाता कितने है? केवल 3 परसेंट। इसके मानी यह है कि पोलैंड के शिपयार्ड को हम फीड करते हैं, जर्मनी के शिपयार्ड को हम फीड करते हैं और यूगोस्लाविया के शिपयार्ड को हम फीड करते हैं, 10 और 13.13 परसेंट। जो प्रोडक्शन वहां हो रहा है हिन्दुस्तान उसे खरीद रहा है। हिन्दुस्तान संसार भर में आज जहाजों का सब से बड़ा खरीदार है। इस तरह से फॉरेन एक्सचेंज का जो ड्रेन हो रहा है उसको रोकने के वास्ते निहायत जरूरी है कि जितनी और एंजिनलरी इंडस्ट्रीज हैं जिनका कि प्रयाग शिप्स के कंस्ट्रक्शन में हाता है, डीजल इंजन, उसका शिप्स के कंस्ट्रक्शन में प्रयोग हाता है और सेलिंग वेंसल्स जैसा कि मैंने उस दिन बतलाया था कि इराक, इरान और अरब के कारण यहां 3-456 सेलिंग वेंसल्स बिल्कुल बेकार पड़े हैं क्योंकि उनका मिकेनाइज्ड नहीं किया है इसलिए अगर आप चाहते हैं कि यह इंडस्ट्री मरे नहीं पतने और आप का रुपया आप के पास रहे तो इस अमेंडमेंट को मंत्री महोदय को स्वीकार कर लेना चाहिए।

Shri Sachindra Chaudhuri: Sir, I am afraid I am unable to accept the amendment proposed by Shri Dandekar, and my reason is this. What he proposes is, not only the previous year in a particular company should be taken into account, but even the previous two years. I have two reasons for not accepting it. One is that the tax is meant for the year previous only, and not for any other previous year. Secondly, it is likely that there would be cases which have had some industrial business in two previous years preceding the previous year concerned, and those persons may have nothing at all in the previous year concerned. It is not the intention that they would be given the benefit of this definition. So, I am afraid I cannot accept it.

So far as Shri P. C. Borooah's amendment is concerned, if I have to

accept that, every income which does not proceed, practically, from landed property would become earned income. In that case, the entire definition or the conception of the entire definition would go. I do not think I can accept the amendment.

So far as Shri Madhu Līmāyē's amendment is concerned..

**Mr. Deputy-Speaker:** There is no amendment.

**Shri Sachindra Chaudhuri:** Very well; that is to the Schedule. Then, so far as Shri Raghunath Singh's amendments are concerned, I would point out that the section itself is good enough and we will be really weaving something into it which might create confusion if I have to accept his amendment. If I may remind him, the section says:

" 'industrial company' means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture of processing of goods or in mining."

This should be something which is the processing of goods or some industry, or the manufacture of ships. I think all these machines would be covered by that definition.

**Mr. Deputy-Speaker:** Are any amendments being withdrawn?

**Shri P. C. Borooah:** I withdraw my amendment.

*Amendment No. 1 was, by leave, withdrawn.*

**Mr. Deputy-Speaker:** Is Shri Dandeker withdrawing his amendment?

**Shri N. Dandeker:** No, Sir.

**Mr. Deputy-Speaker:** I shall put it to the vote then.

*Amendment No. 2 was put and negatived.*

**Shri Raghunath Singh:** I beg to withdraw my amendments.

**Mr. Deputy-Speaker:** All right.

*Amendments No. 107 and 108 were, by leave, withdrawn.*

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

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Clause 3— (Annuity deposit).**

**Mr. Deputy-Speaker:** There is one Government amendment.

**Shri Sachindra Chaudhuri:** I move:

Page 5, for lines 31 to 35, substitute—

"3. (1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit for the assessment year commencing on the 1st day of April, 1966 and annuity deposit to be made during the financial year commencing on the 1st day of April, 1966, shall be made by every person to whom the provisions of that Chapter apply, at the rate or rates specified in the Second Schedule.

(2) For the purposes of this section and the Second Schedule, the expressions "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280B of the Income-Tax Act. (87).

\*Moved with the recommendation of the President.

**Shri M. R. Masani:** Sir, I want to speak on his amendment. I appreciate the fact that the Finance Minister, by his amendment, has sought somewhat to limit the mischief of the Annuity Deposit Scheme. The those who are harassed by this scheme are also in that direction. But the fact remains that, for the bulk of those who are harassed by his scheme up to now, there is going to be no relief. That is, the larger number of people who do not happen to have reached the felicitous age of 70 will still be subject to this impost and those whose incomes happen to be more than Rs. 25,000 a year.

**Shri D. C. Sharma (Gurdaspur):** How old is he?

**Shri M. R. Masani:** I do not qualify entirely for that, but I hope to achieve it, and I shall then relax! The point is that this is an indefensible kind of tax. Its first purpose, of course, is to get more money into the till of Government. I shall say something about that later. But what is most objectionable is that I do not know if the wit of man has devised anything more complicated, cussed and stupid than this particular way of taking money out of a man's pocket. The amount of time and energy that has to be spent, first, to put in the money and then get it back, is something quite unprecedented in the annals of taxation.

An eminent friend of mine who knows about all this much better than most of us, went into the exercise of trying to count how many times he would have to go to the Reserve Bank if he could not pass on this job to a peon or secretary or he could not afford to have a peon or secretary to do this job for him. According to him, during the first year, of the annuity deposit scheme, if this applied to that gentleman, he would have to visit the Reserve Bank 18 times: four for making the four instalments of advance annuity, one

for self-assessment, one for regular assessment, and six for bringing the receipt on deposits and six for bringing the certificates. In the second year, he would have to pay 12 visits, for making payment, six for assessment and another six visits for the receipts. That would come to 30 visits in all. In the third year, again, his number of visits will have to go up to 34. In the 10th or the 11th year, that unfortunate man would have to pay 62 visits to the Reserve Bank of India either to make payment or to get back the money. In this country, we are already wasting much time and undergoing hardship. We have to put time to better use, and by this amendment, the Government is making its own wonderful contribution! One would have hoped that the Finance Minister would have put an end to this enormity this year and allowed the people to get a little relief from this vexation. But again they are going to have it, except for the happy people who are over the age of 70.

For the rest of us, this will remain a compulsory harassment.

**Shri Himatsingka (Godda):** Don't earn more than Rs. 25,000.

**Shri N. Dandekar:** Don't earn anything!

**Shri M. R. Masani:** I have already mentioned the Rs. 25,000 and 70 years and pointed out that it only touches the fringe of the problem.

14 hrs.

Apart from the particular characteristic of waste of time, waste of energy and harassment, it is also objectionable because it diverts money from the pockets of people who know how to spend it more productively than the Government, which does not know how to invest money to good purpose.

The hon. Finance Minister in his reply to the general debate said an



hour ago that there was only one example given by me—that of the Heavy Engineering Corporation, Ranchi—of the waste of public resources. I did not give 50 other examples not because they do not exist, but because as we all know, we function under limitations of time. The fact is that by and large, all Government enterprises in the country are uneconomically and inefficiently run and are losing money for this country. Take the example of Hindustan Steel. If Hindustan Steel has been in the private sector, it would have shut up its doors and it would not have been helped out over and over again by looting the pockets of the common tax-payer on whose bounty Hindustan Steel goes on making a loss.

The Finance Minister's predecessor, Mr. Morarji Desai, only 5 or 6 years ago tried to improve the morale of the House and cheer it up by saying that, while it was true that the average return from a government enterprise in this country was at that time 0.3 per cent, he hoped and assured the House that in the coming year it would be 0.5 per cent! I do not know what fraction of a per cent we have reached at this stage. Any private person who took money from the people and gave a return of that kind would be considered utterly unfit to handle anybody else's money, or even his own.

I would like to oppose this clause. We do not want the Annuity Deposit Scheme to continue (a) because it is vexacious and (b) because it is uneconomic and against national interest that money should be taken from those who know how to invest it and put in the hands of those who have shown utter, culpable inability to make good use of the public exchequer.

**Shri Sachindra Chaudhuri:** Mr. Masani has taken this opportunity for reinforcing what he said before. I do not want to emulate him and repeat what I have said. I still press my amendment to this clause.

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

Page 5, for lines 31 to 35, substitute—

'3. (1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit for the assessment year commencing on the 1st day of April, 1966 and annuity deposit to be made during the financial year commencing on the 1st day of April, 1966, shall be made by every person to whom the provisions of that Chapter apply, at the rate or rates specified in the Second Schedule.

(2) For the purposes of the section and the Second Schedule, the expressions "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280B of the Income-Tax Act.' (87).

*The motion was adopted.*

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

"That clause 3, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 3, as amended was added to the Bill.*

**Clause 4—** (Amendment of section 2).

**Shri N. Dandekar:** In view of Government Amendment No. 88, I am not moving my amendment No. 3.

*Amendment made:*

Page 5, for lines 40 to 42, substitute—

'(i) in sub-clause (b), for the words "if it is not a private company", the words "if it is a

[Shri N. Dandekar]

company which is not a private company" shall be substituted;'. (88).

(Shri Sachindra Chaudhuri).

**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 5—Amendment of Section 13**

**Shri Sachindra Chaudhuri:** I move amendment No. 89.

**Shri Himatsingka:** In view of the government amendment, I do not move my amendments Nos. 4, 6, 109 and 110.

**Shri N. Dandekar:** I have four amendments Nos. 59, 60, 61 and 62. Of these, I am not moving amendments Nos. 60 and 62 in view of the Finance Minister's amendment No. 89. But I am moving amendments Nos. 59 and 61.

**Shri Sachindra Chaudhuri:** I beg to move:\*

Page 6, after line 36, insert—

'Provided that in a case where this section applies by reason only that under the terms of the trust or the rules governing the institution any part of such income enures directly or indirectly or that any part of the income or any property of the trust or institution is, during the previous year, used or applied directly or indirectly for the benefit of any relative or relatives of such author, founder, person or member, and the amount of income so enuring or used or applied for the benefit of such relative or relatives, together with the value of the benefit derived by him or them from the user or applica-

tion of such property, if any, during the previous year, does not exceed a sum calculated at the rate of twenty-five per cent. of the income of the trust or institution of the previous year, the provisions of this section shall have effect only in respect of that part of the income of the trust or institution which does not exceed the amount so enuring or used or applied together with the value of the benefit aforesaid.'. (89).

**Shri N. Dandekar:** I beg to move.\*

(i) Page 6, line 26,—

after "year" insert "knowingly and wilfully". (59).

(ii) Page 6, line 33,—

after "year" insert "knowingly and wilfully". (61).

**Shri N. Dandekar:** I want to speak on my amendments Nos. 59 and 61 and also to seek a clarification on the Finance Minister's amendment No. 89. I would like to take up that one first. The amendment, as I understand it and as explained in the memorandum accompanying the Finance Minister's amendment, desires really to improve this clause very considerably in the sense that if the kind of application of money or use of property that is to be hit is 25 per cent or less, it is only that much of the income of the trust which would not be eligible for exemption, and the rest, now eligible for exemption, will continue to receive exemption. My difficulty is somewhere in the middle of the proviso which the Finance Minister has proposed. I will take the liberty of reading it:

" . . . and the amount of income so enuring or used or applied for the benefit of such relative or relatives"

\*Moved with the recommendation of the President.

So far it is all right. But it goes on to say:

"together with the value of the benefit derived by him or them from the user or application of such property".

When I started trying to work this out, I had the feeling that the same thing will be counted twice over. For instance, let me take the simplest case. I happen to be a trustee of an educational trust. If I apply either inadvertently or wilfully Rs. 500 per annum by way of scholarship to some person who ultimately turns out to be a relative of one of the founders of the trust, I can understand that the Rs. 500 will be regarded as ineligible for this particular relief from tax. But it says, "together with the value of the benefit derived by him". But the value of the benefit in terms of the scholarship that I might give to a young man could be thousands of rupees per annum, depending upon what kind of life he has thereafter. Suppose I give a scholarship of Rs. 3,000 to a young engineering student and he turns out ultimately to be some kind of a distant relative of the founder of the trust. What is the benefit that that recipient has derived from the scholarship of Rs. 3,000? Maybe, in due course, this young man will earn Rs. 20,000 a year or any other sum. As far as I can see, under this clause and now sought to be amended, the tax authorities would be entitled to disallow tax exemption to the trust not only in respect of whatever scholarship has been given to the young man, but also adding to it the estimated value of the benefit derived by him from such application. I do not think that was intended, but that is the way it seems to work out. If the Finance Minister would clear my mind of that, that is all I have got to say by way of comment on his amendment No. 89.

I come now to my amendments Nos. 59 and 61, which I am moving. The point of those amendments is

this. There are innumerable charitable trusts, perfectly genuine ones, educational trusts, trusts connected with health and so on existing all over India. Some of those trusts may be 50 years old. I do not know at all how on earth any of the trustees who are now administering those trusts can be expected to know whether someone who benefits from a charitable hospital or someone to whom some scholarship is given is in any way directly or indirectly related to the founder or to the principal donor or to the principal subscriber or to the Hindu family to which they may have belonged or to the members of that family or their relatives? It is impossible. I just would not know. Naturally I would make some enquiries, because one does not desire that these trusts should lose the tax benefit. But it is quite impossible in practice. There are hospitals in Bombay run by charitable trusts founded 50 years ago and more. Are the trustees of these institutions to enquire of every patient who comes whether he is genealogically descendant in one way or other from the founder, the author or the principal subscriber, etc. of the trusts and so on? To obviate this difficulty, I have suggested the insertion of the words "knowingly and wilfully" after the word "year" in lines 26 and 33. I am quite content with that. I agree that the benefit of tax exemption should be denied in other cases, because the whole object of the exercise in this particular clause is that neither the donor, nor the founder, nor the principal subscriber, nor their relations, nor their family members should derive this benefit, because that would be cheating the revenue. So, my insertion of this amendment is merely from this angle, that the trustees administering should not knowingly and willingly give benefits to the relatives of the founders or donors, as the case may be. If that is accepted, then I am perfectly content.

As amended, it is a very good clause. It will prevent possible fraud

[Shri Dandeker]

that may even now be occurring, but without these words it is impossible to administer it, because the tax authorities these days are taking a curious line; they are asking the assessee to prove the negative. How am I to prove the negative, that the students whom I have assisted were not related to the founder? I do not know how to prove the negative, for instance, that out of the thousands of recipients of the benefits of a charitable TB hospital in Bombay even one is not related to the founder or the principal donor? How could I prove the negative? Nevertheless, on this clause as it stands the tax authorities shall require the trustees to prove the negative. Otherwise, they will say "it is not proved that none of the beneficiaries was related; therefore, we disallow exemption from tax on an estimated 10 per cent of the income." This kind of thing could very well happen. I hope the Finance Minister will appreciate my difficulty, the difficulty which I seek to remove by the addition of the words "knowingly and wilfully".

Shri Morarka (Jhunjhunu): Mr. Deputy-Speaker, I would like to seek only one clarification, which is of a very small nature. The amendment of the hon. Finance Minister seeks to amend section 13 of the Income-tax Act, clause (b), sub-clause (ii) by adding a proviso. In this proviso the words used are "such relative or relatives" whereas in the main sub-clause (ii), to which this proviso is added, the word used is only "relative". The point is that the word "relative" which is used in singular in a statute, according to the interpretation of the General Clauses Act, includes the plural also. Since in the main sub-clause (ii) the term used is "relative", if in the proviso the term "relative or relatives" is used, it will unnecessarily cause confusion. Therefore, unless the hon. Finance Minister has something deliberate in his mind for using different expressions here I think he may use

the same phraseology which is used in sub-clause (ii), to which this proviso is being added.

Mr. Deputy-Speaker: The Finance Minister.

Shri M. R. Masani: Sir, I would like to have two minutes.

Mr. Deputy-Speaker: Two members from the same party?

Shri M. R. Masani: I want to oppose this clause. Further, it is not a Party matter.

I want to point out that while Shri Dandeker's amendment would certainly take away some of the hardships of this clause, I do not see any real need for this clause. The present section of the Income-tax Act already has a provision that if under the terms of the Trust or the rules governing a charitable institution any part of the income is used directly or indirectly for the benefit of the members or founder of the institution, or any relation of such author or founder, or for the benefit of a member of a joint family or the relation of such a member when the trust is created by a joint family, the exemption from tax should be denied. That is already there. Now what we are dealing with here is a trust which is well-founded and functioning properly and there is no chance of even one per cent of its benefits going to any relation of any of the members. But it may happen that a very poor relative, a distant poor relative, of some man who founded the trust, may be 100 years ago or 50 years ago, who now having come down in life, needs a scholarship or needs hospitalisation. It may be that his grandfather was distantly related to the man who made the trust. But this poor man or woman today is essentially deserving all the facilities of a charitable hospital or a scholarship to go to a school or college. Now, what is the crime in being related to somebody who founded the trust? Why this discrimination based on birth? Why

this guilt by association? There is an old proverb that "charity begins at home". This clause is the exact reverse of that. I agree with the hon. Finance Minister that charity should not begin at home since the Income-tax Act today provides that if you are thinking of benefitting or providing your relations, you are out. I am now talking of something else, charity coming back home, charity being allowed to come home as a special case, in an odd case, where somebody in the family, distantly related, deserves it. If entirely on merits a poor man or woman or child needs assistance, why should the fact that he is distantly related to somebody else who founded the trust 50 or 100 years ago, whom he never met, with whom he had nothing to do, whose good fortune he never shared, be allowed to come in the way and why should he be branded as not eligible for this benefit? Why this guilt by association? Why should the trust be mulcted and punished for giving assistance to such deserving people? There is something very wrong with this situation that the odd poor relation of the founder, however distantly and remotely connected in time or space, should be penalised by being denied the facilities which he might deserve.

**Shri Sachindra Chaudhuri:** So far as this particular clause is concerned, I am afraid, I cannot accept the amendments posted by Shri Dandeker? and I will give the explanation for it. It was never the intention of this enactment, nor my intention, that we should think in terms of the ultimate benefit accruing to a person. Suppose a bright young man gets a scholarship of Rs. 500 and that Rs. 500 enables him to get education which ultimately enables him to get Rs. 10,000 in one of the very big corporations the head of which Shri Dandeker is, I certainly would not say that that is the benefit which he has received.

**Shri M. R. Masani:** That is the law.

**Shri Sachindra Chaudhuri:** I do not think that is the law. Benefit means immediate benefit.

**Shri N. Dandeker:** The provision refers to direct or indirect benefit.

**Shri Sachindra Chaudhuri:** Indirect benefit is the benefit which somebody else may give to him. Take the example which Shri Dandeker gave. Supposing I were to establish a trust and in establishing the trust I employ a teacher and that teacher is to get Rs. 500 a month for the purpose of giving lessons to my son. That son of mine is getting the benefit indirectly; he is not getting it directly; and the indirect benefit that he gets is not Rs. 500 but the benefit of education which is spread over a period of time. That is the point. Anyhow I do not accept that amendment.

The other point I do not accept for this reason that this particular clause relates to those charities which have come into existence after the 31st March, 1962. So, it has nothing to do with hundred year old or fifty year old charities. So, if a person who is administering a trust today, three years after that particular date, says that he did not know....

**Shri M. R. Masani:** Would the Finance Minister kindly guide us as to where it is mentioned that it will apply only to those charities which came into being after 1962?

**Shri Sachindra Chaudhuri:** I will give it to you in a minute. Will you be kind enough to look at clause (b) of section 13 of the Income-tax Act?

**Shri M. R. Masani:** I have not got it with me.

**Shri Sachindra Chaudhuri:** I have it before me I hope he will allow me to finish it.

So far as this is concerned, the Income-tax Department will have to establish that the trustee wilfully did it and, after all, so far as willingness

[Shri Sachindra Chaudhuri]

is concerned, it is a matter of psychology. So far as knowledge is concerned, it is again a matter of proof which is not easy for the income-tax officer.....

**Shri N. Dandekar:** How then do we prove the negative, that he is not related to me? I am giving today to the beneficiaries of various trusts certain money; how am I to prove that they are not related to me? The Income-tax officer will ask me to prove that they are not related to me at all.

**Shri Sachindra Chaudhuri:** You can prove it by saying that he is born of Shri So-and-so in such-and-such circumstances. That is the only proof.

**Shri N. Dandekar:** How do I prove the negative? How do I prove that you are not related to me?

**Shri Sachindra Chaudhuri:** By saying that you have got nothing to do with me, that you are not born in my family—the father, grandfather or the great grandfather.....

**Shri N. Dandekar:** It is a more assertion; it is not proof.

**Shri Sachindra Chaudhuri:** Even assertion is proof provided....

**Shri N. Dandekar:** It is not documentary proof.

**Shri Sachindra Chaudhuri:** Documentary proof is not necessary. Oral evidence can be given.

**Shri N. Dandekar:** I do not know how I can prove that he is not related to me.

**Shri Sachindra Chaudhuri:** By showing who was your father, grandfather, mother and so on—nothing more than that—and that the other man did not share the same mother, father or grandfather.

**Dr. L. M. Singhvi (Jodhpur):** What is the difficulty in limiting the operation of this clause to the immediate family at the very best?

A relative is a very large expression and a very vague one.

**Shri Sachindra Chaudhuri:** If he looks to the definition of "relative", he will find that a relative is defined as.....

**Dr. L. M. Singhvi:** There are as many as 65 different kinds of relatives under the law.

**Shri Morarka:** Not under the Income-tax Act.

**Shri Sachindra Chaudhuri:** He is thinking perhaps of the Company Law. The Income-tax Law also has got a definition and it means only brother, sister or a lineal descendant. Anyhow, if that were to be the criterion, the task of the Income-tax Department and of Revenues will be more difficult and the very object of this would be defeated. In recognition of what was said 25 per cent has been put in there. Suppose, there is a charity which produces Rs. 1 lakh, then Rs. 25,000 can go to the relatives in obedience to the natural tendency that a person has that, after all, he would like charity to begin at home and not to end there. Therefore, both these things are taken into account.

**Shri N. Dandekar:** Here is the definition of "relative":—

"for the purposes of section 13 "relative" also includes a lineal descendant of a brother or sister."

In other words, it can be really infinity.

**Dr. L. M. Singhvi:** If that is so what I said is correct.

**Shri Morarka:** The word "relative" has already been there. This time the Finance Minister is only giving a concession. If the Income-tax officer wanted proof from Shri Dandekar till now, surely, he has

already been facing these difficulties. Why is he raising this objection now? Now the Finance Minister is only giving a concession that even if the income of a trust to the extent of 25 per cent is utilised directly or indirectly by a relative or by the founder or the author of that trust for their own benefit, the entire income of the trust would not forfeit the advantage of exemption. That is a new scheme. What can be the objection? The word "relative" has already been there for the last so many years. Why is this new difficulty being raised now?

**Shri Sachindra Chaudhuri:** Also, may I say that I do not agree with Shri Dandekar? The definition of "relative" is to be found in section 2, clause (41) which says:—

"'relative', in relation to an individual, means the husband, wife, brother or sister or any lineal ascendant or descendant of that individual."

**Shri N. Dandekar:** Would you read Explanation 1 to section 13, because that is the one that is being amended? I know, it is utterly confusing. Explanation 1 is:—

"For the purposes of sections 11, 12 and 13 "trust" includes any other legal obligation and for the purposes of section 13 "relative" also includes a lineal descendant of a brother or sister."

**Shri Sachindra Chaudhuri:** Even then, this has been there before and I do not think that I can extend the exemption to any more than what I have done. I am afraid, I cannot descendant of a brother or sister."

So far as Shri Morarka is concerned, he is perfectly right. The word "relative" has been used in the first part and the words 'relative or relatives' have been used in the amendment. I slipped up there. I should have said either "relative" or "relative or relatives" at both places.

Therefor, I think, it will be possible to strike out the words "or relatives".

**Shri M. R. Masani:** The Finance Minister was going to enlighten us about the limitation of trusts to trusts established after 1962.

**Shri Sachindra Chaudhuri:** Kindly look at section 13. Section 13 says—actually, from that point of view I looked at it—

"Nothing contained in section 11 shall operate so as to exclude from the total income of the previous year of the person in receipt thereof—

(a) any part of the income from the property held under a trust for private religious purposes.....

(b) in the case of a trust for charitable purposes or a charitable institution created or established after the commencement of this Act,"

which was 1st April, 1962.

**Shri M. R. Masani:** Do I understand that the whole operation of clause 5 will only apply to trusts established after 1962 and other trusts will be out of the purview of this?

**Shri Sachindra Chaudhuri:** Others are not affected.

**Mr. Deputy-Speaker:** I will now put amendments Nos. 59 and 61 to the vote of the House.

*Amendments Nos. 59 and 61 were put and negatived.*

**Mr. Deputy-Speaker:** I will now put Government amendment No. 89 to the vote of the House.

**Shri Morarka:** As amended by the suggestion here. There is an oral amendment that the words "or relatives" be deleted.

**Mr. Deputy-Speaker:** Are you accepting it?

**Shri Sachindra Chaudhuri:** What was pointed out by Shri Morarka was.

[Shri Sachindra Chaudhuri]

that in the main clause the word is "relative" and in the amendment it is "relative or relatives". He says that it might create confusion and that under the General Clauses Act the singular includes the plural; therefore, "relative" would be sufficient to cover "relatives". So, strike out the words "or relatives".

**Mr. Deputy-Speaker:** I will now put Government amendment No. 89, as modified, to the vote of the House. The question is:

Page 6, after line 36, insert—

'Provided that in a case where this section applies by reason only that under the terms of the trust or the rules governing the institution any part of such income enures directly or indirectly or that any part of the income or any property of the trust or institution is, during the previous year, used or applied directly or indirectly, for the benefit of any relative of such author, founder, person or member, and the amount of income so enuring or used or applied for the benefit of such relative, together with the value of the benefit derived by him from the user or application of such property, if any, during the previous year, does not exceed a sum calculated at the rate of twenty-five per cent. of the income of the trust or institution of the previous year, the provisions of this section shall have effect only in respect of that part of the income of the trust or institution which does not exceed the amount so enuring or used or applied together with the value of the benefit aforesaid.' (89).

The motion was adopted.

**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—** (Amendment of section 32).

**Shri Sachindra Chaudhuri:** Sir, I beg to move\*—

Page 7, for line 2, substitute—

"first put to use by the assessee for the purposes of his business or profession;" (90).

**Shri N. Dandekar:** Sir, I beg to move\*—

(i) Page 6, lines 40 and 41.—

for "machinery or plant"

substitute "building, machinery, plant or furniture, or of any additions thereto" (8).

(ii) Page 6, line 41.—

for "seven hundred and fifty" substitute "one thousand and Five hundred" (10).

There are only two short points in my amendments. One is that since the depreciation clauses apply not merely to machinery and plant but to building, machinery, plant or furniture or any additions thereto, I am suggesting that this excellent proposal that is contained in clause 6 should extend to buildings, machinery, plant or furniture or any additions thereto.

Secondly, the object of this provision is an excellent one, that the Department as well as the assessee ought not to be wasting time on calculating complicated depreciation provisions for small-value items. I

\*Moved with the recommendations of the President.



suggest that small value in modern times ought to mean something more than Rs. 750. I, therefore, in amendment No. 10 suggest the substitution of the words "one thousand and five hundred" instead of "seven hundred and fifty".

**Shri Sachindra Chaudhuri:** I do not accept them. There is really no merit or virtue in them. There is a difference between Rs. 750 and Rs. 1,500. As Shri Dandekar himself pointed out, the idea is to give relief to small depreciations and also to avoid administrative difficulties. I think, to avoid administrative difficulties, to give up tax on the extra Rs. 750 is not justified.

**Mr. Deputy-Speaker:** I shall now put amendments Nos. 8 and 10 to the vote of the House.

*Amendments Nos. 8 and 10 were put and negatived.*

**Mr. Deputy-Speaker:** I shall now put Government amendment No. 90 to the vote of the House. The question is:

Page 7, for line 2, substitute—

"first put to use by the assessee for the purposes of his business or profession;" (90)

*The motion was adopted.*

**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.*

**Mr. Deputy-Speaker:** There are no amendments to clauses 7 and 8.

The question is:

"That clauses 7 and 8 stand part of the Bill".

*The motion was adopted.*

*Clauses 7 and 8 were added to the Bill.*

**Clause 9—**(Amendment of section 34).

**Shri Sachindra Chaudhuri:** I beg to move\*.

(i) Page 8, for lines 33 to 35, substitute—

"9. In section 34 of the Income-tax Act, in clause (a) of sub-section (3)—

(i) after the proviso, the following proviso shall be inserted, namely:—". (91).

(ii) Page 8, after line 39, insert—

"(ii) the following Explanation shall be, and shall be deemed always to have been, inserted, namely:—

"Explanation.—For the removal of doubts, it is hereby declared that the deduction referred to in section 33 shall not be denied by reason only that the amount debited to the profit and loss account of the relevant previous year and credited to the reserve account aforesaid exceeds the amount of the profit of such previous year (as arrived at without making the debit aforesaid) in accordance with the profit and loss account." (92)

**Shri N. Dandekar:** I move\*:

"Page 8, after line 39,—

insert '(2) after the proviso as inserted by sub-section (1) of this section, the following explanation shall be and shall be deemed always to have been inserted, namely:—

"Explanation.—In this sub-section the expression "profit and loss account" includes "profit and loss appropriation account." (64).

\*Moved with the recommendation of the President.

[Shri N. Dandeker]

Sir, I have two amendments. Nos. 63 and 64. I withdraw amendment No. 63. As regards amendment No. 64, I have a feeling that it is really covered by the Finance Minister's amendment. But I just wanted to be quite clear. There were two controversies about this allowance of development rebate. One was whether it was prejudiced by the fact that the profit of a particular year was not adequate to cover the development rebate reserve, and whether, therefore, it was proper if a balance from the previous year's profit and loss account or if a certain withdrawal from reserves would be used for the purpose and whether that would be adequate. That controversy certainly is set at rest by the Finance Minister's amendment.

The one that is not very clear is this. There is also an argument which I have not understood. I know of many cases which have gone to courts of law about the 'above the line' and 'below the line' of profit and loss account. I have myself been an accountant for years; I have also seen the Companies Act. And it is admitted that the Companies Act makes no distinction between 'above the line' and 'below the line' in the profit and loss account. But I know the Income-tax Department is making this distinction between above the line and below the line even in those cases where the amount of development reserve is less than or equal to the profit of the year without having to draw upon earlier year's profit or reserves. I know of such cases; and in view of the Department's attitude I could only advise them to go to the High Court. I doubt whether this business of making a distinction between 'above the line' and 'below the line' is cleared by the amendment of the Finance Minister. It is admitted in the Finance Minister's Explanatory Memorandum that provisions in Part II of Schedule to the Companies Act, 1956, in regard to the requirement as to profit and loss account, do not make any distinction between 'above the line' and 'below

the line.' in fact, however, the Department has not so regarded the matter. I do not know what is implied by it. But if this is still in doubt, I would certainly feel compelled to move my amendment No. 64 which is to the effect that the expression "profit and loss account" includes "profit and loss appropriation account.". I move this amendment merely for this reason, that in fact, the Department has been objecting to allowing development rebate on the ground that the debit for development rebate reserve must be to that part of the profit and loss account which is 'above the line' and not to that part of the profit and loss account which is below the line aegardless of whether the debit for this reserve is or is not equal to or less than the profit of the year and quite apart from the other argument as to whether any part of the profit of the previous year or earlier reserves had been drawn upon. If the Finance Minister agrees that there is still a doubt because the Department has a doubt, and because they have ruled adversely even in cases where the question of a balance or reserve from previous years was not an issue, that is whether the debit for reserve was less than the year's profit, but have disallowed development rebate on the simple ground that the debit appeared 'below the line' part of the profit and loss account, then I must press the amendment. Alternatively, I would request the Finance Minister to clarify that this view is no longer held.

**Shri Morarka:** I welcome the amendment moved by the hon. Finance Minister. The basic principle behind development rebate is that it is an incentive for the industries to acquire new assets and since assets cost a very high price, the Government gives them not only the normal depreciation allowance but a special allowance also to encourage them to purchase those assets and to meet part of the expenditure incurred on the assets out of the profits they make.

In the beginning, as you remember, the development rebate was not there but there was an initial depreciation allowance. That was abolished and then the development rebate came in. Since the tendency was that the companies frittered away this amount development rebate by way of payment of dividend, etc. and the Government wanted to stop that. Therefore, they laid down that the development rebate would be allowed only if you debit 75 per cent of that allowance in the profit and loss account. In other words, 75 per cent of that amount could not be available for the payment of dividend. Even at that time, it was not the intention of the Government to deny the development rebate in case there was no profit for the company in that particular year; there may be profit in the subsequent year. So, on the principle of carry-forward as applied to the depreciation, which is allowed everywhere, the Government wanted to apply the same principle to the development rebate. Since there was confusion and different courts held different views on this point, this clarification was very necessary. I think the entire industrial community would be grateful to the Finance Minister for making this position clear so that no company, no industry, would be denied in future the benefit of the development rebate merely because there are inadequate profits or merely because that debit is made in the profit and loss account, below the line and not above the line.

I think it is a good thing that the Finance Minister has done and he has done well in moving this amendment which would remove the doubt for ever.

**Shri Sachindra Chaudhuri:** I am glad both Mr. Masani and Mr. Morarka have accepted this amendment as such. So far as the doubt of Mr. Dandekar is concerned, I would say that I have not purposely put in this kind of an amendment. I share Mr. Dandekar's view that in accounting you do not have anything below the

line or above the line nor is there provision of that description in the Companies Act. If I were to put in here, it would create confusion in the Companies Act which I can leave as it is. After all, Mr. Dandekar is perfectly right. That is not a point which any officer of the Government can possibly take up against any of the people who might appear before him. If necessary, we should do it by making a clarification on this particular point.

**Shri N. Dandekar:** In that case, Sir, I withdraw my amendment No. 64.

*Amendment No. 64, was, by leave, withdrawn.*

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

(i) Page 8, for lines 33 to 35, substitute—

"9. In section 34 of the Income-tax Act, in clause (a) of sub-section (3)—

(i) after the proviso, the following proviso shall be inserted, namely:—". (91).

(ii) Page 8, after line 39, insert—

'(ii) the following Explanation shall be, and shall be deemed always to have been, inserted, namely:—

"Explanation.—For the removal of doubts, it is hereby declared that the deduction referred to in section 33 shall not be denied by reason only that the amount debited to the profit and loss account of the relevant previous year and credited to the reserve account aforesaid exceeds the amount of the profit of such previous year (as arrived at without making the debit aforesaid) in accordance with the profit and loss account."'. (92).

*The motion was adopted.*

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

"That clause 9, as amended, stand part of the Bill"

*The motion was adopted.*

*Clause 9, as amended, was added to the Bill.*

**Clause 10—**(Insertion of new section 35A)

**Shri N. Dandekar:** I move:

"Page 9, line 5,—

after "copyrights"

insert "or technical know-how, or layout drawings, or designs and drawings for plant, machinery and equipment, or manufacturing drawings, designs, processes or rights, and the like". (12)

**Shri P. C. Borooah:** I move:

"Page 9, line 5,—

after "copyrights" insert—

"or Lease-hold right or Mining rights". (11)

The new section seeks to provide that any capital expenditure incurred by an assessee after the 28th February, 1966, on the acquisition of patent rights or copyrights used for the purpose of the business will be allowed a deduction over a period of 14 years. My suggestion is that this concession may be extended to the expenditure incurred on the acquisition of, so to say, lease-hold rights and mining rights. This is a simple thing which, I think the hon. Minister will consider it.

**Shri N. Dandekar:** As I understand, this excellent proposal in clause 10 which introduces a new section 35A in the Act is to take cognizance of the facts that present-day developments in this country involve considerable acquisitions of patent rights and copyrights and the like; and quite pro-

perly—I congratulate the the Finance Minister on this—this clause faces realities and permits the amortisations of these rights which are increasing in number and which should be amortised in course of time.

My amendment seeks to take the thing a little further in precisely the same direction and for the same reason. What is also being acquired these days, by existing concerns engaged in new developments or by new companies and so on, over the entire gamut of industry today, is not merely patent rights and copyrights but also the things that I have mentioned in my amendment, namely, technical know-how, lay-out drawings, plant designs and manufacturing designs, drawings and so on. I am only seeking what this clause already seeks to do in respect of copyrights and patents, namely, that any expenditure of a capital nature of the type described in my amendment incurred after such and such a date should also be amortised for taxation purposes. In other words, these items are already admissible in particular circumstances as revenue expenditure; that is very good. But there are occasions when endless arguments go on about it,—and it is a tiresome business; payment for technical know-how is under certain circumstances treated as revenue expenditure, and otherwise it is treated as capital expenditure. And this sort of thing goes on and on even though all the items that are written here in my amendment and the purposes for which these things are, so to speak, acquired by the companies concerned, are well known.

Secondly, in so far as they are acquired from outside, none of them can be acquired or paid for without the sanction of the Government as to the agreement, as to the terms, as to the necessity for it and so on.

\*Moved with the recommendation of the President.

Thirdly, in so far as they are agreed as revenue expenditure, they are being allowed, but there is always a whole lot of quite unnecessary argument about the nature of such expenditure, because naturally these boys are wanting to push it out as revenue by calling it as capital industry. There is hardly any difference between the kind of expenditure I have just referred to in my amendment and the two major ones—patent rights and copy rights—and I suggest that the same principle of amortisation be applied whenever they are treated as capital expenditure.

**Shri Sachindra Chaudhuri:** So far as Mr. Borooah's amendment is concerned, it goes against the principle of all taxation. I cannot possibly say that there should be amortisation allowed for capital assets.

So far as Mr. Dandeker's amendment is concerned, so far as the position of knowhow is concerned, there is no definite period or description or definition of knowhow. When you have a patent right or a copy right, there is a period given to it and, therefore, you have some distinct legal and practical definition about it. With regard to knowhow, you do not have this. Therefore, I am afraid I cannot include knowhow. So far as drawings and designs are concerned, they would normally qualify having regard to the fact that without drawings—if I am buying machinery and so on—the machinery will be useless. So that is taken as the cost of the machinery.

**Mr. Deputy-Speaker:** I now put Mr. Dandeker's amendment to vote.

*The Amendment No. 12 was put and negatived.*

*Amendment No. 11 was, by leave, withdrawn.*

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

"Clause 10 stand part of the Bill".

*The motion was adopted.*

*Clause 10 was added to the Bill.*

*Clauses 11 to 14 were also added to the Bill.*

**Clause 15—(Amendment of Chapter VIA).**

**Shri Sachindra Chaudhuri:** I beg to move:\*

(i) Page 11, for line 11, substitute—

(b) in section 80A, in sub-section (2)—

(i) in sub-clause (ii) of (93)

(ii) Page 11, after line 16, insert—

(ii) after clause (b), the following Explanation shall be inserted, namely:—

*"Explanation.—For the purposes of sub-clause (i) of clause (a) and of clause (b) of this sub-section, an insurance on the life of any person referred to therein shall include—*

(i) a policy of insurance on the life of such person securing the payment of a specified sum on the stipulated date of maturity of the policy, if such person is alive on such date, notwithstanding that the policy of insurance provides only for the return of premiums paid (with or without any interest thereon) in the event of such person dying before the said stipulated date;

(ii) a policy of insurance effected by a person for the benefit of a minor (being the assessee, or a male member of a Hindu undivided family where such family is the assessee)

\*Moved with the recommendation of the President.

[Shri Sachindra Chaudhuri]

with the object of enabling the minor, after he has attained majority, to secure an insurance on his own life by adopting the policy and on his being alive on a date (after such adoption) specified in the policy in his behalf;"'. (94).

**Shri Himatsingka:** I beg to move:\*

Page 11, line 28,—

for "eight per cent." substitute "ten per cent" (15).

**Shri Shree Narayan Das** (Darbhanga): I beg to move:\*

Page 11, line 15,—

after "shall be" insert—

"and shall be deemed always to have been" . (13).

**Shri Himatsingka:** As you know there has been a 10 per cent increase on all the companies. This particular clause that I am referring to relates to deduction in respect of profits and gains from specified industries in the case of certain companies. These companies were being taxed at the rate of 45% whereas the other companies were being taxed at the rate of 50%. There has been an all round increase of 10%. These companies would now be liable to tax at 50.6% instead of 49.5%. The provision that has been made in 80E says:

".....there shall be allowed a deduction from such profits and gains of an amount equal to eight per cent thereof in computing the total income of the company."

The result will be that the company will be liable to tax on the basis of 92% at the rate of 55%. It will work out to 50.6%; whereas it was enjoying a difference of 5%, it will not be getting that benefit now. Therefore, I suggest that instead of 8%, it should be raised to 10%, so that the kind of

companies which are engaged in the business of generation or distribution of electricity or any other form of power or of construction, manufacture or production of any one or more of the articles may get the benefit which they were getting and the difference may be kept on the same basis.

**Shri Shree Narayan Das:** I have a small amendment. The Finance minister has proposed an amendment to the Income-tax Act, Section 88. The Life Insurance Corporation issues insurance policies for deferred annuity on the life of the assessee and these policies contain a provision for the exercise by the insured of a cash option in lieu of annuity. The Life Insurance Corporation of India, while canvassing for such policies, have been giving the assurance that the rebate of tax will be available on this kind of policies also. Now the Government has accepted the suggestion of the Life Insurance Corporation and they are going to provide it for such policies. My simple amendment is this. The provision accepted by the hon. Minister by this amendment should be given retrospective effect. My simple amendment is that, on page 11, line 15, after "shall be" the words "and shall be deemed always to have been" be inserted. This will give retrospective effect to the amendment proposed by the hon. Minister. I hope this will be accepted.

**Shri N. Dandekar:** I would not like to repeat the points mentioned by Mr. Himatsingka. I would just like to say this, that the Fifth Schedule industries are vital industries in the country. I am glad that the various industries that were scattered in different Schedules are being brought together now in the Fifth Schedule. It should really be the main feature of the taxation of these essential industries,—where one has a good deal of foreign collaboration and foreign investment, and a good deal of Indian

\*Moved with the recommendation of the President.

investment and so on,—that there is stability of taxation rates over a period of years, whatever else one might do as regards normal basic rate of taxation. In other words, I would really like going further and suggesting that the deduction from income from the Fifth Schedule industries should be somewhere around 18 per cent., so that you would get a residual income which, when taxed at the higher rate, would suffer the same effective rate of taxation as the rate to which they were subjected for the assessment year 1965-66. Having regard to that all that this particular amendment seeks to do, is to give relief at ten per cent by way of deduction from the total income of such company, that is to say ten per cent of the income derived from these particular industries so that you may not get the opposite effect to that intended. While the general rate of taxation is going to be put up by ten per cent, in this particular case the effective increase in the rate will be higher. In fact the effective rate of taxation in this case goes up, if the amendment is not accepted from 45 per cent to 50.6 per cent, which is an increase of more than ten per cent. Unless therefore the income itself is diminished by 10 per cent as we have suggested in the amendment, you would not get a parity of treatment with the other increases in the rates of tax. Therefore, Sir, I would urge upon the Finance Minister that while in my judgment there is case for stabilising the rates of taxation on these particular types of industry, at any rate they ought not to be subjected to higher rates of net effective taxation than income from other industries.

**Shri Morarka:** Mr. Deputy-Speaker, Sir, the point raised by the hon. Member Shri Himatsingka should be considered together with the provisions in the first schedule. The total tax liability on different companies should be examined and then decided whether the tax burden on these companies which he has in mind has increased or has decreased or has in-

creased proportionately more or less. **I would therefore reserve those comments till we come to the first schedule** because actual rates of the corporation tax are dealt with in schedule I. The other point which is covered by the amendment of the hon. Finance Minister is that, now the payment of a premium not only for the policy which is on the life of an assessee, but even the policy which is purely endowment policy would be permissible. Sir, I would like to know whether this is a deliberate thing or whether it is an intended benefit that the hon. Finance Minister wants to give to the assesses. Because, the consequences would then be like this, that if a person has an income—say, for argument's sake—Rs. 50,000 a year, then, 25 per cent of Rs. 50,000 or Rs. 12,500 whichever is less—in this particular case it happens to be the same—is being paid by way of premium on an endowment policy which may mature after 4 years. That means at the end of the fourth year if he continues paying Rs. 12,500 every year, then at the end of the 4th year he would receive from the insurance company Rs. 50,000. This would be tax-free. So, Sir, while there was a justification for giving this benefit on the policy of the life of the assessee to provide against some contingency and all that, I do not see any great merit in giving this benefit also for the endowment policy. Because, if the intention of this amendment is only to give incentive to the people to increase the business of the L.I.C. I have nothing to say against it. It is good. But in that case it should be given in a straightforward manner. In the past there was no Life Insurance Corporation. Many private insurance companies were doing the business. Payments of premiums on such endowment policies were disallowed and the Government have held that such deductions are not permissible. Now, Sir, when this benefit is being given, I would like to know from the hon. Finance Minister whether it is his intention that one can save a sum of

[Shri Morarka]

Rs. 50,000 at the end of the fourth year by contributing Rs. 12,500 every year out of his income and he can get this Rs. 50,000 completely tax-free at the end of the fourth year. Similarly, Sir, the change which is sought to be made by the Finance Minister is that premia paid to effect a contract for deferred annuity will be allowed reduction even if the insured exercises an option to receive a cash payment in lieu of the payment of annuity. It does not require much elaboration because the same principle is followed there. I would like, therefore, the hon. Finance Minister to explain what is the rationale behind this. I agree, it is a benevolent action on the part of the Finance Minister. But then it should be well distributed between all the persons, at different brackets of incomes. Why should this be intended to a particular class? Why would benefit more? I hope, Sir, the hon. Finance Minister would please clarify this point.

**Shri Sachindra Chaudhuri:** So far as insurance is concerned, I do not accept the amendment proposing to give the relief retrospectively, because that relief is given prospectively and not retrospectively. Secondly, the position is this that this class of policies are not many in number and they are usually taken where you find that the ordinary life insurance policy is not available. It is to benefit that class of people that it is being done. (Interruption). It has been pointed out by various people that people probably not so young will lose the benefit of this tax relief and in consequence this is being done. Of course, Mr. Morarka has put forward a point which we have considered. The only trouble is this. 25 per cent is not allowed to be contributed tax-free; it is only ten per cent of the capital sum assured and not more than that. If he has contributed for 10 years for the purpose of getting an annuity I don't know whether there is difference between that and that of a person who takes out a life insur-

ance policy. It is not intended to extend this benefit to a case where a person takes up an annuity policy and then have it taken out for three years and he converts it into a lumpsum payment. It is not the intention that the benefit should be given. I am afraid I cannot accept the amendment proposed and I do not quite understand what Mr. Morarka's suggestion is—whether I should withdraw the amendment or what. I do not want to withdraw it. I want to give benefit to some people.

**Shri Morarka:** My point was not to withdraw the amendment. I only wanted to know why a person whose income is Rs. 50,000 should get a maximum benefit. If the hon. Finance Minister wants to give the benefit let the benefit be given at all levels.

**Shri Sachindra Chaudhuri:** I do not know what he means by 'all'. He is taking the figure of 50,000. I am taking a man like myself who cannot have more than 5,000.

**Shri Morarka:** That is the maximum benefit you give—12,500 or 25 per cent whichever is less. That is the maximum.

**Shri Sachindra Chaudhuri:** I am not taking that. That is the maximum upto which there could be a benefit. Beyond that there will not be that benefit, but that is the maximum ceiling limit, and not the floor limit. So far as the other one is concerned, I am afraid I cannot accept it. I have examined this matter seriously and looking at it seriously I have come to the conclusion that eight per cent will really keep the benefit. Although I agree that there has been a rise in taxation, that is in keeping with certain rise in taxation elsewhere. I have gone through that figure carefully. 8 per cent may be less than what it was before. I can not take it beyond the 8 per cent.

**Mr. Deputy-Speaker:** I shall now put the amendments to vote.



**Shri Himatsingka:** I beg leave of the House to withdraw my amendment—No. 15.

*Amendment No. 15 was, by leave, withdrawn.*

**Mr. Deputy-Speaker:** I shall put amendment No. 13.

*Amendment No. 13 was put and negatived.*

**Mr. Deputy-Speaker :** I shall now put Amendments No. 93 and No. 94 to the vote of the House

The question is:

(i) Page 11, for line 11, substitute—

“(b) in section 80 A, in sub-section (2)—

(i) in sub-clause (ii) of. (93)

(ii) Page 11, after line 16, insert—

“(ii) after clause (b), the following Explanation shall be inserted, namely:—

“Explanation.—For the purpose of sub-clause (i) of clause (a) and of clause (b) of this subsection, an insurance on the life of any person referred to therein shall include—

(i) a policy of insurance on the life of such person securing the payment of a specified sum on the stipulated date of maturity of the policy, if such person is alive on such date, notwithstanding that the policy of insurance provides only for the return of premiums paid (with or without any interest thereon) in the event of such person dying before the said stipulated date;

(ii) a policy of insurance affected by a person for the benefit of a minor (being the assessee, or a male member of a Hindu undivided family

where such family is the assessee) with the object of enabling the minor, after he has attained majority, to secure an insurance on his own life by adopting the policy and on his being alive on a date (after such adoption) specified in the policy in this behalf.”. (94)

*The motion was adopted.*

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

“That Clause 15, as amended, stand part of the Bill”.

*The motion was adopted.*

*Clause 15, as amended, was added to the Bill.*

15 hrs.

*Clause 16—(Amendment of section 85A).*

**Shri N. Dandekar:** I beg to move:\*

(i) Page 12 after line 4, insert

“(1) for the words “twenty five per cent.”, the words “fifteen per cent.”, shall be substituted”. (65)

(ii) Page 12, line 5, before “(a)” insert “(23)”. (66)

Amendment No. 66 is purely formal one. But amendment No. 65 is of importance. What I am seeking to do by this amendment is to insert a sub-clause (1) having the effect of reducing the rate of tax on dividends received by companies to 15 per cent. Today, it is a curious distinction that we find in the matter of tax payable on dividend income by companies. I shall refer to the provision in the Income-tax Act; I hope I have got the right one, because, as I have said, it just goes on and on being amended, and I am not sure whether I am ever right about it....

\*Moved with the recommendation of the President.

**Dr. L. M. Singhvi:** I have got the latest copy. The hon. Member may have it.

**Shri N. Dandekar:** I am glad to have it. But I find that it is as corrected only up to 1st August, 1963.

**Dr. L. M. Singhvi:** The correction slips have all been pasted in it.

**Shri N. Dandekar:** Section 85A reads thus. I find so many correction slips here that really it is incredible; it is quite incredible; I often do not know where I am and I have to find my way through a morass of amendments.

**Dr. L. M. Singhvi:** Income-tax is a jungle; he has to find his way.

**Shri N. Dandekar:** However, I know the thing and I shall mention the substance of it. The tax payable by certain companies, I think, by domestic companies, on dividend income is 25 per cent and the tax payable by non-domestic companies on dividend income is 15 per cent. Quite briefly, I seek to reduce the tax on inter-corporate dividend to 15 per cent in the first case and leave it exactly at what it is in the second case. Frankly, I think there ought to be no tax on inter-corporate dividends at all, because this system of double taxation which results from taxation of inter-corporate dividend is having the most adverse effect on the growth and proper development of management structures in this country. One kind of growth which is precluded by it is this. When a company grows into a certain size—I can name quite a few companies, but I think it is not proper to do so—from the management point of view, it might be desirable that they should split into autonomous subsidiary companies which would be concerned with autonomous management of the day-to-day affairs of the particular sections of business, so that the main holding company may be concerned with management and decisions on policy, finance, purchase, costing, efficiency and things of that kind. Another kind of growth that is

again inhibited by taxation of incorporate dividends is this: when a company grows in its diversified activities—I know of several such cases,—there arises a point of time at which you need to hive off a particular activity that has been nursed and grown to a particular point, and you may want to invite capital from outside, from the public and so forth into that concern. This inter-corporate dividend taxation, this double taxation of income of companies, is really coming in the way of the proper growth of industrial structures and the proper growth of management systems and management procedures and delegations of management and so forth. Therefore, at any rate, when I found another kind of companies were taxed on dividends at 25 per cent and another kind of companies were taxed on dividends at 15 per cent, I thought that the least that ought to be done was that both ought to be taxed in the same way, that is, at 15 per cent.

**Mr. Deputy-Speaker:** Amendments Nos. 65 and 66 are now before the House.

**Shri Sachindra Chaudhuri:** I am afraid I cannot accept these amendments. I see the force of what Shri Dandekar says. But after all, companies when they proliferate in the way that he has suggested, do so with an object and for that object they pay a certain price and the price is the tax that they pay. In taxation, as Shri Dandekar knows better even than I, there is no logic but only the necessity of circumstances. In this case the necessity is that we should have the tax.

**Mr. Deputy-Speaker:** I shall now put amendments Nos. 65 and 66 to the vote of the House.

*Amendments Nos. 65 and 66 were put and negatived.*

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

“That clause 16 stand part of the Bill”.

*The motion was adopted.*

*Clause 16 was added to the Bill.*

Clause 17—(Insertion of new sections 85B and 85C)

**Shri M. R. Masani:** I beg to move.\*

Page 13, after line 21, insert:

"85D. Where the income of an assessee derived from a profession carried on by him includes income received by him from a company which is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividend within India (hereafter, in this section, referred to as the foreign company), in consideration of professional services rendered or agreed to be rendered to the foreign company, the assessee shall be entitled to a deduction from the income-tax with which he is chargeable on his total income for the assessment year of so much of the amount of income-tax calculated at the average rate of income-tax on the income so included as exceeds the amount of 15 per cent thereof." (16).

**Shri P. C. Borooah:** I beg to move\*

Page 13, after line 21, insert:

"Option for making investment in securities in certain circumstances.

85. Income-tax shall not be payable by an assessee if he is an individual, or Hindu undivided family or an unregistered firm or other associations of persons or body of individuals whether incorporated or not or every artificial juridical person referred to in sub-clause (vii) of clause 31 of section 2 where the total income of such assessee does not exceed Rs. 10,000 during the previous year and the tax determined according to the provisions of this Act is invested by such person in any security of the Central or State Government

if such person has not later than the 30th day of September of the financial year immediately preceding the assessment year by notice in writing to the Income-tax Officer makes a declaration for making such investments." (67)

**Mr. Deputy-Speaker:** The two amendments are now before the House.

**Shri M. R. Masani:** I would like to explain amendment No. 16. There is a growing class of professional men in this country, of various kinds, who have now reached maturity and a state of efficiency in their respective skills, thus making it possible for them to begin having business abroad; either they go abroad for a client or have a foreign client employing them in India for particular services. This kind of professional man may be a solicitor or a chartered accountant or a consulting engineer or a management consultant. And already, business of this kind is accruing. It is of very great importance to this country not only because somebody in India makes income but because in doing so he earns foreign exchange. The fee that is earned is in foreign currency which this country needs very badly.

To give the example of my own little firm, we occasionally do a job for a foreign client, and we earn a fee and that fee is brought into India and converted into rupees. We get the rupees and the Government get the foreign exchange abroad for the use of the nation. But it is an interesting thing that there is no encouragement or incentive of any kind to this kind of what I may call "invisible export."

If tourism is one kind of invisible export, professional services rendered by Indian professionals to foreigners abroad or in India are also an invisible export, because the money

[Shri M. R. Masani]

comes in without anything leaving the country. There are various ways in which there could be an incentive given in such cases. One of the ways is the one which I have suggested in this amendment, namely that the rate of tax, as in the other provisions of clause 17, should be limited, and I have suggested that that limit should be 15 per cent on the average. This is one way in which professional people deriving income from abroad may be given the encouragement that they deserve, and I do hope that this will be considered.

There are other ways also in which encouragement could be given but nothing is being given at present. For instance, when a man exports something, he gets export incentives, tax credits and then he gets import entitlement. None of these benefits is given to a professional firm which brings money into India and which brings foreign exchange into India. Not even the Defence Remittance Scheme is available to them. Under the Defence Remittance Scheme, the only categories which are fostered are gifts or family remittances of capital without repatriation; these are given facilities of this concessional treatment. But what about money that is earned? Is there any reason why the Defence Remittance Scheme should not be made available or applied to the earnings of Indian professional people or firms doing business abroad? This is something which I think the Finance Minister could do by administrative action, because this is not part of the law. I would suggest to him that he accepts this amendment of mine and also in addition consider whether there is any particular reason—I cannot conceive of any—why money that is earned through the development of Indian skills and knowledge and foreign exchange that is made available to the country should not be given the facilities for repatriation that are available in

cases where it is a gift or it is remittance by a member of a family to another. The exporter gets the import entitlement. The class of men who make an invisible export, like what I am talking about, do not get import entitlement. I do think that the extension of the Defence Remittance Scheme should be considered to this category of money that is earned without the expenditure of foreign exchange. I agree that if the expenditure of foreign exchange catches up with the income, then there is nothing much gained by it and it is a purely commercial transaction, but where there is a net acquisition of foreign exchange for this country, there, certainly, I think that the Defence Remittance Scheme should be made applicable by administrative action and also the tax incentive given in line with the other two concessions that the hon. Minister seeks to make in this clause.

**Shri P. C. Borooah:** This is a new clause I want to insert in the taxation laws which possibly will have some far-reaching effects.

The point is this, that the assesses having an income of Rs. 10,000 should be given an option to make an investment in Government securities instead of being taxed. This will raise the morale of the people in the low income group without any substantial loss to Government revenues.

The question today is this, whether the Government should resort more and more to borrowing or taxation. There is no doubt that taxation has reached a level where it has become inflationary in character. The object to Government fiscal and monetary policies should be to achieve development with stability in the value of the rupee. Therefore, I suggest that the Government should resort more and more to borrowing than to taxation.

This clause will firstly not reduce the revenue of the Government.

Secondly it will act as a deterrent to inflationary price rise. Thirdly, it will introduce the much-needed psychological element for saving more and more and investing the same in productive enterprise.

In this connection, may I say that just now quite big areas which are known as backward and hilly areas are being exempted from payment of income-tax. At one time these areas were exempted because they were backward, but today in these areas a lot of money has been spent and they have been developed, and quite a lot of people have become affluent, not to speak of many multi-millionaires who are as good as the multi-millionaires of Calcutta and Bombay. I do not understand why those people should be left out. I therefore suggest that the exemption be done away with. That also will be an additional source of revenue.

**Dr. L. M. Singhvi:** I think Mr. Masani's suggestion is eminently reasonable. It seems that on the one hand we are provoked into inviting skills and expertise from abroad with or without reason, in season and out of season. On the other hand, we are not prepared to give such incentives as would encourage the emergence and a progressive utilisation of skills and expertise available in this country. It seems that there is no reason why professional services should be treated with such scant consideration in our country. After all, they are services as much as any other services are services and therefore it stands to reason that certain professional services should be given the same incentive or a certain measure of incentive so that indigenous skills and expertise are placed on a par with similar other services being provided and similar other benefits being given to persons more or less under similar circumstances.

I would like to press the reasonableness of the validity of the argument advanced by Mr. Masani, and

I hope if not immediately now, very soon this matter would receive the consideration of the Government that it deserves because these skills and expertise are now in a developing stage, and they really require that recognition and that incentive which alone would enable them to take forward steps in the economy of the country.

**Shri Sachindra Chaudhuri:** Personally I would be very happy if I could have done it, it would ensure to my own benefit, but I am afraid I cannot accept it for this reason. Incentive is given where incentive is needed. I have this faith in the professional people of this country that when they go abroad and earn money, they do it not for the money which is there, the fee which is charged, but they do it for the greater benefit of this country and the personal satisfaction that we are able to export ourselves abroad, that we are capable of doing that. From that point of view, incentive is there in the shape of honour for our country.

Secondly, there are many countries where there is a provision for double taxation relief. That is to say, if I pay tax in this country, I do not pay in the other one. I can say that from my own experience. Therefore, if you do not pay it here, in the other country you pay it admittedly, at a smaller rate perhaps, but you have to pay some tax. I do not see why we should remove our taxation so that the other country may benefit.

**Shri M. B. Masani:** What about the other proposal I made about the Defence Remittance Scheme being made applicable to this income earned so that it can be remitted in the same way as family remittances.

**Shri Sachindra Chaudhuri:** The national remittance scheme itself has a very short life, a few days more. Anyway, every one is not like Mr. Masani or Mr. Dandekar or Dr. Singhvi, and other things might happen. I do not want to do it.

[Shri Sachindra Chaudhuri.]

So far as Mr. Borooah is concerned, I deeply regret I cannot accept his amendment. The results will be far-reaching. I do not think I can accept it.

**Mr. Deputy-Speaker:** I put amendment No. 16 to the House.

*Amendment No. 16 was put and negatived.*

**Shri P. C. Borooah:** I withdraw my amendment.

**Mr. Deputy-Speaker:** Has he the leave of the House to withdraw his amendment?

**Hon. Members:** Yes.

*Amendment No. 67 was, by leave, withdrawn*

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

"That Clause 17 stand part of the Bill."

*The motion was adopted.*

*Clause 17 was added to the Bill.*

**Mr. Deputy-Speaker:** Amendment 17 is out of order.

*Clauses 18 and 19 were added to the Bill.*

*Clause 20— (Amendment of section 104)*

**Shri N. Dandekar:** I beg to move\*:

Page 14, line 1,—

after "shall be" insert "and shall be deemed always to have been" (18).

It is a perfectly simple one. The new sub-clause proposed in the Bill reads:

"(c) a company which is neither an Indian company nor a company which has made the

prescribed arrangements for the declaration and payment of dividends within India."

What is proposed in the Bill really clarifies what has always been the position, that companies of this type are not within the ambit of section 104, but my fear is that the working that the following clause "shall be inserted" may imply that it was not so until now, and therefore, I have suggested that after the words "shall be" the words "and shall be deemed always to have been" be inserted. So, it will read:

"(ii) after clause (b), the following clause shall be and shall be deemed always to have been inserted, namely:—"

In other words, it should not lead to unforeseen consequences by reason merely of the fact that this formal thing is being introduced now, leading to the implication that the position was different before. In fact, in practice the position was the same; and I submit the words I have suggested may be put in.

**Shri Sachindra Chaudhuri:** I do not share the apprehension of Mr. Dandekar, but still I have no objection because it merely clarifies what I mean. So, I accept it.

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

Page 14, line 1.

after "shall be" insert "and shall be deemed always to have been" (18)

*The motion was adopted.*

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

"That Clause 20, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 20, as amended, was added to the Bill.*

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\*Moved with the recommendation of the President.

Clause 21—(Amendment of section 109)

**Shri Sachindra Chaudhury:** I beg to move:\*

(i) Page 15, for lines 2 and 3, substitute—

“(d) in clause (iii),—

(i) in sub-clause (1), after the words “an investment company”, the words “other than an investment company which falls under sub-clause (3) of this clause” shall be inserted;

(ii) for sub-clause (3), the following sub-clause shall be substituted, namely:—”. (95)

(ii) Page 15 for lines 15 to 17, substitute—

“(1) if it is an investment company or a company which satisfies the conditions specified in sub-clause (4) (a) of this clause 90%”. (96)

**Shri N. Dandekar:** I beg to move:\*

Page 14, line 35,—

after “total income”

insert “for the previous year and for the two previous years immediately preceding the previous year”. (68)

**Shri P. C. Borooah:** I beg to move:\*

Page 14, line 35,—

after “total income” insert—

“for the previous five years”. (19)

**Shri N. Dandekar:** Just a few remarks, namely that I am hoping really to improve what is otherwise an excellent clause, particularly as amended by the Finance Minister's

amendments 95 and 96. What I seek to do is this. The definition of investment company as proposed to be introduced by this clause is at the bottom of page 14.

There it says that an investment company means a company whose total income consists mainly of income which, if it had been the income of an individual, would have been regarded as unearned income. Then there is the Explanation which says that in this clause, the expression ‘unearned income’ has the meaning assigned to it in the Finance Act of the relevant year. I am trying to make the main-definition clear by saying:

after “total income”

insert “for the previous year and for the two previous years immediately preceding the previous years.”

Again, it is something like the earlier amendment I had moved to another clause. Without the amendment one can get a company becoming an investment company merely as a result of a freak situation, if in any given year it just happened to have a bad year. Most companies have some investments. I am talking about closely held companies. The result would be that the company would be treated as an investment company in one year and not as an investment company in another year. The object of the finance minister is quite clear, namely, that in so far as compulsory distribution of dividend by an investment company is concerned, it should apply only to the whole or that part of the income of a closely held company which is income from investment. But I suggest that it should not be so when the company becomes an investment company only in an odd year or two. That is what bothers me. The amendment I have suggested would preclude that kind of freak possibilities.

**Shri P. C. Borooah:** My amendments to clause (ii) amounts to substitution of the definition of the investment company to secure that the company will be regarded either as an investment company if its total income consists mainly of the income which if it has been the income of an individual would be regarded as unearned income. The categorisation of companies according to the nature of their income is not correct. A company may ordinarily have its income from manufacturing profits but at the same time it may also have some investment income. It may so happen that in a particular year due to reasons beyond its control the manufacturing profits may dwindle while investment income may remain as before. In these circumstances, this company which is basically a manufacturing company will come to be treated as an investment company and as such it will be compelled to distribute ninety per cent of its profits. This will not be fair to this company. To safeguard against such a contingency, I have suggested this amendment. The period of five years provided in the amendment will be fair determining factor to decide whether the earnings from the manufacturing operations or from investments are such as to treat it as a manufacturing company or an investment company.

**Shri Sachindra Chaudhuri:** I regret very much I cannot accept either of the amendments proposed. Shri Dandekar's from my point of view is a milder one and if I cannot accept it, I cannot accept Shri Borooah's. The reason is this. As I said, we have got to think in terms of the income of a particular year. A similar amendment was proposed in relation to another clause and I had to withstand it and for the same reason I withstand this one. What happens? Supposing there is a company which has been an investment company in the last two years and in the relevant previous year it does not qualify as an investment company; again one of these two previous years it has not been in the

previous year before the last year it has been an investment company, these complications to a certain extent will arise and whether we do it one way or the other there would be that possibility of regarding the same company as an investment company in one year and not as an investment company in another. That is one of the things which is engrained into the taxation law and I am afraid I cannot help Mr. Dandekar. I cannot accept it.

**Mr. Deputy-Speaker:** I now put amendment No. 68 to the vote of the House.

*Amendment No. 68 was put and negatived.*

**Shri P. C. Borooah:** I withdraw my amendment No. 19.

**Mr. Deputy-Speaker:** Has the hon. Member leave of the House to withdraw?

*Amendment No. 19 was by leave withdrawn.*

**Mr. Deputy-Speaker:** I shall now put government amendments Nos. 95 and 96 to the vote of the House. The question is:

(i) Page 15, for lines 2 and 3, substitute—

(d) in clause (iii),—

(i) in sub-clause (1) after the words "an investment company", the words "other than an investment company which falls under sub-clause (3) of this clause" shall be inserted;

(ii) for sub-clause (3), the following sub-clause shall be substituted, namely:—"(95)

((ii) Page 15, for lines 15 to 17, substitute—

"(1) if it is an investment company or a company which satisfies the conditions specified in sub-clause (4) (a) of this clause 90%," (96)

*The motion was adopted.*



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

"That clause 21 as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 21, as amended, was added to the Bill.*

*Clauses 22 to 24 were added to the Bill.*

*Clause 25—(Amendment of section 193).*

**Mr. Deputy-Speaker:** We take up clause 25.

**Shri N. Dandekar:** I have two amendments, Nos. 20 and 22.

**Mr. Deputy-Speaker:** Only 20 is admissible; 22 is a new clause and it is ruled out of order. 21 is also out of order. 20 is in order and you can speak on that.

**Shri N. Dandekar:** I move:\*

Page 16, lines 6 and 7,—

omit "of the Central or State Government." (20).

The other clause is on parallel lines to the proposed clause 25. Clause 25 and 25-A are virtually identical.

**Mr. Deputy-Speaker:** Amendments 21 and 22 are out of order.

**Shri N. Dandekar:** Clause 25 is an admirable clause and is concerned with streamlining the procedure in the matter of payment of interest on securities. An assessee with small income who is the recipient of interest on securities should not be subjected to deduction of tax and then claim the refund of the tax. I am unable to see why this particular thing is being confined to security of the central or

state government. My amendment is designed to eliminate the words (central or state governments' with the result that it will read like this:

"any interest payable on any other security where the security is held by an individual, not being a non-resident and the holder thereof makes a declaration in writing before the person responsible for paying the interest..."

If the amendment is accepted, taxes will not be deducted from interest on all types of securities. I suggest that this would be perfectly in line with the very object of this clause, namely, small people ought not to be subject to the harassing experience of having taxes deducted from their interest on securities and then having to go and claim refund of taxes. Given certain conditions there should be no deduction of tax at source. My suggested clause 25A was exactly with the same intention with regard to dividends. If the finance minister accepts what I am saying here, I hope he will of his own accord add to the clause proposed here the clause that I have suggested as regards dividends so that we really get somewhere in a rational way in this particular field.

**Shri Sachindra Chaudhuri:** I am afraid I cannot accept it for a very good administrative reason. Where it is a question of security of the central or state government, the public debt office pays and there is control over that whereas so far as the private companies or local bodies are concerned, their securities are handled by people over whom government has got no control at all. Administratively there is the possibility of there being leakage of revenue which we want to guard against. I cannot accept it.

**Mr. Deputy-Speaker:** I shall now put amendment No. 20 to the vote of the House.

*Amendment No. 20 was put and negatived.*

\*Moved with the recommendation of the President.

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

"That clause 25 stand part of the Bill".

*The motion was adopted.*

*Clause 25 was added to the Bill.*

*Clause 26 to 28 were added to the Bill.*

**Clauses 29 and 30—** (*Amendment of sections 280-A and 280-E*)

**Mr. Deputy-Speaker:** We shall take up clauses 29 and 30 together.

**Shri Sachindra Chaudhuri:** There is an amendment, No. 97.

I beg to move:\*

Page 17, for lines 21 to 38,  
*substitute—*

#### **Amendment of section 280-C**

29. In section 280C of the Income-tax Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In respect of the adjusted total income in relation to which an annuity deposit is to be made under sub-section (1), such deposit shall—

(i) in respect of the adjusted total income of the previous year or previous years relevant to the assessment year commencing on the 1st day of April, 1966, or any earlier assessment year, be made in advance in accordance with the provisions of sections 280E to 280I;

(ii) in respect of the adjusted total income of the previous year or previous years relevant to the assessment year com-

mencing on the 1st day of April, 1967, or any subsequent assessment year, be made by such person at any time (in one sum or in instalments of his choice) during the financial year immediately preceding such assessment year at the rate or rates specified in this behalf in the annual Finance Act:

Provided that the Income-tax Officer may, in such cases, under such circumstances and subject to such conditions as may be specified in a scheme framed under section 280W, allow a depositor to make a deposit or a further deposit at any time after the expiry of the financial year referred to in clause (ii), and any deposit or further deposit so made shall be deemed to be an annuity deposit for the relevant assessment year for the purposes of this Chapter."

#### **Substitution of new sections for sections 280O and 280P**

30. For sections 280O and 280P of the Income-tax Act, the following sections shall be substituted, namely:—

#### **Annuity deposit allowed as deduction in computing total income**

"280O. (1) Notwithstanding anything to the contrary contained in the provisions of this Act relating to the computation of income chargeable under any head of income, the annuity deposit required to be made under this Chapter shall, subject to the provisions of sub-section (2), be allowed as a deduction in computing the total income assessable for the assessment year in respect of which the annuity deposit is required to be made:

Provided that where in relation to the assessment year commencing on the 1st day of April,

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\*Moved with the recommendation of the President.

1967, or any subsequent assessment year, no annuity deposit has been made during the financial year immediately preceding such assessment year [or such further period as may be allowed by the Income-tax Officer under the proviso to clause (ii) of sub-section (2) of section 280C], or the amount of annuity deposit made during the financial year or further period aforesaid falls short of the annuity deposit required to be made under this Chapter, the amount to be allowed as a deduction under this sub-section shall be nil, or, as the case may be, limited to the amount of the deposit so made, and the provisions of this section shall have effect as if references therein to the annuity deposit required to be made were references to the amount of annuity deposit actually so made.

(2) If the adjusted total income of the depositor includes any income chargeable under the head "Salaries", the allowance under sub-section (1) shall be made in computing the income under that head, and if there is no income chargeable under that head or the annuity deposit required to be made exceeds such income, the whole or the balance of the annuity deposit required to be made shall be allowed as a deduction in computing earned income chargeable under any other head, and if there is no earned income chargeable under any other head or the whole or the balance of the annuity deposit required to be made exceeds such earned income, the whole or the balance of the annuity deposit required to be made shall be allowed as a deduction in computing any other income under any head.

*Explanation.*—In this section, the expression "earned income" has the meaning assigned to it in the Finance Act of the relevant year.

### **Annuity deposit deductible in computing income under the head "Salaries" for purposes of section 192.**

280P. Any person responsible for paying any income chargeable under the head "Salaries" to a resident may, at the time of payment, deduct income-tax under section 192 as if the estimated income referred to in sub-section (1) of that section had been reduced by the amount of annuity deposit, if any, required to be made by the assessee in respect of such income, whether such annuity deposit has or has not been made:

Provided that nothing contained in this section shall apply in the case of a person whose estimated income aforesaid does not exceed twenty-five thousand rupees unless such person has, not later than the 31st day of December of the financial year, made a declaration, in writing before the person responsible for paying the income chargeable under the head "Salaries", of his intention to make the annuity deposit under the provisions of this Chapter and specifying the amount which he so intends to deposit; and where such declaration has been made, the provisions of this section shall apply as if the reference therein to the amount of annuity deposit required to be made were a reference to the amount specified in such declaration." (97)

**Shri N. Dandekar:** Sir, I do not really know whether I have to move any amendments. I would be glad if the Finance Minister will correct the impression which I have, because if the impression I have is correct, I will not want to move the amendment or rather I would withdraw my amendments. As I understand the entire scheme, as it is now being re-cast, it is something like this. With reference to the people who are over 70 years of age, or with reference to the people whose income is Rs. 25,000 or less, the scheme will now be entirely optional.

[Shri N. Dandekar]

They need not make a deposit at all; or they can make the whole of the deposit otherwise payable, or make only a partial deposit. And they do not have to make it in one instalment or 10 instalments or anything like that. Moreover, they are not subject to additional penal tax or the specific penalty for not making the deposit. That is the position, as I understand it.

Secondly, as respects persons younger than 70, having incomes more than Rs. 25,000, the position, as I understand it, is that they are required to make deposits, but they have the option, which they may exercise every year if they choose, of not making the deposit or of making the deposit, by the simple process of making the deposit or not making the deposit as the case may be. Then, they have the option of making that deposit in part or as a whole, in the sense that they may exercise the option partly or wholly. Thirdly, they may do so in one instalment or in several instalments during the previous year; or if the Income-tax Officer, for good reasons, allows time, they may do so a little later. The only difference between this and the earlier categories is that in these cases they will have to pay, if there is a shortfall of deposit or no deposit at all, a penal additional tax; but even so there will be no direct penalty for not making a deposit *per se*. Is that right?

**Shri Sachindra Chaudhuri:** Yes.

**Shri N. Dandekar:** Then, in that case, the only thing that I wish to do is this, though I do not know how to bring this in, because I would like to support the amendments that have been proposed by the Finance Minister. What I would be proposing would be really amendments to his amendments, but I do not know how to proceed with them, because, as I say I support practically the whole, new revised scheme subject to two modifications that I would like to make.

It does not take the form any longer of moving my own amendment to the original clauses but it takes the form of moving an amendment to the amendment.

**Shri Hari Vishnu Kamath:** You can do that without notice.

**Shri N. Dandekar:** Yes; I can do that without notice. And it concerns the new clause 31. As for clauses Nos 29 and 30, as amended by the Finance Minister, I have no objections.

**Shri Sachindra Chaudhuri:** We have clauses 29 and 30. We take that now. On them, I must say and I assure Shri Dandekar, that his understanding of those clauses and the amendments is correct. That was the intention.

15.32 hrs.

[SHRIMATI RENU CHAKRAVARTY in the Chair]

**Mr. Chairman:** So, the hon. Member does not move his amendments?

**Shri N. Dandekar:** Not for clauses 29 and 30.

**Shri Sachindra Chaudhuri:** I have got two amendments, 97 and 98, for clauses 29 and 30, and 31 and 32 respectively.

**Mr. Chairman:** Then, he may move his amendments.

**Shri Sachindra Chaudhuri:** I have already moved amendment No. 97.

**Mr. Chairman:** He may now say what he wants to say on the amendment.

**Shri Sachindra Chaudhuri:** It was suggested a little while ago, before you occupied the Chair, that the two clauses should be taken together, and the two amendments may be moved together. Therefore, I spoke on the two clauses together and on the two amendments together, and Shri Dandekar addressed the House on both the clauses and both the amendments.

**Mr. Chairman:** Would he like to say something on amendment No. 97?

**Shri Sachindra Chaudhuri:** I have already said it.

**Mr. Chairman:** I shall put amendment No. 97 to the vote. The question is:

Page 17, for lines 21 to 38, substitute—

**"Amendment of section 280C**

29. In section 280C of the Income tax Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In respect of the adjusted total income in relation to which an annuity deposit is to be made under sub-section (1), such deposit shall—

(i) in respect of the adjusted total income of the previous year or previous years relevant to the assessment year commencing on the 1st day of April, 1966, or any earlier assessment year, be made in advance in accordance with the provisions of sections 280E to 280I;

(ii) in respect of the adjusted total income of the previous year or previous years relevant to the assessment year commencing on the 1st day of April, 1967, or any subsequent assessment year, be made by such person at any time (in one sum or in instalments of his choice) during the financial year immediately preceding such assessment year at the rate or rates specified in this behalf in the annual finance Act:

Provided that the Income-tax Officer may, in such cases, under such circumstances and subject to such conditions as may be specified in a scheme framed under section 280W, allow a depositor to make a deposit or a further deposit at

any time after the expiry of the financial year referred to in clause (ii), and any deposit or further deposit so made shall be deemed to be an annuity deposit for the relevant assessment year for the purposes of this Chapter."

**Substitution of new sections for sections 280 O and 280 P,**

30. For sections 280O and 280P of the Income-tax Act, the following sections shall be substituted, namely:—

**Annuity deposit allowed as deduction in computing total income**

"280O. (1) Notwithstanding anything to the contrary contained in the provisions of this Act relating to the computation of income chargeable under any head of income, the annuity deposit required to be made under this Chapter shall, subject to the provisions of sub-section (2), be allowed as a deduction in computing the total income assessable for the assessment year in respect of which the annuity deposit is required to be made:

Provided that where in relation to the assessment year commencing on the 1st day of April, 1967 or any subsequent assessment year, no annuity deposit has been made during the financial year immediately preceding such assessment year [or such further period as may be allowed by the Income-tax Officer under the proviso to clause (ii) of sub-section (2) of section 280C], or the amount of annuity deposit made during the financial year or further period aforesaid falls short of the annuity deposit required to be made under this Chapter, the amount to be allowed as a deduction under this sub-section shall be nil or, as the case may be, limited to the amount of the deposit so made, and the provisions of this section shall have

[Mr. Chariman]

effect as if references therein to the annuity deposit required to be made were references to the amount of annuity deposit actually so made.

(2) If the adjusted total income of the depositor includes any income chargeable under the head "Salaries", the allowance under sub-section (1) shall be made in computing the income under that head, and if there is no income chargeable under that head or the annuity deposit required to be made exceeds such income, the whole or the balance of the annuity deposit required to be made shall be allowed as a deduction in computing earned income chargeable under any other head, and if there is no earned income chargeable under any other head or the whole or the balance of the annuity deposit required to be made exceeds such earned income, the whole or the balance of the annuity deposit required to be made shall be allowed as a deduction in computing any other income under any head.

*Explanation.*—In this sub-section, the expression "earned income" has the meaning assigned to it in the Finance Act of the relevant year.

Annuity deposit deductible in computing income under the head "Salaries" for purposes of section 192.

280P. Any person responsible for paying any income chargeable under the head "Salaries" to a resident may, at the time of payment, deduct income-tax under section 192 as if the estimated income referred to in sub-section (1) of that section had been reduced by the amount of annuity deposit, if any, required to be made by the assessee in respect of such income whether such annuity deposit has or has not been made:

Provided that nothing contained in this section shall apply in the case of a person whose estimated income aforesaid does not exceed twenty-five thousand rupees unless such person has, not later than the 31st day of December of the financial year, made a declaration, in writing, before the person responsible for paying the income chargeable under the head "Salaries", of his intention to make the annuity deposit under the provisions of this Chapter and specifying the amount which he so intends to deposit; and where such declaration has been made, the provisions of this section shall apply as if the reference therein to the amount of annuity deposit required to be made were a reference to the amount specified in such declaration." (97)

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That clauses 29 and 30, as amended stand part of the Bill."

*The motion was adopted.*

"That clauses 29 and 30, as amended stand part of the Bill."

**Clauses 31 and 32—** (Substitution of new section for section 280Q and Amendment of section 280X)

**Shri Sachindra Chaudhuri:** I move\*:

Page 18, for lines 1 to 38, substitute—

**Substitution of new section for section 280X**

"31. For section 280X of the Income-tax Act, the following section shall be substituted with

\*Moved with the recommendation of the President.

effect from the 1st day of April, 1967, namely:—

**Liability to pay additional income-tax in certain cases**

"280X. (1) Where in relation to the assessment year commencing on the 1st day of April, 1967 or any subsequent assessment year, a depositor does not make any annuity deposit during the financial year immediately preceding such assessment year or such further period as may be allowed by the Income-tax Officer under the proviso to clause (ii) of sub-section (2) of section 280C, or the amount of annuity deposit made by him during the financial year or further period aforesaid falls short of the annuity deposit required to be made (which short-fall is hereafter, in this section, referred to as deficiency), he shall, in addition to the income-tax payable by him for that assessment year, be liable to a further amount of income-tax calculated in the manner specified in sub-section (2):

Provided that nothing contained in this section shall apply in a case where—

(a) such depositor is more than seventy years of age on the last day of the previous year relevant to the assessment year; or

(b) the total income of such depositor of the previous year relevant to the assessment year (the total income for this purpose being computed without making any allowance under section 280O) does not exceed twenty-five thousand rupees.

(2) The further amount of income-tax referred to in sub-section (1) shall be—

(i) in a case where the depositor does not make any annuity deposit, a sum equal

to fifty per cent of the amount by which the amount of annuity deposit required to be made in respect of that assessment year exceeds the difference between—

(a) the tax payable by him on his total income, and

(b) the tax that would have been payable had his total income been reduced by the amount of annuity deposit required to be made;

(ii) in a case where the amount of annuity deposit made by him falls short of the annuity deposit required to be made, a sum equal to fifty per cent of the amount by which the amount of the deficiency exceeds the difference between—

(a) the tax payable by him on his total income, and

(b) the tax that would have been payable had his total income been reduced by the amount of the deficiency.

**Explanation.**—In this section the expression "annuity deposit required to be made" shall mean—

(i) the amount of annuity deposit calculated on the adjusted total income of the depositor at the rate or rates specified in the Finance Act of the relevant year, or

(ii) the amount by which the total income of the depositor for the relevant assessment year (such total income being computed without making any allowance under section 280O) exceeds twenty-five thousand rupees,

whichever is less."

**Consequential or minor amendments relating to annuity deposits in the Income-tax Act**

32. The amendments directed in the Third Schedule shall be made in the Income-tax Act.' (98).

**Mr. Chairman:** Amendment No. 98 has been moved. Would the Finance Minister like to speak on it?

**Shri Sachindra Chaudhuri:** I thought Shri Dandekar wanted to say something on it. I merely move it.

**Shri N. Dandekar:** Amendment No. 98, to clauses 31 and 32, is subject to what I shall presently say; in order to make the scheme really quite streamlined and a desirable objective, within limits, I have to suggest two amendments to the amendment. I do not know whether I should read them in the form of an amendment,—

**Mr. Chairman:** He has not moved any amendment. The official amendment which has now been moved is by the Finance Minister. On 30th April, this was circulated. Shri Kamath had referred to that. (Interruption). I was myself misled as to how this was moved. I find this was circulated on 30th April. Therefore, an amendment to an amendment should have been given notice of.

**Shri N. Dandekar:** Then, I would only like to make two suggestions, in accepting this admirable changed scheme of annuity deposits. I think the changes are made through amendment Nos. 29, 30, 31 and 32. I would like to make a suggestion to the Finance Minister which, I take it, will be accepted if he is so disposed. One suggestion is that in the new section 280X of the Act, in sub-section (1), instead of the age-limit of more than 70 years, I do beg of him to accept the age-limit of 55 to 60. I suggest 60 because I happen to be reaching 58 this year and so I would not like to have the amendment applied to

myself! I do suggest that it is really taking the thing too far, to have a compulsory annuity deposit scheme, moderated as it undoubtedly is now, made applicable to people who are 70 years of age. After that, they are quite unlikely to enjoy the benefits of the annuity, for any length of time, and it does mean, as you go on in age, a considerable amount of harassment of all kinds would take place. I do not know what the longevity at the age of 55 is according to the Life Insurance Corporation, but I imagine that the longevity at 55, which is the normal retirement age for many people, would be, say, 65, so, to have an enactment like this, with a compulsory annuity deposit scheme going on up to 70 years of age, is really a bit harsh. I would beg of the Finance Minister to put that 70-year limit down to 60 years.

The other amendment I suggest is this. In a similar way, at the other end of the scale, instead of Rs. 25,000, a limit of Rs. 50,000 may be fixed, so that it will remain open to people over 60 and to the people with incomes below Rs. 50,000, to continue with the scheme only if they find that it is an attractive proposition to make investments in the scheme. But I do suggest that the open-option portion ought to be from Rs. 50,000 from the income point of view and over 60 years of age from the age-limit point of view.

**Mr. Chairman:** Before the Finance Minister replies, I would like to ask Shri Dandekar whether he would like to move his amendment Nos. 25 and 26?

**Shri N. Dandekar:** These are amendments to clause 31 and 32.

**Mr. Chairman:** We are taking up clauses 31 and 32 together. The Finance Minister.

**Shri Sachindra Chaudhuri:** I wish Shri Masani was here when I am dealing with these amendments. If I



were to accept the suggestion and very great persuasion of Shri Dandeker, which I have always appreciated, I would have taken away this annuity deposit scheme altogether. If I have to make the amount to be fixed at Rs. 50,000 and if I were to lower the age to 55—60, I would have got more revenue also. But I would ask him to consider the practical aspect of the matter.

**Shri N. Dandeker:** Make the thing attractive so that the people will find it worth-while to place their money that way. Do not make it unattractive and then make it compulsory.

**Shri Sachindra Chaudhuri:** The trouble starts when Shri Dandeker always wants to have it in his own way. He wants always to have a lump of sugar in the phial. That is what we do not understand. If I have to do a thing, let us do it openly and without any dubiety.

**Shri N. Dandeker:** Do not make it unattractive. I am afraid I cannot accept the amendment.

**Mr. Chairman:** The question is:

Page 18, for lines 1 to 38, substitute—

#### **Substitution of new section for section 280-X**

"31. For section 280-X of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1967, namely:—

#### **Liability to pay additional income-tax in certain cases**

"280X. (1) Where in relation to the assessment year commencing on the 1st day of April, 1967 or any subsequent assessment year, a depositor does not make any annuity deposit during the financial year immediately preceding such assessment year or such further period as may be allowed by the Income-tax Officer under the proviso to clause (ii) of sub-

section (2) of section 280C, or the amount of annuity deposit made by him during the financial year or further period aforesaid falls short of the annuity deposit required to be made (which shortfall is hereafter, in this section referred to as deficiency), he shall, in addition to the income tax payable by him for the assessment year, be liable to further amount of income-tax calculated in the manner specified in sub-section (2):

Provided that nothing contained in this section shall apply in a case where—

(a) such depositor is more than seventy years of age on the last day of the previous year relevant to the assessment year; or

(b) the total income of such depositor of the previous year relevant to the assessment year (the total income for this purpose being computed without making any allowance under section 280O) does not exceed twenty-five thousand rupees.

(2) The further amount of income-tax referred to in sub-section (1) shall be—

(i) in a case where the depositor does not make any annuity deposit, a sum equal to fifty per cent of the amount by which the amount of annuity deposit required to be made in respect of that assessment year exceeds the difference between—

(a) the tax payable by him on his total income, and

(b) the tax that would have been payable had his total income been reduced by the amount of annuity deposit required to be made;

(ii) in a case where the amount of annuity deposit made

[Mr. Chairman]

by him falls short of the annuity deposit required to be made, a sum equal to fifty per cent. of the amount by which the amount of the deficiency exceeds the difference between—

(a) the tax payable by him on his total income, and

(b) the tax that would have been payable had his total income been reduced by the amount of the deficiency.

**Explanation.**—In this section, the expression “annuity deposit required to be made” shall mean—

(i) the amount of annuity deposit calculated on the adjusted total income of the depositor at the rate or rates specified in the Finance Act of the relevant year, or

(ii) the amount by which the total income of the depositor for the relevant assessment year (such total income being computed without making any allowance under section 280 O) exceeds twenty-five thousand rupees,

whichever is less.”

**Consequential or minor amendments relating to annuity deposits in the Income-tax Act.**

32. The amendments directed in the Third Schedule shall be made in the Income-tax Act. (98).

*The motion was adopted.*

**Mr. Chairman:** The question is:

“That clauses 31 and 32, as amended, stand part of the Bill.”

*The motion was adopted.*

*Clauses 31 and 32, as amended, were added to the Bill*

*Clauses 33 to 36 were added to the Bill*

**Clause 37—** (Amendment of Fifth Schedule).

**Shri N. Dandekar:** I move my amendment No. 70.

**Mr. Chairman:** What about 71?

**Shri N. Dandekar:** There is some repetition. I would prefer to move amendment No. 70. which is more comprehensive.

Sir, I beg to move\*;

Page 20,—

after line 36

insert “ (28) Coal and Lignite.

(29) Industrial Gases

(30) Gas Cutting and Welding Equipment and Rods

(31) Arc Welding Equipment and Electrodes”. (70).

While speaking earlier, the Finance Minister had said that he is bringing together into one schedule what are called priority industries to be treated in a particular way, instead of being scattered in various schedules either to the Income-tax Act, or the Industries (Development and Regulation) Act or the first schedule to the Finance Act and so on. That is an attempt which is excellent and I support it so far as it goes in clause 37. My amendments are designed to introduce into that schedule four more items. After item 27, I want to add “item 28. coal and lignite”. So far as I can see, coal and lignite are left out and I am sure that Finance Minister did not intend to have them left out.

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\*Moved with the recommendation of the President.

**Shri Sachindra Chaudhuri:** Coal and lignite have been included by section 18 of the Finance (No. 2) Act, 1965. They are already there.

**Shri N. Dandekar:** If they are included, there is nothing further to be said about them.

Then, Madam, there are three items which also should be included, namely, Industrial Gases, gas cutting and welding equipment and rods and arc welding equipment and electrodes. The simplest way I can explain the importance of these three industries is this. Taken together, they are the scissors, the needle and the thread of the engineering industry. There is not a single engineering project that does not involve cutting of iron or welding of iron. These industries are the most vital part of the whole engineering industry—heavy engineering, light engineering, repair work, etc. They cannot just get on without these industries. I hope the Finance Minister will agree that they ought to be added to the list.

**Shri Sachindra Chaudhuri:** So far as this list is concerned, it has been drawn according to the rule of thumb. If we go on the lines of the arguments put forward by Mr. Dandekar and add these things to the list, the word "priority" will have to be removed from the list. It will not be a priority list at all; it will be just a general list. In those circumstances, although I am prepared to accept that these are the scissors, needle and thread of certain industries, we better leave them out.

**Mr. Chairman:** I shall now put amendment No. 70 to the vote of the House.

*Amendment No. 70 was put and negatived.*

**Mr. Chairman:** The question is:

"That clause 37 stand part of the Bill".

*The motion was adopted.*

*Clause 37 was added to the Bill.*

**Clause 38—(Amendment of Act 34 of 1953)**

**Shri M. R. Masani:** Sir, I beg to move\*:

(i) Page 21,—

omit lines 4 to 13. (72).

(ii) Page 21,—

omit lines 15 to 16. (73).

(iii) Page 21,—

omit line 28 to 29. (74).

(iv) Page 21,—

omit lines 30 to 39. (75).

(v) Page 22,—

omit lines 1 to 28. (76).

The first three amendments deal with the question of the period that has to elapse between a man making a gift and his dying. Till last year if a man died within 2 years of making a gift, estate duty was attracted. In other words, it was suspected that he died *mala bde* after making this gift to escape estate duty! Last year very sensibly, the Government themselves came before the House and reduced the period to one year. The position today is if a man makes a gift and survives for one year, it is considered to be a valid case with no intention of cheating the exchequer. But if unfortunately he dies within one year, it is suspected that he already knew he was going to die and therefore the gift should attract the notice of the Estate Duty. Both these are arbitrary assumptions. I do not think people make gifts knowing they are going to die, except maybe for 8 or 10 days when the doctor tells them that the matter is beyond repair. One year, one would have thought, was absolutely ample margin to guard against gifts of a nature which are meant to cheat the estate

\*Moved with the recommendation of the President.

[Shri M. R. Masani]

duty. In any event, since the government themselves felt last year that 12 months was an adequate period, may I ask the Finance Minister what could have happened during the past 12 months which has now made the government think that 12 months is not enough and 24 months must elapse?

This morning the Finance Minister thought that the charge we make, and quite rightly, that the government are playing drucks and drakes with the taxation laws of this country, whimsically coming forward one year with one proposition and contradicting it the next year, was rather harsh. Here is an excellent example of the kind of whimsicality that characterises the government. Since they came before the House and altered the law last year, one would think that they would let the matter rest for at least two or three years. But the constant attempt to legislate for the fun of legislation with which this wretched government is afflicted—the number of laws passed by this Parliament is nobody's business, without members having the time to read and digest them—this is becoming a fashion. I am opposing this attempt again to go back to two years for no conceivable reasons. Nothing could have happened in 12 months. Human nature has not changed. Why do you want to go back? Why don't you let matters rest where they were last year?

The next three amendments deal with the attempt to raise the rates of Estate Duty on intermediate slabs. Here again, it was only two years ago that government raised steeply the rate on various categories of people. We opposed it at that time; we thought it was very harsh. That was bad enough. Again, within two years, they come and try to raise these rates. This is extortion; this is loot. There is no other way, to describe it. A so called socialist country like the Soviet Union does not have any

estate duty. Millions of roubles are bequeathed to children without a single rouble being paid to the government. Yet year after year, normal, ordinary people with intermediate wealth of Rs. 50,000 or Rs. 1 lakh, which today is worth about Rs. 20,000 in terms of the pre-war rate of the value of money, people who would not have been considered rich in 1940 when they left Rs. 20,000 for a widow and 3 or 4 children, now they are considered to be wicked people who must be taxed out of existence. We are very strongly opposed to this mulcting of the middle class of this country, the class that case supply capital, the class which is the backbone of the nation. Therefore, I move these amendments.

Dr. L. M. Singhvi: Mr. Chairman, I wish to speak on the amendments moved by my hon. friend, Shri Masani. It is not so much in respect of the rates of taxation but in respect of the change from one year to two years which the hon. Finance Minister wishes to bring about, by clause 38, that I wish to speak.

It appears that section 38 has undergone changes before and the period of time was reduced to one year earlier. Now, it seems it is not a mere whim but caprice, and there is a very definite difference; it is so arbitrary, it is so unreasoned, it is not founded on any specific experience, that it should really make the government think, it should make the hon. Finance Minister reflect whether he is being fair to this House and being fair to himself in bringing about such unreasoned, such unprincipled changes in the law when there has been a clamour for rationalisation for a long time. We have been talking of rationalisation year after year and yet every year we seek to infuse into it, inject into it, an element of irrationality. I do not quite see why it should have been reduced from two years to one year, as if death can stretch itself only as far back as two years. Why not make

it five years or ten years? It is absolutely unjustified to make this change now. If this change had to be made, it should have come at a time when there is a comprehensive change in terms of rationalisation of the tax laws of this country. Why make *ad hoc* changes year in and year out? Sometimes it is said that it should be one year. The next year the hon. Finance Minister thinks that it should be two years. Next year, again, another Finance Minister would think: no, it should be one year. There should be some reason, some logic, some experience to justify it, and it seems that there is no explanation forthcoming in this respect which can convince us.

I would also like to say that in view of the reduced value of money, up to Rs. 100,000 the property should be exempt from estate duty. This is a suggestion which the hon. Finance Minister must consider in all fairness and in all earnestness. On account of the inflation, which has been brought about by the policies of this Government, if the value of money has gone down, why should the poor tax-payer be made to suffer on that account?

**Shri Sachindra Chaudhuri:** The other day, while addressing this House, Shri Masani said that fair words butter no parship. Today I would like to mention another proverb, harsh words break no bones.

**Dr. L. M. Singhvi:** We did not intend to do that. That is not the intention. Breaking the bones is not the intention anyway.

**Shri Sachindra Chaudhuri:** Well, whenever I find Shri Masani has mounted a charger in all seriousness, flitting at windmills, I feel slightly frightened, but not to the bones but to my morals.

So far as this particular amendment is concerned, Shri Masani has got support from Dr. Singhvi. But, still, I am afraid, I cannot oblige

him. The reason is this. When one looks at the Estate Duty Act and the Gift Tax Act, they have to be looked at together. When certain reductions have been made in the gift tax, there should be compensatory provision made in the estate duty. I have not raised the estate duty to the extent I would have liked for considerations which I have already mentioned. There is no question of life being prolonged or not being prolonged. One year, from my point of view, is too short a period. If two years were there, in that case, there is some collection of estate duty. There is another thing, also to remember. Estate duty brings only a portion of the money to the Centre. All of it does not come to the Centre, whereas income-tax comes largely to the Centre.

I must take the House into confidence. It was also at the back of my mind that this constant pressure from the States to provide more money is there which I find is true. I feel that if I may provide them money otherwise, I might probably be better off.

These are the reasons for which I am enacting "two years" instead of "one year".

There is no such thing as logic or equity in income-tax and other tax laws. Dr. Singhvi will remember—and I think, Professor Hiren Mukerjee should be also remember—that in the 19th century there were a series of judgments where judges of very great eminence and high repute have said that income-tax is inequitable, that it is a tax on efficiency; that it is a tax which is realised by an inefficient government for the purpose of keeping drones and inefficient people alive and that this should never be introduced; however, the Act being there we have got to interpret it. That was the attitude. I am afraid, in the 20th century the same people are singing a different

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tune altogether having regard to the fact that the necessities of the State require that certain amount of tax has got to be put. The question is how it is to be balanced. There I have got to take a view. I am prepared to say that my good friends are entitled to their views, but I still prefer my own view and I do not accept these amendments.

**Mr. Chairman:** I shall now put amendments Nos. 72 to 76 to the vote of the House.

*Amendments Nos. 72 to 76 were put and negatived.*

**Mr. Chairman:** The question is:

"That clause 38 stand part of the Bill."

*The motion was adopted.*

*Clause 38 was added to the Bill.*

*Clauses 39 to 42 were added to the Bill.*

**Clause 43—**(Amendment of Act 7 of 1964

**Mr. Chairman:** Any amendments that are being moved?

**Shri Ranga (Chittoor):** You seem to be very much in a hurry.

**Mr. Chairman:** Yes, we are, because we have to apply the guillotine.

**Shri N. Dandekar:** I have two amendments to clause 43. One is amendment No. 27 and the other is amendment No. 77.

I beg to move\*—

(i) Page 24,—

for lines 4 to 13, substitute—

"(i) sub-clause (b) shall be omitted". (27).

(ii) Page 24, line 15,—

Omit "and shall be deemed always to have been." (77)

The objective of the first amendment, that is to say, No. 27, is to substitute something sensible for this very curious proposition that is contained in sub-clause (a). Sub-clause (a) of clause 43, if enacted, would have the extra-ordinary consequence that excess dividend tax paid by companies would not be admissible as a deduction from chargeable income for the purpose of computing chargeable income liable to companies' sur-tax. It seems to me a very odd proposition that companies should be expected to pay tax on tax. That would be the consequence if the income-tax that is payable by way of excess dividends tax were not deductible from chargeable income in the same way as income-tax otherwise payable is a deduction from chargeable income for the purpose of companies' sur-tax. Therefore, my amendment seeks to delete this and to substitute for it the words "Sub-clause (b) shall be omitted"; that is to say,—

"in the First Schedule, in clause (i) of rule 2,—" of the Companies' Profits Tax

"Sub-clause (b) shall be omitted."

The consequence of it would be that companies will not have to pay tax on tax.

The next amendment, No. 77, is concerned with the second part of sub-clause (a) of clause 43. For the reasons which the Finance Minister explained fairly clearly, because you get there into a vicious circle, additional tax payable by closely-held companies is at present admissible as a deduction from chargeable income for the purpose of computing the sur-tax on that kind of company and the

\*Moved with the recommendation of the President.

sur-tax itself is a deductible amount for the purpose of computing what additional tax will be payable by closely-held companies. I agree that this particular sub-clause, sub-clause (ii) of clause (a), has to be there. But what I object to is the words "and shall be deemed always to have been, inserted". The particular thing that they are seeking to insert is also to be deemed always to have been inserted. I object to that because it is going to result in a number of companies, which are closely-held companies, and which have adequately distributed excess dividends or the amount of dividend required to be distributed before they were attracted or subjected to additional tax, many of them, finding themselves in a position where they will have committed a default which they did not commit before, by the mere insertion of the words "and shall be deemed always to have, inserted.". Whatever may have been the difficulties of the original provision, by which one tax was admissible for the other tax and the other tax was admissible for the first tax, a certain situation has been in existence for a number of years, that is to say, for the period for which the companies surtax has been in existence. I accept the need for the change that is sought to be made but I do not accept that the change should be deemed to have always been inserted because in that case it will cause a lot of hardship to those whose cases are closed on the old situation however unsatisfactory it might have been.

16 hrs.

**Shri Sachindra Chaudhuri:** I am afraid I cannot accept these amendments. The purpose for which the provision for dividend tax on companies has been levied is to induce companies to retain their profits to the maximum extent possible for the purpose of developing their business. If this dividend tax is to be allowed as a deduction in the computation of chargeable profits for the purpose of

surtax, in that case, the incidence of dividend tax would be even further cut down and I do not propose to have that done.

So far as the other amendment is concerned, that will really resolve the difficulties. The existing provision for the deduction of penal tax in computing chargeable profits for surtax would result in a stalemate in the computation of the chargeable profits unless these words were there. This is because the penal tax itself is charged with reference to the undistributed profits of the company and undistributed profits, in their turn, are to be computed after deducting the surtax liability. It was with the purpose of removing this stalemate that this has been done. I am afraid, I will have to reject these amendments.

**Mr. Chairman:** I shall now put amendments Nos. 27 and 77 to the vote of the House.

*Amendments Nos. 27 and 77 were put and negatived*

**Mr. Chairman:** The question is:

"That clause 43 stand part of the Bill"

*The motion was adopted.*

*Clause 43 was added to the Bill.*

**Mr. Chairman:** Now, I shall take up clauses 44 to 46.

**Shri M. R. Masani:** I would like to oppose clause 44.

**Shri N. Dandekar:** I am opposing clause 45.

**Clause 44—** *(Special duties of customs)*

**Shri M. R. Masani:** Clause 44 seeks to continue for one more year the special duties of customs which were levied some time back and the next clause relates to the regulatory customs duties.

In our speeches, during the general debate, we have made it clear that we are opposed not only to the additional taxation, direct and indirect which this Budget seeks to impose or

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the shoulders of the people but also opposed to the level of taxation prevailing now. We believe that a drastic cut, both in direct and indirect taxation, is called for both for the relief of the people who are hard-hit by excessive taxation and also for restoring the economic vitality and life of this country. The law of economics, the law of diminishing returns, had set in long ago and the burden of customs duty and excise duty falls directly on the shoulders of the poor people. This is a kind of taxation which, when the British were here, we were taught to consider imperialistic. The fact that indirect taxation was heavy was considered to be a sign of foreign rule and oppression. It is on these general principles and grounds that we would like to record our dissent from clause 44 which seeks to perpetuate the high level of indirect taxation, whether through customs duties or through excise duties.

**Shri Sachindra Chaudhuri:** While moving Clauses 44 and 45, I would say that they should continue and there should not be any difficulty in accepting them. I do not think that the suggestions that have been made by Mr. Masani in his speech earlier have any merits.

**Mr. Chairman:** The question is:

"That Clause 44 stand part of the Bill".

*The motion was adopted.*

*Clause 44 was added to the Bill.*

**Mr. Chairman:** The Question is:

"That Clause 45 stand part of the Bill".

**Shri N. Dandekar:** I oppose this Clause as this scheme of regulatory duties was imposed last year by what is called 'the little budget' of 17th February, 1965. These fraudulent regulatory duties were imposed under a pretext which was false and the

pretext continues to be repeated in this particular clause, namely,

"With a view to regulating or bringing greater economy in imports, there shall be levied...."

I suggest that this is palpably and deliberately a bogus statement for the reason that today the Government have extensive powers of various kinds under various Acts to regulate or prohibit imports; the question of regulating or bringing greater economy in imports would be an honest device in certain circumstances very different from those in this country. If there was no regulation and control over imports, if there was no regulation and control over foreign exchange, if there was no regulation requiring approval of various schemes involving import of capital goods and so on, then, in those circumstances I could understand the method of regulatory duties as a matter of imposing a disincentive the import of foreign goods in preference to local manufactures and import substitutes. But that is not the case here. I objected to this last year on the ground that these duties were fraudulent imports and I object to these regulatory duties this year also on the ground that they continue to be fraudulent. I see no valid reasons for what is proposed or suggested by the Finance Minister in support of the proposition that these regulatory duties of customs are necessary, as the preamble of that particular clause says, with a view to regulating or bringing greater economy in imports. I suggest that it is a prevarication of a very serious kind; and I object to this on principle as well as for the reasons that Mr. Masani has indicated, namely that these duties are being slapped on, one on top of another. Last year in the second Finance Bill the customs duties were jacked up at a rate which was really staggering. Then there are in existence the special duties of customs, to which Mr. Masani referred earlier, which is a 10 per cent surcharge on the totality of customs duty; on top



of it are these regulatory duties for reasons that do not really exist—the Finance Minister knows that they do not exist, it is only a specious way of merely putting his hands into people's pockets and I object to this way of doing it. Let them go ahead and increase the customs duties, if they must, but not in this particular fashion.

**Dr. L. M. Singhvi:** It is certainly not possible to prevent the Finance Minister from putting his hands into the people's pockets, but I do think that, apart from questions of economic ideology, the fact that the hon. Finance Minister is asking for a blanket delegation of powers to the Central Government raises a very fundamental issue. It is true that this is not the first time that such delegation is being asked for. I would invite the attention of the House to the following words in Clause 45:

"With a view to regulating or bringing greater economy in imports, there shall be levied and collected, with effect from such date and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette...."

It may be that there are precedents which sanction that, but precedents do not override and do not supersede the very breath and the very spirit of our Constitution. Such a delegation of financial powers, such a delegation of powers of levying taxes is not consistent, in my humble opinion, with the accepted canons of parliamentary institutions and a democratic form of Government.

As it is, the power of Parliament is substantially and progressively eroded by the inroads which administration and the executive and the delegation of executive authority have made. Now, if these inroads are permitted to be made by gazette notifications, at such rate and from such date as the Government may deter-

mine, then really speaking, we are abdicating our financial powers. And very severe inroads are being made into the traditional and ancient privilege of elected representatives in respect of imposing levies and duties.

Apart from that, I subscribe particularly to the point of view advanced by my hon. friend Shri N. Dandekar in respect of the fact that the stated purpose of clause 45 is at variance with the prevailing fact. The stated purpose is that it is with a view to regulating or bringing greater economy in imports. As a matter of fact, it was stated at the time of the last budget that one of the purposes also was to collect additional money. This is a very objectionable way of collecting money. It seems that the purpose of effecting greater economy in imports has been lost in the maze, in the anxiety to collect more money and in the anxiety to impose certain restrictions on import which are not reasonable. Certainly, Government have extensive powers in imposing restrictions on imports. In the conditions in which we are today, no one could logically advance the argument that the Government should not have those powers. As a matter of fact, Government are already armed with extensive powers in this respect. It does not appear reasonable that such regulatory duties of customs should be permitted to be imposed and that too by means of legislation which leaves it to the sweet will of Government to impose them from such date and at such rates as the Government may by notification determine. This seems to be inconsistent with the basic tenet of parliamentary form of Government, and I oppose it principally on that ground.

**Shri Sachindra Chaudhuri:** I have heard the reasoning, rather forcefully if not very politely, expressed by Shri N. Dandekar and equally forcefully expressed by Dr. L. M. Singhvi. The real reason for taking this power is to try and encourage—I would not use the words 'to give an incentive',

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but to try and encourage—import—substitution. As and when import-substitution goes on, and there is a complete substitution made, these regulatory duties may not be necessary. But until that is done, in the case of specified matters or in the case of specified items, there has to be some kind of a duty imposed. This regulatory duty has got the advantage of its being woven into the tax-structure and being taken away when the necessity for it goes. But, unfortunately, the necessity for this provision is still there. Otherwise, I would have been the first person who would have withdrawn them.

It is perfectly true that by this Government are seeking to take power to make a list to which these duties will apply. But the power is not being taken by Government by any executive order or executive act. Government have come before Parliament asking, Parliament to give them that power. Therefore, the objection that Dr. L. M. Singhvi is making is really not understood by me. If Parliament says that Government should not have this power, then that power would not be given to me and I would not be able to have it or the Government would not be able to have it.

**Dr. L. M. Singhvi:** It is a blanket delegation; that was what I submitted. Why should there be this blanket delegation of powers?

**Shri Sachindra Chaudhuri:** What Dr. L. M. Singhvi calls as blanket delegation is not a blanket delegation at all, because after all, there is that guiding principle that this would be resorted to where the economy needs it.

If the economy does not need it, we cannot do it. Apart from that, I cannot go into the question of what is good delegation, bad delegation or blanket delegation. But I will say

this, that in the situation in which we find ourselves it is necessary for us to restrict our imports, by that I mean our foreign exchange, as far as possible, and it is necessary further to encourage indigenous substitutes, and to that end this regulatory duty is put in. When this regulatory duty is put in, it is put in with the object of keeping it for as short a period as possible and to exclude from its operation items from time to time. For instance, fertilisers have been excluded from it, foodstuffs have been excluded from it. I am not saying that they should be included, what I am saying is that they have been excluded. Therefore, so far as the essentials are concerned, Government keeps it, but they have been willing to exclude things. Where it is a question of non-essentials, and where we find a particular industry wants to import an item which in the opinion of Government can be had in this country, there would be the possibility of saying, "Very well, if you want, you must pay an extra duty." That is the purpose for which it is kept and I find it very difficult to take it off. I am afraid I cannot accept the amendment.

**Mr. Chairman:** The question is:

"That Clause 45 stand part of the Bill."

*The motion was adopted.*

*Clause 45 was added to the Bill.*

*Clause 46 was also added to the Bill.*

**Clause 47—** (Amendment of Act 1 of 1944).

**Shri H. N. Mukerjee** (Calcutta Central): I beg to move:

Page 27,—

after line 17, insert—

"Provided that the levy and collection shall not be im-

\*Moved with the recommendation of the President.

posed on small processing units working with not more than six employees and manufacturing washing and cleaning powders and preparations." (28)

**Shri Subbaraman (Madurai):** I beg to move:\*

Page 27,—

after line 17, insert—

"Provided that this would not apply to the preparation or manufacture of the above if carried on as a cottage or home industry". (111)

16.18 hrs.

[MR. SPEAKER in the Chair]

**Shri M. R. Masani:** I would like to oppose this clause. This is much worse than those that we have just passed.

**Shri N. Dandekar:** I am not moving my amendments 78, 79 and 80. I am supporting Mr. Masani's total opposition.

**Shri M. R. Masani:** This clause imposes additional excise duties on a very wide arrange of products. Just to glance at the list in Government's own memorandum, the things on which people will have to pay higher prices caused by higer excise duties covers things like sugar, tobacco, cigars and cigarettes, diesel oil, bleaching agents, rayon and synthetic fibres, cotton textiles of various kinds and cotton fabrics, iron and steel, products, electric wires, paper boards and motor vehicles—just to give a few examples.

In other words, over the whole range of consumer goods which the common people use, the already high

excise are now being jacked up further. This means casting a direct burden on the shoulders of those who are lease equipped to bear it. We perfectly well know that every excise duty is passed on to the consumer, it is not paid by the producer or by the intermediary.

Just to give an example of the effect not only on the consumer but on the economic life of this country that this kind of thoughtless taxation creates, I would like to draw attention to the havoc this very clause and the powers that it gives to the Finance Ministry is playing in my own constituency. In Rajkot, there are a lot of small-scale enterprises. They are modren, up-to-date enterprises, but all very small, and among them there is the grey board industry. The new excise-duties including those caused by notification have an item called paper boards which says "straw board and pulp board including grey board". It gives the rate saying on a certain category the duty goes up from 10 to 20 paise, and on the next category from 20 to 32 paise. And on the highest category it is raised from 30 to 35 nP.

What is the result of it in concrete terms? There are nine mills, all small scale industry in Gujarat. These nine mills employ 75,00 workers and give employment, including their families, to three or four times that numer. Many of these mills are in that place. The result of this particular levy in which grey boards are bracketted with superior varieties of boards has been to bring the sales, and in a shortwhile no doubt, the production of grey boards to a grinding halt. This government goes on creating unemployment and distress. If something is not done soon, it will mean the shutting down of the nine mills in Gujarat and eight in Maharashtra, all of the small scale industries. The levy of the duty is

\*Moved with the recommendation of the President.

[Shri M. R. Masani]

directed against the production of grey board which happens to be the cheapest and the most inferior of the qualities. The result of this high duty, which may be reasonable for the higher kinds of boards, means that it has become the most highly taxed item in the entire paper industry. Just to give an example. The ex-mill price of this commodity is Rs. 450 per ton and the new duty comes to Rs. 420 per ton, almost 100 per cent. This means that grey boards will be wiped out of the market; it will no longer be economical to go in for this type of product by small units. Others may survive but the grey board industry will be wiped out so far as small scale enterprises are concerned. The Small Scale Grey Board Manufacturers' Association have sent umpteen telegrams to the Finance Ministry and their unfortunate experience is that we do not get even a response nor a reply. That is why I find it necessary to draw attention to this so that one may understand when we pass these clauses what we are doing. Apart from mulcting the consumer which, of course, is obvious, we are striking at the root of a large number of small enterprises in this country.

We talk about economic advance. This kind of legislation retards our advance, destroys the advance we have already made. We lose ground that we have already occupied. This is a kind of legislation, in a constant attempt to grab, grab and grab, that this government represents. A few minutes ago, the Finance Minister was frank enough to say that he wanted this increase for one or two years because he wanted to pass some money on to the States, in other words, to buy them off those Chief Ministers and their cabinets, and they have to be bought off at the cost of the tax payer. This grab policy is what is ruining the economy of this country. That is one reason why this country is today bankrupt, why its industry is grinding to a

halt and agriculture is destitute, and we have got to go abroad. Bad government and bad policies over the last ten years of this nature have brought us to this point. Therefore, Mr. Speaker, we strongly oppose this entire clause. We oppose additional taxation, the indirect taxes that this clause represents, and we shall divide this House to draw attention to the enormities of this taxation.

Shri H. N. Mukerjee: My amendment is of a very limited nature. To a certain extent, I need not say I agree with what my friend Mr. Masani has said and since I have not much expectation from government in so far as drastic alternation of its taxation proposal is concerned, I have concentrated on a small instance where perhaps the Minister might be persuaded to offer a little concession. This Bill imposes a levy of ten per cent *ad valorem* excise duty on organic surface-active agents (other than soap); surface active preparations and washing preparations, whether or not containing soap at the effective rate of 25 per cent per kilogram. My suggestion is that there are some very small, minute, almost microscopic processing units operating in every part of our country, and they and their like have all been accustomed to securing exemption from Government impositions. I am suggesting through my amendments that the levy and collection shall not be imposed on the small processing units, working with not more than six employees, manufacturing, washing and cleaning powders and preparations. This is a very typical instance of how very small establishments are coming within the ambit of legislation, the result being that these small processing units would be subjected to great inconvenience, and the Government administrative apparatus necessarily to collect this minute amount of tax would not really be worthwhile.

Therefore, in conformity with the Government's practice of giving con-

cessions to very small units of this description, this might be paralleled by other instances in the schedule, all the items under this particular group. I am suggesting to the Finance Minister that he perhaps might be pleased to offer exemption to these very small establishments, in this particular case, of washing and cleaning powders and preparations—the manufacture of these things in establishments with not more than six employees—and these minute units should not come under the axe of the imposition of the Finance Minister.

**Shri S. M. Banerjee (Kanpur):** I rise to oppose clause 47 altogether. I fully support what Shri M. R. Masani has said. What does it imply? Sub-clause (a) seeks to raise the rates of duty on sugar; sub-clause (b) seeks to raise the rates of duty on certain varieties of unmanufactured tobacco and cigars and cheroots; sub-clause (c) seeks to raise the rate of duty on diesel oil not otherwise specified. Then, sub-clause (i) seeks to raise the duty on cotton fabrics. As has been explained by us, after all, this indirect taxation always results in raising the prices, and the prices have already risen to a height where it has become impossible for the common man to exist and lead a decent family life. There is agitation throughout the country. (*Inter-rup-tion*) I would like to bring to the notice of the Finance Minister and request him that even at this late stage, he should consider whether these taxes are justified. In every State, agitation is going on, and in my own State of Uttar Pradesh, a Member of Parliament, a Member of this House, Shri Sarjoo Pandey, has started a fast upto death, to focus the attention of the public on the Government's failure to bring down the prices. So, I would request the hon. Finance Minister to reconsider this decision and see whether some relief could be given instead of levying this further taxation.

**Shri Subbarman:** My amendment No. 111 provides:

"Provided that this would not apply to the preparation or manufacture of the above if carried on as a cottage or home industry".

I would like to bring to the kind notice of the hon. Finance Minister that the manufacture of Turkey-Red oil is carried on as a small cottage or home industry in Madurai. It is carried on by members of the family. At the most, they may take one or two people from outside their family. This Turkey-Red oil is used for dyeing yarn which is mainly used for handloom purposes. This industry is a very small industry and it is also dwindling owing to certain conditions. Turkey-Red oil is manufactured by mixing caustic and sulphur with castor oil, and shaking the mixture. The oil is used for dyeing purposes as I just now mentioned. This industry has been greatly affected owing to the chemicals and some such solutions which are manufactured in Bombay and which are used in the place of this Turkey-Red oil. If this Turkey-Red oil is subjected to this taxation, it cannot stand it at all. There would be about 20 or 25 people at the most who carry on this manufacture. The association of this small industry has sent a petition to the Finance Minister requesting him for exemption. I have also written to him that if this tax is levied, the industry will be completely ruined. It employs a good number of people. From the employment aspect also, I request that exemption should be given to this industry.

**Dr. L. M. Singhvi:** I am sure when the Finance Minister levies additional proposals, he does it with a heavy heart. But he must have sought to incorporate some of the provisions of clause 47 with a particularly heavy heart, I think, because they touch upon the lives of small men. It was good to find Mr. Masani, Prof. Mukerjee and Mr. Banerjee converging in their opposition to the underlying in-

[Dr. L. M. Singhvi]

crease of levies in clause 47. But what appears to be the case is that the self-employed man would be very badly hit if clause 47 is implemented as a tax proposal. It seems in some cases it would be tantamount to mounting an assault on the small self-employed man. It was a classic understatement on the part of Prof. Mukerjee to say that it would perhaps inconvenience the small man. No, Sir; it would make the small man extinct. He would simply disappear under the weight of some of these levies. It appears to me that there is an increased tax on cleanliness and on human beings being clothed. I hope the minister will consider giving certain reliefs to ensure that the small self-employed man is not eliminated out of existence by some of these levies.

**Shri M. Malaichami (Periyakulam):** Sir, clause 47(f) seeks to levy excise duty on organic surface-active agents and surface-active preparations. Under this clause comes the manufacture of turkey red oil. It is a cottage industry carried on by very poor people giving employment to infirm, aged women who are not able to leave their houses. This industry is carried on mainly to have a hand-to-mouth existence. Already this industry is on the verge of perishment. If by imposing this excise duty the cost also is increased there will not be any market for the commodity. This will drive the commodity out of the market resulting in unemployment and starvation. So, I request that exemption may be given to this industry in view of the fact that the revenue derived from this taxation is very little.

**Shri Sachindra Chaudhuri:** May friends have been a little hard on me when they said that I had not paid any attention to the representations which have been made in respect of grey-board. When I heard that, in the back of my mind I remembered that I had done something for this business. Any board which is

dried by a manual process and is made waste paper and so on is known as mill board and not grey-board. Sometimes the same thing is known in non-technical parlance as grey board. Grey board is manufactured by a process which is mechanical and not manual. I have received representations from three bodies from Calcutta, Bombay and Gujarat and, on their persuasion, I did, in fact, make an announcement, taking off duties to a large extent on mill-boards, and I do not propose to put on duties on mill-boards which I had taken off. I received a joint memorandum on 15th March, 1966 from people making mill-boards in Rajkot, Bombay and Calcutta. They did not say about grey board; they talked about mill-board. After considering their representation on the standard rate of duty on mill-board has now been reduced by one-third, from 41 paise to 28 paise.

**Shri M. R. Masani:** When was this done?

**Shri Sachindra Chaudhuri:** It was done after the receipt of that representation, in April. If I remember right, it was done in the beginning of April, before the discussion started. Perhaps, Shri Masani did not know that.

**Shri M. R. Masani:** No, I did not.

**Shri Sachindra Chaudhuri:** Sir, I had not only listened to them, but listened with attention and taken action on their memorandum. Of course, when the Finance Minister does those things, he does not brag about them.

**Shri M. R. Masani:** He should publicise his action.

**Shri Sachindra Chaudhuri:** I inform the people who are affected, not the people who represent them.

So far as cleansing material is concerned, optical whiteners and so on, there again, before I was approached I had made up my mind to do something in the matter. What I propose to do is, whenever it is produced by non-mechanical means, I shall not put

duty on that, and I propose to do it by order. So that there would not be any question of cottage industries or non-cottage industries, so that there may be no argument that a cottage industry is limited to only six people, I say that it will not apply at all if it is done by manual labour. In that case, even if it is done by 8 people, provided it is by manual labour there will be no duty on that.

So far as Turkey red oil is concerned, my answer is that I had received

one small application and on that I had taken a decision not to impose any duty on that.

**Mr. Speaker:** I shall not put amendment Nos. 28 and 111 to the vote of the House.

**Amendments Nos. 28 and 111 were put and negatived.**

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

"That clause 47 stand part of the Bill."

*The Lok Sabha divided:*

### Division No. 14]

### AYES

[16 40 hrs.

Akkamma Devi, Shrimati  
Alva, Shri Joachim  
Babunath Singh, Shri  
Baiji, Shri Kamalavati  
Basappa, Shri  
Basumatari, Shri  
Baswant, Shri  
Bhanja Deo, Shri L. N.  
Boroach, Shri P. C.  
Brajeshwar Prasad, Shri  
Chaturvedi, Shri S. N.  
Chaudhry, Shri Chandramani Lal  
Chaudhuri, Shri Sachindra  
Chavda, Shrinati Joraben  
Chuni Lal, Shri  
Daffe, Shri  
Daljit Singh, Shri  
Das, Dr. M. M.  
Deo Bhanj, Shri P. C.  
Dashmukh, Shri Shivaji Rao S.  
Dhuleshwar Meena, Shri  
Dinesh Singh, Shri  
Gajraj Singh Rao, Shri  
Gandhi, Shri V. B.  
Hanada, Shri Subodh  
Himatsingka, Shri  
Iqbal Singh, Shri  
Jammadevi, Shrinati  
Ivotishi, Shri J. P.  
Kajrolkar, Shri  
Khan, Dr. P. N.  
Koujalpi, Shri H. V.  
Krishna, Shri M. R.  
Kureel, Shri B. N.  
Lakshmi Kanthamma, Shrinati

Lalit Sen, Shri  
Laskar, Shri N. R.  
Laxmi Bai, Shrinati  
Linga Reddy, Shri  
Mahishi, Dr. Sarojini  
Malaichani, Shri  
Malhotra, Shri Inder J.  
Mehrotra, Shri Braj Bihari  
Mehta, Shri Jashva  
Mishra, Shri Bibhuti  
Morarka, Shri  
Muri, Shri M. S.  
Naik, Shri Maheswar  
Nanda, Shri  
Nardeo, Shri  
Naskar, Shri P. S.  
Niranjan Lal, Shri  
Oza, Shri  
Pande, Shri K. N.  
Parashar, Shri  
Patil, Shri D. S.  
Patil, Shri J. S.  
Patil, Shri S. K.  
Patnaik, Shri B. C.  
Rai, Shrinati Sahodra Bai  
Ram Sewak, Shri  
Rane, Shri  
Rao, Shri Jaganatha  
Rao, Shri Muthyal  
Rao, Shri Ramapathi  
Rao, Shri Thirumala  
Reddi, Dr. B. Gopala  
Roy, Shri Bishwanath  
Sahni, Shri Rameshwar

Samanta, Shri S. C.  
Samnani, Shri  
Sarma, Shri A. T.  
Satyabhama Devi, Shrinati  
Sen, Shri P. G.  
Shah, Shri Manabendra  
Shah, Shrinati Jayaben  
Shankaraiya, Shri  
Sharma, Shri A. P.  
Shaahi Ranjan, Shri  
Sheo Narain, Shri  
Shree Narayan Das, Shri  
Shukla, Shri Vidya Charan  
Shyam Kumari Devi, Shrinati  
Siddananiappa, Shri  
Singha, Shri G. K.  
Sinha, Shrinati Ramdulari  
Sinha, Shri Satya Narayan  
Sinhaan Singh, Shri  
Subraman, Shri  
Subramanyam, Shri T.  
Sumat Prasad, Shri  
Tahir, Shri Mohammad  
Tantia, Shri Rameshwar  
Tiwary, Shri D. N.  
Tiwary, Shri K. N.  
Tula Ram, Shri  
Ukey, Shri  
Upadhyaya, Shri Shiva Dutt  
Vidyalankar, Shri A. N.  
Virbhadra, Singh, Shri  
Wadiwa, Shri  
Wanik, Shri Balkrishna  
Yadava, Shri B. P.

### NOES

Bade, Shri  
Badrudduja, Shri  
Banerjee, Shri S. M.  
Bheel, Shri P. H.  
Chakraverty, Shrinati Renu.  
Daji, Shri  
Dandekar, Shri N.  
Dwivedy, Shri Surendranath

Kapur Singh, Shri  
Kripalani, Shri J. B.  
Masani, Shri M. K.  
Matcharaju, Shri  
Mohammad Ismail, Shri  
Mukerjee, Shri H. N.  
Ran Singh, Shri  
Ranga, Shri

Sen, Dr. Kanen  
Singh, Shri Y. D.  
Singha, Shri Y. N.  
Singhai, Dr. L. M.  
Soy, Shri H. C.  
Visham Prasad, Shri  
Warier, Shri

**Shri D. B. Raju (Narasapur):** rose—

श्री यशपाल सिंह (कैराना) : मेरे मे  
लाइट नहीं आई ।

**Shri Kapur Singh (Ludhiana):** He refuses to use both hands though I have advised him to do so often.

**Mr. Speaker:** The result of the division is: Ayes..102; Noes.....23.

*The motion was adopted.*

*Clause 47 was added to the Bill.*

*Clauses 48 to 52 were added to the Bill.*

**Clause 53—** (Amendment of Act 22 of 1963).

*Amendments made:*

(i) **Page 31, for lines 1-3, substitute**

“53. In section 32 of the Unit Trust of India Act, 1963—

(a) in sub-section (1), for clause (b) and the Explanation, the following clause and Explanation shall be substituted, namely:—(99)

(iii) **Page 31, after line 12, insert**

“(b) in sub-section (2), for clause (c), the following clause shall be substituted, namely:—

“(c) where in the case of a unit holder, being an individual who is not resident in India, the income in respect of units receivable by him from the Trust during the financial year—

(i) does not exceed one thousand rupees, no deduction of income-tax shall be made by the Trust from the income distributed to him;

(ii) exceeds one thousand rupees, deduction of income-tax shall be made by the Trust from the

whole of the income distributed to him at the rate of fifteen per cent. of such income”. (100).  
(*Shri Sachindra Chaudhuri*)

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

“That clause 53, as amended, stand part of the Bill.”

*The motion was adopted.*

*Clause 53, as amended, was added to the Bill.*

### The First Schedule

**Shri Sachindra Chaudhuri:** Sir, I beg to move\*—

(i) **Page 32, line 36, for “Rs. 6,500”, substitute “Rs. 7,000”. (101)**

(ii) **Page 33, line 5, for “Rs. 3,500”, substitute “Rs. 4,000”. (102)**

(iii) **Page 35, line 34, for “Rs. 3,500”, substitute “Rs. 4,000”. (103)**

(iv) **Page 35, line 37, for “Rs. 3,500”, substitute “Rs. 4,000”. (104).**

(v) **Page 38, line 14, for “65 per cent.”, substitute “60 per cent.”. (105).**

**Shri N. Dandekar:** Sir, I am taking it paragraph by paragraph because they deal with quite different things. I move:—

(i) **Page 34, line 8,—**

*after “1963” insert—*

“or income received by way of dividends.”. (30)

(ii) **Page 34, line 29,—**

*after “1963” insert—*

“or income received by way of dividends.” (31)

(iii) **Page 35,—**

*omit lines 5 to 11. (32)*

\*Moved with the recommendation of the President.



(iv) Page 36,—

omit lines 1 to 6 (33).

(v) Page 36,—

for lines 10 to 20, substitute—

"5 per cent. of the amount by which the total income exceeds Rs. 100,000" (39).

"(2) where the total income exceeds Rs. 7,500 but does not exceed Rs. 10,000.

(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000.

(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000.

(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000.

(6) where the total income exceeds Rs. 25,000.

(ii) Page 35, line 34.—

for "Rs. 3,500", substitute—  
"Rs. 5,000" (35).

(iii) Page 35, line 37.—

for "Rs. 3,500", substitute "Rs. 5,000" (36).

(iv) Pages 35 and 36,—

omit lines 38 to 46, and 1 to 6 respectively. (37).

**Shri N. Dandekar:** I beg to move:

(i) Page 37,—

for lines 37 to 42, substitute—

"A (i) on so much of the total income as does not exceed Rs. 100,000

40 per cent.

(ii) on the balance, if any, total income. (42).

50 per cent."

(ii) Page 38,—

omit lines 1 to 18 (43).

(iii) Page 38,—

omit lines 43 to 53 (44).

(vi) Page 36,—

omit lines 34 to 40 (40).

(vii) Page 37,—

omit lines 12 to 17 (41).

**Shri Oza (Surendranagar):** I beg to move:

(i) Page 35,—

for lines 17 to 31, substitute—

Rs. 250 plus 10 per cent. of the amount by which the total income exceeds Rs. 7,500;

Rs. 500 plus 15 per cent. of the amount by which the total income exceeds Rs. 10,000;

Rs. 1,250 plus 20 per cent. of the amount by which the total income exceeds Rs. 15,000;

Rs. 2,250 plus 25 per cent. of the amount by which the total income exceeds Rs. 20,000;

Rs. 3,500 plus 41 per cent. of the amount by which the total income exceeds Rs. 25,000." (34).

(iv) Page 39, lines 21 and 22—

for "of its paid-up equity share capital",

substitute "of the aggregate of its paid-up equity share capital, its free reserves and its capital reserves including share premium account."

(v) Page 40, lines 9 and 10,—

omit "after the 31st day of March, 1961". (48).

(vi) Page 49, lines 16 to 18,—

omit "after the 29th day of February, 1964". (49).

(vii) Page 40, line 22,—

for "70 per cent.", substitute—  
"60 per cent." (50).

(viii) Page 39, line 22,—

for "1st day" substitute—  
"last day" (84).

- (ix) Page 40, line 35,—  
for "4 per cent." substitute—  
"2 per cent." (51)
- (xii) Page 40, line 42,—  
for "8 per cent." substitute—  
"5 per cent." (52)
- (xiii) Page 40, line 52,—  
for "4 per cent." substitute—  
"2.5 per cent." (53).
- (xiv) Page 41, line 5,—  
for "22 per cent." substitute—  
"20 per cent." (54)
- (xv) Page 41, lines 26 and 27,—  
omit "after 31st day of March,  
1961, and", (55).
- (xvi) Page 41, lines 36 and 37,—  
omit, "after the 29th day of Feb-  
ruary, 1964, and". (56)
- (xvii) Page 41, line 40,—  
for "44 per cent." substitute—  
"40 per cent." (57)
- (xviii) Page 41, line 43,—  
for "70 per cent." substitute—  
"60 per cent." (58).

**Shri M. R. Masani:** I beg to move\*:  
page 37, line 22,—

for "52.5 per cent." substitute,—  
"47.5 per cent." (83).

**Shri Oza:** I beg to move\*:

Page 35,—

omit lines 15 and 16 (33).

**Shri Himatsingka:** I beg to move\*:

Page 34,—

(i) line 8,—

after "1963" insert "or income  
received by way of dividend  
on any shares (including di-  
vidends on preference shares)"

(ii) line 29,—

after "1963" insert

"or income received by way of  
dividend on any shares (in-  
cluding dividends on prefe-  
rence shares)". (29).

**Shri P. C. Borooah:** I beg to move\*:

(i) Page 39 line 22,—

after "capital" insert—

"plus reserves". (46)

(ii) Page 39, lines 22 and 28,—

for "1st day of the previous year".  
substitute "day of distribution of  
the dividend". (47).

(iii) Page 32, line 36.—

for "Rs. 6,500" substitute—

"Rs. 9,000" (81).

(iv) Page 63, line 5,—

for "Rs. 3,500" substitute—

"Rs. 6,000" (82).

(v) Page 36,—

for lines 10 to 20 substitute—

- |   |  |
|---|--|
| (1) where the total income does not exceed Rs. 40,000                         | Nil  |
| (2) where the total income exceeds Rs. 40,000 but does not exceed Rs. 100,000 | 8 per cent of the amount by which the total income exceeds Rs. 40,000 ;                |
| (3) where the total income exceeds Rs. 100,000                                | Rs. 4800 plus 12 per cent of the amount by which the total income exceeds Rs. 100,000. |

**Shri N. Dandekar:** Would it be better if we go Part by Part?

**Mr. Speaker:** He might speak. So many Members would like to speak. I cannot allow all the Members.

\*Moved with the recommendation of the President.

**Shri N. Dandekar:** It would be better if we go Part by Part.

**Mr. Speaker:** I have no objection. But the Members want some time for the Third Reading as well and at 6 O' Clock we have to apply guillotine. We have to be very brief.

**Shri N. Dandekar:** If you so wish, I will deal with the whole lot together.

Part I, Paragraph A of the First Schedule is concerned with taxation of individuals, Hindu undivided families, unregistered firms and other associations of persons or bodies of individuals. In respect of Paragraph A, I have really two groups of amendments, one is Nos. 30 and 31 and the other is No. 32.

Amendments Nos. 30 and 31 are concerned with giving the same concessional treatment to unearned income from dividends as is already done in respect of unearned income from Central and State Governments securities as well as income received in respect of Units from the Unit Trust of India. Dividends are related to unearned income in the same way interest on Government securities and income from the Units of the Unit Trust of India. I suggest whatever is the reason for the exclusion of those incomes from surcharge applicable to unearned income is also the justification for the exclusion of dividends and they should get precisely the same treatment.

Amendment No. 32 is concerned with the additional surcharge that is now sought to be imposed by way of a special surcharge on taxes payable by individuals, families, unregistered firms and so on. This is in line with the objection we take to the increase in the rate of direct taxation. I am astonished that there is an attempt to increase the rate of direct taxation when the facts disclosed by the Budget itself show that for the first time in the history of estimating of revenue by the Revenue Department,

the revised estimates of revenue from direct taxation are very considerably lower than the original estimates made last year. This is the first time that this has happened. It should really have been a red light to the Finance Minister that we have reached, for the first time the point of diminishing returns in respect of income-tax. My amendment No. 32 is therefore, concerned with deleting the surcharge on income-tax in respect of the categories of persons covered by Paragraph A.

Paragraph B of Part I of the First Schedule is concerned with cooperative societies and here too the only amendment I am making is the deletion of the special surcharge of ten percentage that is being imposed on cooperative societies in the same way as the surcharge that is sought to be imposed on other categories. That is amendment No. 38.

I now come to amendment Nos. 39 and 40, concerned with paragraph C; I shall have to spend a little time on this because it is concerned with inequitable system of taxing registered firms. A registered firm is a collection of persons who constitute a firm and they can be trading firms, manufacturing firms, professional firms and all kinds of firms. It is not a legal entity really, but an aggregate of individuals who are together for a particular purpose and there is no justification at all for singling out this particular group of people for taxing severely. In fact, the difference between registered firms and unregistered firms is precisely this: an unregistered firm is one about which one knows little as to how they share the profits, how they bring in capital and so on whereas a registered firm is one concerning which one knows everything because it is an essential requisite of registration that the entire data and the agreements governing the firm's formation and constitution should be disclosed; and furthermore, the income-tax officer is also entitled, apart from the legal validity

[Shri N. Dandekar]

of the firm, to go into the question whether the firm is genuine or not. Therefore, these are firms which are accepted not merely as legally validly constituted firms but as firms which are perfectly genuine. In their case, the separate rate of taxation that is proposed in addition to taxing the partners is totally wrong. But I am aware that the Finance Minister is quite unlikely to abandon the principles or lack of principles in taxing registered firms as separate entities. Therefore, my amendment No. 39 is concerned only with reducing very considerably the slab rates of taxation on such firms.

Amendment No. 40 is concerned again, as in the earlier case, with deleting the special surcharge on firms.

Amendment No. 41 is concerned with Paragraph 'D' of part I of the First Schedule which deals with taxation of local authorities. I see no justification in the case of local authorities any more than in the case of the other groups that I have just mentioned for the imposition of the special surcharge and, therefore, I am proposing that the special surcharge be not imposed.

Amendment No. 83 will be dealt with by Mr. Masani because he is presently most concerned about the enhancement of rate of taxation on the Life Insurance Corporation; I will not, therefore, deal with it.

I will go on to the more complicated question of taxation of companies. While the mode of setting out the structure of taxation of companies is, as I said earlier, a tremendous improvement on the taxation structure that used to appear hitherto in the Finance Act, I see here the continuance of the distinction between closely controlled companies and the companies not closely controlled. I am unable to see why closely controlled companies are

being harshly taxed twice over. I can understand that closely controlled companies frequently do not distribute the profits which they have earned; if they do not distribute those profits, they are either subjected to a higher rate of tax for non-distribution or as used to be the case earlier, they would be required to distribute profits, whereupon the shareholders of such closely controlled companies are subjected to a higher super tax or higher income-tax as they are now. But having once chosen them for that punitive treatment, namely, that they should be deemed to have distributed dividends or must pay a special penal tax for non-distribution, I am unable to see any justification whatever for a differential rate of basic taxation in regard to such companies as compared with other, not closely controlled companies.

My amendments Nos. 42 and 43 are concerned with enacting the straightforward proposition that the basic rates of taxation on closely controlled companies, ought not to be any different from those on companies not closely controlled, because closely controlled companies are, as I have said, in fact penalised in another way, for non-distribution of dividends up to particular extents to which it is desired that they should distribute.

16.56 hrs.

[THE DEPUTY SPEAKER in the Chair]

The second part of my amendment No. 42 is concerned with having a better slab system in respect of the small companies or rather, converting the present step system into a slab system and having a better low-rated slab than is there at present. The present low rated income step is Rs. 25,000. I suggest that this Rs. 25,000 has become an ancient hoary nonsense, because today the corres-

ponding low rate slab, to be subjected to a differentially low rate of taxation, ought to be very considerably higher. Consequently for small companies, I have suggested a slab of Rs. 100,000 at a rate of tax which I shall mention presently. I have suggested a level of Rs. 100,000 instead of Rs. 25,000, and the structure which I have proposed is the slab system of taxation instead of this complicated step system involving a great deal of complicated marginal-reliefs provisions.

Thirdly, amendment No. 42 contains another major proposition, namely that there is no justification for raising the rate of taxation. The basic rates of tax on companies ought not to be raised any more than the basic rates of tax on the other assesseees, and consequently, by amendment No. 42, I seek to put back the basic rates to 40 per cent in the case of the lower slab and 50 per cent in the case of the upper slab.

Amendment No. 43 is merely concerned with eliminating a whole lot of junk that is at page 38 in terms of a variety of taxation rates and so on.

Amendment No. 44 is concerned with deleting lines 45 to 53, which is merely a consequential amendment for deleting all these marginal relief complications which become necessary only so long as you have a step system of taxation instead of the slab system.

Then, I come to amendment No. 45. I regard this as an important amendment. It is an amendment to lines 21 and 22 at page 39, in Part I of the First Schedule. The short purpose of the amendment is this that excess dividend tax ought, I suggest, to be payable not when dividends paid exceed 10 per cent of equity capital alone, but when the dividends paid exceed 10 per cent of the aggregate of the paid-up equity capital, the free reserves and capital reserves including share premium account. These are the items which consti-

tute the aggregate capital-at-charge that ought to receive a basic rate of dividend free of excess dividend tax. That is a principle accepted also in the companies surtax. In computing profits chargeable to company surtax there is an allowance made as a basic allowance on the capital-at-charge, and the basic allowance on the capital-at-charge is 10 per cent of the paid-up capital plus free reserves etc. and indeed a certain amount of borrowed capital also which is not what I am suggesting here. Consequently, my amendment No. 45 is concerned with suggesting that while accepting a change in the mode of taxation of dividends, from a flat rate on all dividends to the taxation only excess dividend taxation, I am submitting that the principle of the excess dividend tax should involve a basic dividend which is free and that base should be related to the capital-at-charge and not merely to the paid-up equity capital.

17 hrs.

Next I would like to take amendments 48 and 49 together. These amendments are concerned with a very curious provision in the Schedule, namely that royalties received by a foreign concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961 is subjected to tax at the concessional rate of 50 per cent, and correspondingly the fees for rendering technical services received by a foreign concern from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 is also subjected to tax at the concessional rate of 50 per cent. But all other royalties and all other technical aid fees are subject to the general rate of tax at 70 per cent applicable to foreign companies.

I think this is absurd unequitable. It is utterly absurd to penalise those who had confidence in the development of this country earlier as

[Shri N. Dandekar].

against those who came in later. I know of a number of cases of earlier years, right from 1952 onwards, up to these critical dates like 1961 and 1964, who showed confidence in the development of this country and entered into royalty agreements and technical aid agreements, all of them approved by Government. Those very people, who have shown greater confidence in this country, are now being subjected to a rate of tax higher than those who came later, and this is sought to be justified on a peculiar ground that those people who came in earlier have somehow adjusted themselves to the then prevailing Indian taxation structure, whereas those who came in later, poor fellows, have to be given some kind of special treatment by way of a lower rate of tax. I suggest this distinction is utterly indefensible.

The important point is this, that for reasons of undoubted benefit to this country, all royalty agreements as well as technical aid fee agreements, after they have received the approval of the Government of India, must be regarded as something of great importance and value to the development of this country. They are entitled to a differential, lower rate of tax. I suggest that that lower rate of tax ought to be applicable to all such cases, regardless of whether the agreement was entered into before or after 31st day of March, 1961, in respect of royalties or 29th day of February of the leap year 1964, in respect of technical aid fees. I seek to abolish these distinctions.

My amendment No. 50 is concerned with reducing the basic rate of tax on foreign companies in the same general pattern that I am following, that there is no justification for increasing direct taxation at all. As I have said earlier the receipts from direct taxation during 1965-66 from income-tax are expected to go down very considerably, I think the figure is something of the order of Rs. 40 crores, and receipts from tax on

companies is also expected to go down very considerably where I believe the figure of shortfall is something of the order of Rs. 30 crores. It is an astonishing proposition that precisely when revenue yields are going down, that should be the time for jacking up the rate of taxation.

There is another point I want to make here. I suggest that in the matter of taxation of foreign companies there has got to be some limit to national capacity. We just cannot go on and on slapping on additional taxes, or jacking up rates of tax, on foreign companies as compared to domestic companies. The basic justification for some difference is, that whereas the shareholders or Indian companies that is to say of domestic companies as they are called, also pay tax in this country upon the dividends they receive from domestic companies, the shareholders of foreign companies do not pay tax in this country upon the dividends they receive from foreign companies, even though paid, at any rate partly, out of income earned by the foreign companies in this country. I said, therefore there was some justification for a higher rate, but when the rate proposed is 70 per cent, I suggest it is monstrous; I suggest that it does call for the remark that there ought to be a limit to national capacity in the matter of taxing the foreigner. It is a hang over of the old savage days when the foreigner was regarded as good meat, to be cooked up and eaten, not merely to be glared at.

My amendments to Part II of the First Schedule are merely consequential. I am suggesting reduction at all levels in the rate at which tax should be deducted at source on various types of income, consequent upon the abolition of the special surcharge. They are amendments 51 to 58. I will not go through them in detail, but they are merely concerned with bringing into line the rate at which deduction of tax should be made so as to correspond with the

rates at which I have suggested basic rates of tax ought to stand.

These are the amendments that I have proposed.

**Some Hon. Members** rose—

**Mr. Deputy-Speaker:** There must be sometime for third reading.

**Shri Muraoka:** This is the most important part of the Bill.

**Mr. Deputy-Speaker:** We have to finish before 6 O'clock.

**Shri M. R. Masani:** It is just 5 O'clock. Amendment 83, which I have moved, deals with the Life Insurance Corporation clause in the Bill which seeks to raise the tax on the LIC from 47.5 to 52.5 per cent. My amendment seeks to replace 47.5 per cent in place of 52.5 per cent, or, in other words, to bring it back to the present position.

Now, Mr. Deputy-Speaker, anyone who thinks that it is a tax on the LIC does not clearly understand that, when the LIC is being taxed, it is not the LIC but the small policy holder who is really being taxed, that is, ordinary people like Members of this House, middle-class people, who have been asked to insure and to whom great appeals are made so that they may think it is worth while to go in for insurance from the personal and national point of view. It works in two detailed way. First of all if you take away more tax you reduce the profit of the LIC. There are a large number of policy holders who have taken up policies "with profits". There are two kinds of policies, with and without profits and many people take out policies with profits by paying slightly higher premia because they would like to share in the prosperity of the institution. The moment you increase a tax like this, you are in fact cutting down the return to the policy holder of that profit and you are mulcting him of his hard earned profit. Secondly, by reducing the profit in the hands of the LIC, you are making it impossible for the LIC to consider building up reserves and reducing the rate of premium.

The rate is high; it should be brought down. Instead of bringing down the premium, government is taking away money in order to prevent the LIC from ever being in a position to bring down the premia which the policy-holder has to pay. This is anti-common man and anti-socialist if I may say so. These people who talk so loudly about making things easier for the common man are the very people who are mulcting the common man and oppressing him in a hundred ways such as this finance Bill represents. Therefore, in the interest of the small policy holder, I would like to urge that the House do not make this change or rather they accept my amendment which prevent any injury to the policy holders in this country.

**Dr. L. M. Singhvi:** I have very briefly to draw the attention of the hon. Finance Minister to the discriminatory character of double taxation to which the registered firms are subjected. It is one of the most outrageous vagaries of our taxation system that a body, a registered firm which is not even a legal entity and which is no more than an aggregate of those who combine for business, small people, what you may call middle class in business are subjected to taxation both at the personal level as well as at the level of firms. I do not understand why the hon. Finance Minister should continue this very objectionable provision which was introduced in 1956 and about which opposition had been voiced in the most emphatic way and in the most rational manner. This really escapes all logic though the hon. Minister said that there was nothing like logic in a taxation system and cited with telling effect what a 19th century publicist had said, I hope. He would concede that within the limitations of the taxation system which may fundamentally have been accused of being illogical or iniquitous, a certain concession has to be made to logic and to consistency. Why should it be that if a person carries on proprietary business, as an individual,

[Dr. L. M. Singhvi]

he should be taxed only as an individual whereas two persons, when they combine to do business, should be taxed not only as individuals but also as a firm? This escapes all logic and all consistency. It appears to me that it is a kind of discrimination which has no sanction of logic or of consistency and which, in being discriminatory against a body which has not even a legal entity, does not justify itself in any manner whatever. As I said, it is one of the many vagaries which continue to be a part of our taxation system, and I hope that the hon. Finance Minister, if he is not able to do anything, rightaway, at least would give it the consideration that it deserves that a registered firm should not be subjected to such discriminatory double taxation.

**Shri Morarka:** I wish to speak only on one topic, namely, Schedule I, para (f), which deals with company taxation. I also propose to confine myself to the taxation on what is called closely-held corporation or 23A companies. I am speaking in this august House on this particular topic for the last several years, and Finance Ministers after Finance Ministers have been promising to do something in that respect, but unfortunately, before they can do something actually they make an exit. And this year also, I am very sorry that the promise of the ex-Finance Minister remains unfulfilled on that account.

The hon. Member Shri Dandekar very ably pointed out that there is no justification at all in discriminating between the basic rates of taxation of the closely-held corporations and the other public corporations. If there is a fear that the closely-held corporations would be used as a vehicle, as a means for evading super tax, you can take care of that by compulsorily requiring them to distribute all the profits or a certain percentage of the profits by way of dividend and then you tax the dividends in the hands of the shareholders. And if the company

does not distribute the dividends, then, you levy a penal tax on the Company. But as the time passed by, more refinements were introduced in these 23A companies.

**Shri Sachindra Chaudhuri:** They are no longer 23A companies.

**Shri Morarka:** I am sorry; now they are section 104 companies. These companies are called section 104 companies, and they are subdivided into three categories: one those section 104 companies which do general business; another is, those section 104 companies which are industrial companies, and the third is, those section 104 companies dealing with priority industries. The rate of tax on all these three categories of companies differs from one another. You would be surprised to know that within the section 104 companies, the lowest rate of taxation this year is 50.6 per cent and the highest is 65 per cent. If a section 104 industrial company is a closely-held corporation, if it is owned by a limited number of people, and it has all the characteristics of a monopoly or has a coterie of people holding and managing and monopolising it,—if all these things are there—and yet, because the nature of the business carried on by that company is a different or a particular one, it has to pay a tax only of 50.6 per cent, whereas another company which does very good business in the sense that it also serves a national purpose and contributes to the national development, and yet, it has to pay a tax of 65 per cent. As I said, there is no reason, no justification, at all, firstly, in making a distinction between what is called a public company and a closely-held company, and secondly, there is much less justification for a discrimination between one section 104 company and another section 104 company. I have made some calculations in this regard. If the total income is Rs. 1 lakhs and there are 5 partners or shareholders or coparceners, in the case of a cooperative society the total tax liability is



Rs. 34,500. In the case of an unregistered firm it is Rs. 47,500. In the case of an individual, it is again Rs. 47,500. In the case of a registered firm it comes to only Rs. 18,000. In the case of a public company it is less than Rs. 60,000. In the case of a closely held corporation it comes to very near Rs. 70,000. So, a closely-held company today is taxed more than a registered firm, more than a cooperative society and more than even an individual.... Is it fair? Though the Finance Minister says that the tax system has no logic, I am sure he believes in logic; his profession is based on logic. He thought he should do justice. In his anxiety to do that, he has moved amendment 105. That only partly mitigates the injustice that has been done.

I have been making this request time and again. I repeat that the time has come when the taxation on the corporate sector must be thoroughly examined by the government. Last year the hon. Finance Minister said that he would introduce some simplification. He has made an attempt in that direction, but that has not carried us very far. On the other hand, there is a general increase in taxation on the corporations. If the government policy is, which I am sure it is, to encourage the formation of new companies, while they give loans and other facilities, so far as the fiscal levies are concerned, they are very very harsh towards these corporations. This year the Finance Minister has increased taxation on all entities except registered firms. Why, if I may ask, has he not thought fit to increase the tax on registered firms also? If five persons form into a company by mistake, they have to pay 70 per cent tax. But if they form into a registered firm, they can get away with 18 per cent tax only. Is that fair? After all, it is not a marginal difference. The difference is very acute. I had hoped that the Finance Minister would have examined this proposal and removed this discrimination. I am concluding with the hope that at least now, he would not lose any time in getting the

matter fully examined and would be doing justice which is overdue.

**Shri Oza (Surendranagar):** Sir, my amendments 33 to 37 relate to the taxation proposals on cooperative societies. On many occasions in this House, voices have been raised against levying income-tax on cooperative society incomes, according to my humble opinion not without justification. We know that according to the cooperative laws and bye-laws of the States, there is always a ceiling on the dividends which is distributable. We cannot distribute beyond that limit. That limit is already there. But if you bring all the co-operative societies under one sweep, I think the very fundamental tenets of co-operative movement will be affected. For example we all know that thrift has to be exercised, economy has to be achieved and the management has also to be very efficient. By bringing all the co-operative societies under one sweep what will happen is that societies will be discouraged in exercising thrift, in achieving some economy here and there and stepping up the efficiency of the management. I think this question requires to be examined very thoroughly.

In the Constitution we have given certain guarantees to the Scheduled Castes and Scheduled Tribes. They have been given some protection. But under these taxation laws there is no discrimination between co-operative societies for forest labour, Scheduled Castes and Tribes and other co-operative societies. So, those co-operative societies are working under very hard and difficult circumstances. If the co-operatives of forest labour achieve economy by hard work and make some profit, they attract the provisions of the Income-tax Act. So, they have no incentive to make profits. The same is applicable to co-operatives of Scheduled Castes and Scheduled Tribes.

Therefore, I urge on the Government that they should give thought to these

[Shri Oza]

aspects. All the co-operative societies should not be brought under one sweep. There should be some rationale in taxing co-operative societies, especially when the Constitution has given some guarantees and some protection to the members of some castes. I am pleading particularly for forest co-operatives. In Gujarat and in many other States we have forest co-operatives run by poor adibasis. They are working very hard under very difficult circumstances. Now these people have to go to the income-tax officers and they are sometimes even harassed. The same thing is happening to co-operative societies of Scheduled Castes and Tribes. Government should give consideration to this matter.

**Shri P. C. Borooah:** I am sure my amendments will be welcomed by every section of the House because they give relief to low income and middle income groups. This year the Finance Minister has raised the exemption limit by Rs. 500, from Rs. 3,500 to Rs. 4,000. My amendment seeks to raise it to Rs. 6,000. Similarly, for undivided Hindu families I want to raise the limit from Rs. 6,000 to Rs. 9,000. The cost of living has increased during the last few years and, correspondingly, the money value has gone down. If the Finance Minister could rise the exemption limit to Rs. 4,000, I think he can very well raise it to Rs. 6,000. If this amendment of mine is accepted the whole country will call him the real saviour of the low income group people.

I have one suggestion to make regarding making good this loss. Now the backward areas and hilly areas are not within the parview of this tax. We are sending crores and crores of rupees on the development of these areas. As a result of that, many people in these areas have become affluent. Since they have become rich people, they should not be allowed to go without payment of income-tax.

My third amendment, amendment No. 46, seeks to add reserve to the capital for purposes of calculation of tax. It is not understood why the reserves built up by a company are not included for purposes of calculating the excess dividend tax. Reserves are always treated as part of the capital base of a company. It is, therefore, suggested that the dividend tax should be levied on distribution in excess of 10 per cent of the company's paid-up equity share capital plus its free reserves.

My last amendment suggests the substitution of the day of distribution of the dividend in place of the "first day of the previous years" in Explanation 1(b).

**Shri Himatsingka:** I want to speak on amendment No. 29. My amendment refers to the First Schedule regarding the surcharge on income-tax. There are two kinds of income—earned income and unearned income. You will find at page 34 that interest on security of the Central Government and interest on the security of the State Government are charged to tax as earned income. They are not charged as unearned income. Similarly, incomes received from the units of the Unit Trust of India are charged as earned income. I have suggested that income received by way of dividend on any shares should also be treated in the same manner.

As you know, no new companies are coming up on account of the taxes that have been imposed last year and this year. Practically nothing is being left in the hands of the companies and the shareholders to enable them to put any money in shares of new companies. The Finance Minister was just now pleased to say that people are investing money in buildings and houses; therefore, they do not think of going in for industry. I do not think that that is correct. That may be the case with some individuals in Calcutta or

Bombay but generally people want to invest in companies provided it becomes attractive. Therefore I have suggested that if divided income is regarded as earned income, and not be liable to tax as an unearned income, that might encourage people putting in money in shares. Therefore I have moved this amendment.

**Shri Sachindra Chaudhuri:** I am sorry, I cannot accept any of these amendments. If I had to give a reply to each one of these, I will take more than half an hour; therefore, I am afraid, I cannot give the reasons in detail. I cannot accept them.

**Mr. Deputy-Speaker:** I shall now put all the Government amendments (Nos. 101, 102, 103, 104, and 105) to the vote of the House.

The question is:

(i) Page 32, line 36, for "Rs. 6,500", substitute "Rs. 7,000". (101)

(ii) Page 33, line 5, for "Rs. 3,500", substitute "Rs. 4,000". (102)

(iii) Page 35, line 34, for "Rs. 3,500", substitute "Rs. 4,000". (103)

(iv) Page 35, line 37, for "Rs. 3,500", substitute "Rs. 4,000". (104)

(v) Page 38, line 14, for "65 per cent.", substitute "60 per cent.". (105)

*The motion was adopted.*

**Mr. Deputy-Speaker:** I shall now put all the other amendments to the vote of the House.

*All the other amendments were put and negatived.*

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

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

*The motion was adopted.*

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

*The Second Schedule was added to the Bill.*

### The Third Schedule (New)

*Amendment made*

Page 43, after line 9, insert—

### THE THIRD SCHEDULE (See section 32)

*Further amendments in the Income-tax Act*

Section 156.—Omit "(including annuity deposit referred to in Chapter XXII-A)" with effect from the 1st day of April, 1967.

Section 246.—In clause (c),—

(a) in sub-clause (v), omit "or";

(b) omit sub-clause (vi),

with effect from the 1st day of April, 1967.

Section 280E.—Renumber the existing Explanation as Explanation 1, and after Explanation 1 as so renumbered, insert—

"Explanation 2.—The provisions of this section and of sections 280F to 280I shall not apply in respect of the financial year commencing on the 1st day of April, 1966 or any subsequent financial year."

Omit sections 280J, 280K, 280R and 280T with effect from the 1st day of April, 1967.

Section 280M.—For sub-section (2), substitute with effect from the 1st day of April, 1967—

"(2) Where any depositor has deposited any amount for any assessment year which he is not liable to deposit under the provisions of this Chapter or which is in excess of the amount required to be deposited under the said provisions for that year, then, the entire amount or excess amount, as the case may be, may be refunded, adjusted or otherwise dealt with in such manner and having regard to such factors as may be specified in a scheme framed under section 280W."

For section 280Q, substitute—

*Rounding off*

"280Q. The amount of any deposit to be made under this Chapter shall be rounded off to the nearest multiple of ten rupees and for this purpose any part of a rupee consisting of paise shall be ignored and thereafter if such amount is not a multiple of ten, then, if the last figure in that amount is five or more, the amount shall be increased to the next higher amount which is a multiple of ten and if the last figure is less than five, the amount shall be reduced to the next lower amount which is a multiple of ten."

Section 280W.—After clause (a) of sub-section (2), insert—

"(aa) the cases in which, the circumstances under which and the conditions subject to which the Income-tax Officer may, under the proviso to clause (ii) of sub-section (2) of section 280C, allow a depositor to make a deposit or a further deposit after the expiry of the financial year immediately preceding the assessment year;" (108).

(Shri Sachindra Chaudhuri)

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

"That the Third Schedule (New) stand part of the Bill."

*The motion was adopted.*

*The third Schedule was added to the Bill.*

**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, the Enacting Formula and the Title were added to the Bill.*

**Shri Sachindra Chaudhuri:** Sir, I move:

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

**Mr. Deputy-Speaker:** Motion moved:

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

**Shri Ranga:** **Mr. Deputy-Speaker,** Sir, the Government seems to pursue the same policy as is pursued by a hungry tiger in a forest. He makes no discrimination between one animal or another. He must find a victim; he must have his toll. If anybody were to ask him, "Why", he would say, "I am hungry; therefore, I must have my food". That seems to be the attitude of this Government and also, unfortunately for him, of the present Finance Minister.

No better justification did he give. In the 19th century income-tax would have been treated as an anathema but in the 20th century income-tax has come to stay. Government needs money; therefore, he is going to put it on a, b, c, d, up to z, whether one is capable of bearing it or not. Such is the unjust approach to the present economic situation in our country.

What do we find? Last year there were two Budgets, two impositions of fresh taxation. This year again he has come forward and threatened to impose Rs. 100 crores more of additional taxation. When there was so much of hue and cry, he must have already had all this up his sleeve and he offered to reduce it to the tune of Rs. 13 crores. Anyhow, he is taking Rs. 87 crores of additional money from the masses of this country.

That is the long and short of the demand that he has made. Is this reasonable? Is this just? He simply says, "I am not concerned with all these things. I want this money for these hungry wolves who are behind

me, in my pack, whom I have got to feed. All these various Ministries and also the State Governments are demanding more and more money. It is for that purpose I am here. As the Finance Minister, they ask me to provide the funds. I have no control over them at all. Therefore, I am unleashing these new taxes, new burdens." Not even the L.I.C. or the handloom weavers are exempt from this trouble; not even the cooperatives who are supposed to be the favourite children, the latest children of this Government, are exempt from this rapacious demand of the Government made through this unfortunate Finance Minister.

Is there any guarantee that this would be the last? Three years ago, I demanded the Government and I challenged them that it would not be possible for them, committed as they are to their Plans, to reduce the tax burdens to abstain from increasing the tax burdens, and my forecast has come true. Next year, would there not be additional tax burdens? Is there any guarantee that there will not be a supplementary budget between now and next March? Possibly, the same Finance Minister may continue; the same Budget might not be found to be enough. All the funds that we are placing at his disposal may not be enough to feed all these packs of hungry Government Departments that he has found around himself.

What do they want to do with all this money? He says, "I am going to help industries, public enterprises" and we know the achievements of the public enterprises. Member after Member has borne witness to the fact that the public are tired of the bad economy of these public enterprises, their wastefulness, their extravagance, their uneconomic way of managing their own affairs and, finally, the loss they are accumulating year after year and failing to show any commensurate results. Then, he says, "We are also helping private enterprise through these Finance Corporations and Indus-

trial Finance Corporation and so on. So, we must find money for them." I ask: Why should you rob the ordinary poor-folk for whom every rupee is so valuable, take all that money and keep accumulated in the hands of the Government where the value of money goes down as it goes on increasing and then place it at the disposal of these capitalists who, according to themselves, are supposed to be making so much profits? Why not allow those industrialists themselves to go to the share market and get the money from the people by showing their own results, their own achievements? On the other hand, Government wants to collect it from these poor people and place it in the hands of the industrialists and other people whom it says it is pampering. Actually, what is happening is that the money's value is taken away and it is placed in the hands of the people where it can only become less valuable.

Then, there is another thing. If they have got so much money, if they are able to get all this money from amongst the masses, then the best possible use that they can make of it is to place it at the disposal of the Finance Ministry, the Foodgrains Corporation and the Ministry of Agricultural and also the cooperatives all over the country to help our kisans to get credit at reasonable rates of interest. Even today, cooperatives are obliged to charge from the peasants as much as 12 per cent interest and in some places it is even 14 to 15 per cent. In Madras alone, it has come to be 9 per cent. Although the Reserve Bank is advancing at the rate of 3 per cent these people, the new cooperative money-lenders, are charging 9 per cent in South India and 12 per cent in U.P. Now, the best way to get out of this difficulty for the Government is to place these funds at the disposal of the cooperatives as well as the Food and Agriculture Ministry and help our kisans to get credit at at least 9 per cent in all the States. Ten times more than what is now being placed at the disposal of

[Shri Ranga]

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the Finance is needed if really their agricultural policy were to be implemented. Money should be placed where it is needed. On the other hand it is being placed at the disposal of these new white elephants and the latest white elephant is going to be their Bokaro. It started with Rs. 100 crores; then, we thought it was going to be Rs. 300 crores when the Americans were touching it, and when the Midas had touched it it ran upto Rs. 900 crores. But at the same time they did not have the moral courage to tell the Russians that this was an absurd estimate because they thought that the Russians would be unhappy and angry and they did not wish to look the gift horse in its mouth.

Are they using this money in an economic manner? They do not. Look at the way in which the State Governments are misusing these funds and these have become the new prodigals of Government of India—extravagant State Governments, wasteful State Governments, improvident governments, the governments which are bankrupt to such an extent that the Reserve Bank of India had warned the Government of India and those Governments that they would no longer under-write their ways and means deficits. The time has come for the Finance Minister to ask for the necessary power and authority from the Prime Minister as well as the whole Cabinet to see that the State Governments are not continuously pampered in the same manner that they are being pampered and they are not underwritten in their extravagance in the manner that the Government of India has been doing.

Are they going to fight inflation? My hon. friend is very sincere—I am prepared to admit that:—in his anxiety to bring down inflation. Would it be possible for him to do this apart from all other reasons? What is it that he is going to do with the P. L. 480 funds that he is going to be loaded with? One outlet that he has found

is the education fund. How many more other funds or other trusts is he going to create in order to utilise those funds? The money flows into the nerves of our economy. Would there not be inflation and how is he going to fight that inflation?

There are troubles on our borders. There is the impending trouble also from Communist China. We need more and more of our Defence preparations. Ordnance factories have got to be built; they are being built and they all have got to be financed. Wherefrom is he going to get all the money? I would like him to assure us that even within this budget he has sufficient scope, because of disguised ways of keeping it there, to meet all those additional items of expenditure which are going to face the Government during the next one year. If he has not got any such disguised sources of funds within the ambit of this Finance Bill, how is he going to avoid a supplementary budget? If he is going to avoid a supplementary budget, let him take the people into confidence and assure them that there would not be a supplementary budget.

Let him assure us that there would not be such additional tax burdens. How can he avoid such additional tax burdens and supplementary budgeting? He can avoid them—in only one sovereign manner in the present circumstances, that is, by imposing an economy cut. That is what I have been repeating again and again. My hon. friend was good enough to say that he agreed to it and he was really insistent upon it. But this Finance Minister, as was the case with the earlier Finance Minister also, will not be able to impose this economy cut unless there is a real determination on the part of the whole of the Cabinet here and also their masters and the Chief Ministers at the State level, really to achieve economy and not to be extravagant as they have been for the last sixteen years, and to have a healthy and wholesome respect for

people's money. Every rupee taken away from the people by way of tax has got to be treated as worth Rs. 10 by Government; on the other hand, unfortunately, till now, Government have been treating it only as 10 paise. That improvident policy, that foolish policy and wrong policy and anti-common-people policy must be given up by this Government if they really deserve the name of a civilised democratic government.

**Mr. Deputy-Speaker:** Now, Shri Daji.

**Shri Sheo Narain:** How is it that you are calling only the Opposition Members? Do we also not have a right to speak on the Finance Bill?

**Shri Daji:** The Finance Bill which we are just going to pass is bound to generate inflationary pressures, whether the Finance Minister likes it or not. If wishes were horses, beggars could ride. Actually, it is not a question of wishes, but the very logic of this measure is bound to generate inflation and run-away prices.

The Finance Minister has been at pains to tell us and the country that he wants to seriously curb the rising prices. But the measures that we have adopted or are about to adopt today do not show even an inkling of this oft-expressed wish of the Finance Minister. How then he is going to square the needs of the economy, the pledge of the Government, and the policy of the Government and their desire to hold the prices, with this Finance Bill which is a *sine qua non* to a blank cheque for rising prices, certainly beats my imagination.

The problem of rising prices has assumed very great importance because it is coupled with unfruitful and wasteful expenditure which is mounting up every day. It is not a question of mere taxation for nation-building. We have now reached a vicious logical circle of Parkinson's law working with a ven-

geance, namely the white elephant of administration consuming more and more of fodder without yielding any returns.

Of course, the Finance Minister sometimes tries to tinker with the problem of administrative expenses by cutting down some little concessions available to the poor employees as he has done recently by an order whereby he has cut down the overtime allowances for the Government employees. Without checking the rise in prices, if the overtime allowances are cut down in this manner, I most respectfully warn the Finance Minister that he is heading for trouble and disaster. Right from the 9th May to the 22nd May, he is going to face a series of demonstrations, hunger-strikes and non-co-operation movement from large sections of the Government employees including refusal to work overtime.

**An hon. Member:** That is the plan of the Communist Party.

**Shri Daji:** This Government which legislates for the private employers and says that they should give double the normal wages as overtime allowance, refuses to pay overtime to its own employees. There is no logic behind this decision. I warn him that he is going to face a series of demonstrations right from the 9th of May onwards as a corollary to his rushing forward with such extortionate measures. I warn this Government that they are going to face more and more determined onslaughts by the people to defend their living standards.

Even today, one of my friends in this House, Shri Sarjoo Pandey is on hunger-strike at Lucknow. More and more of such strikes and more and more of such demonstrations will have to be faced and they will be mounting up so that the Government's policies are forced to be changed, or are retraced or are completely routed.

**Shri Ranga:** The Food Corporation employees are on strike.

**Shri Daji:** The illogicality of the Government's policy becomes all the more oppressively evident when we consider how discriminatory it is.

On the one hand, we are suffering from foreign exchange shortage so much so that even the Speaker of the Lok Sabha was not sanctioned adequate foreign exchange for his treatment and he was sanctioned only £10 which would not be sufficient even to meet the fee of a decent consultant in England, and on the other, we find that 80,000 dollars were sanctioned for a special issue of *The New York Times*, and if any hon. Member looks at that issue, he will find that it is a trash issue; excepting for self-praising articles by some industrialists of India and two or three partners in America, not one important public figure in America has contributed a single article on Indian development. I do not know what was sought to be done. For such a worthless special issue of *The New York Times*, 80,000 dollars were sanctioned, but the Speaker of the Lok Sabha could have only £10 sanctioned for his treatment. This is the discriminatory treatment which is making the whole thing all the more sore.

I would also like to point out to the Finance Minister that there are so many loopholes in all the legislations that are enacted. I would refer specially to the case of Messrs. Barium Chemicals Ltd. which has been reported upon today in the judgment of the Supreme Court. That judgment is a matter of grave import, not only for the case to which it relates but for the general powers of Government. I would like to know what Government proposes to do in the matter.

**Shri Ranga:** They will issue an ordinance.

**Shri Daji:** What do Government visualise? This only shows just one more chink in the weak armoury of our laws dealing with the corporate sector. I do not mind if the Government makes it a whole game, but if the Government think that the legislation is required and they require powers, let the legislation be fool-proof. We have launched ourselves into a very contradictory position now that whereas if I commit a murder or there is the report of a murder by me, I can be challaned, the reported misfeasance of a company cannot be investigated into. I would like to know what the Government wants to do about it.

I want to use this occasion to make a very important revelation. This morning we had questions on gold which was seized from one Mr. Goenka. I know Mr. Goenka is a big man, a very influential man, and has friends in the Treasury Benches, but I want to give further information to the House through you. This Mr. Goenka, after the gold was seized, tried to interlope a declaration of that gold ante-dated through a subsidiary of the State Bank of India, namely the Bank of Indore, Indore. The man does not live in Indore, he has no business there, the gold was seized in U.P., and he makes an ante-dated entry in the Bank's Register showing that declaration for a total amount of about Rs. 30 lakhs worth of gold. But the declaration has not been entered in the Register of the Bank, it is not countersigned by the Manager or the Officer in charge of gold declaration, but a clerk is found who signs that paper and shows the entry before the date on which the gold was seized.

Then, what happens? I have made some investigation to try to help the Finance Minister, if the Finance Minister is pleased to go and examine the thing, a wonderful thing. Sometimes the thieves get caught when they try to be over-clever. That clerk who has countersigned was on



four days casual leave including the date on which he has affixed his signature to that paper. That shows what? First of all the guilty conscience of the man. Secondly, what kind of a measure is this that ante-dated declarations can be made, that this loophole is being used? Thirdly, when the wrong is detected, the clerk is being made the scapegoat as if the whole thing is a conspiracy between Mr. Goenka and the clerk. I refuse to believe that an ordinary clerk could have dared to ante-date a declaration of gold for Rs 38 lakhs. Therefore, I suggest a thorough probe by the Finance Minister into the gold declaration of Mr. Goenka which was ante-dated into the register of the subsidiary of the State Bank of India.

Before I conclude I have got one word more to say. All our schemes, all our plans have led us nowhere. The gap between the poorer and richer sections has increased. Therefore, I would plead above all for a reorientation of the entire Government economic policies, so that the backward areas of the country and backward sections of the country are attended to immediately, at least to be brought to a level of minimum standard of living. It has been said that the world cannot be half free and half slave. I say India cannot be half prosperous and half starving. Unless the entire policy of the Government is reoriented to bring up very fast the depressed sections and the depressed areas of the country at least to a modicum level of prosperity, to a modicum level of life, I believe the whole progress of the country will be held up.

**Dr. L. M. Singhvi:** I would not like to be harsh on the hon. Finance Minister on his maiden budget. He is a good and able man, he is an honest man, a well-meaning man, a man with ability and perception, but I wonder whether he is not a man who is somewhat helpless. It seems that he has an unenviable inheritance, and he is necessarily a captive of that inheritance.

He said that logic does not play a very major part in the tax system of the country. I could not agree with him more. It seems that experience and the lessons of the past also do not play any measurable or palpable role in the tax system of the country. It seems that the only thing that plays a part is drift and indecision in our economic policies.

I am sure that the hon. Finance Minister would appreciate that these appropriations are in the nature of an advance to him on the guarantee that the economic management of the country would improve, on the guarantee that the country would be given a clean and honest administration at all levels, on the guarantee that the lot of the common people would be improved.

**Shri Ranga:** No chance.

**Dr. L. M. Singhvi:** Unless the administration which has become very flabby is made muscular, there is no prospect of the common man looking forward to an era of prosperity for himself. Mr. Deputy-Speaker, I must also mention that the rupee stands today at the lowest ebb. Somebody in the lobby said that in the so-called international market which is only a euphemism for black market in foreign currency, Rs. 31 fetch no more than pound sterling. This is a very humiliating state to which we have come. Mr. Deputy Speaker, the other day I mentioned that there is continuous heavy dose of deficit financing in our country's economy and I estimated it to be of the order of Rs. 370-400 crores during this year. I would like the hon. Finance Minister to come forward with an analysis and appraisal of deficit financing which unleashes inexorable pressures of inflation in our economy. It seems that unless the Augean stables of inflation and deficit financing are cleaned, we cannot possibly hope to arrive at a situation where we would be able to hold on our own. The basic amenities in various parts of the country are lacking today.

[Dr. L. M. Singhvi]

Gandhiji emphasised above all that in his dream of India, these basic amenities must be ensured. There are parts of India, and you are aware of them, Sir, where even drinking water is not available and you have to go as far as 18 miles or 20 miles to fetch a pitcher of drinking water. You are aware of the food situation which is critical today. Unless these basic amenities are provided, unless Shastriji's healing touch is brought to bear fruit and blossom in the administrative approach, we will not be able to give to the common man even a modicum of prosperity and the rise in the standard of living of which my friend Homi Daji spoke. Before concluding, I would like to make a very fervent plea to the hon. Finance Minister to consider lifting gold control and if necessary to set up a committee of Members of Parliament to go into this. I am sure he would appreciate that the Gold Control Act has failed to serve any of the purpose for which it was intended. It has generated unemployment but it has not brought about either a check on the smuggling or any other economic relief in this country. One more word and I have done. This is in respect of the plea for rationalisation of our tax structure. Adhocism would not do. Unless, for example, the abolition of the sales tax is effected, unless sales tax is replaced by excise duty, unless the tax structure as a whole is rationalised and renovated, I think the Finance Minister would continue to answer these angry questions and to answer apprehensions which we have pointed out about the utilisation of assistance without carrying conviction.

**श्री शिव नारायण :** उपाध्यक्ष महोदय, "गरीबों को मिले रोटी तो मेरी जान सस्ती है" यह नारा इस देश में लगा था। मैं अपने फाइनंस मिनिस्टर साहब का ध्यान दिलाना चाहता हूँ कि जो इस मुल्क में गरीब लोग हैं उनके प्रति वह सहानुभूति व राहत प्रदान करने के लिए कदम उठाये। मैं उन

से यह भी मांग करता हूँ कि वे मेहरबानी करके कंट्रोल को हटा दें। सोने का कंट्रोल हटाये, धातु का कंट्रोल हटाये हर चीज का कंट्रोल हटाइये। धातु की कमी वास्तव में इस देश के अन्दर नहीं है। मैं उन से कहना चाहता हूँ कि वे कम से कम शिक्षकों की तरफ नज़र उठाये जिनकी की हालत शोचनीय हो रही है। आज जबकि हिन्दुस्तान के अन्दर चपड़ासियों को 80 रुपये मासिक वेतन मिलता है तब हमारे टीचर्स लोग जिन पर कि शिक्षा प्रदान करने का इतना महान् उत्तरदायित्व है उन्हें 45 या 70 रुपये ही मिलते हैं। गवर्नमेंट इस धोरण विलम्ब ध्यान दे और शिक्षकों का वेतन क्रम उंचा करे।

उत्तर प्रदेश के एग्जीक्यूटिव मिनिस्टर सेंट्रल हाल में बैठे थे। उन्होंने बतलाया कि 33 करोड़ रुपये इस मिनिस्ट्री ने मुल्क भर में म्केयरसिटी एग्जिजन्स के लिए बांटा लेकिन उत्तर प्रदेश का उस सम्बन्ध में नैगलेक्ट कर दिया गया। आज हालत यह है कि इलाहाबाद, प्रताप गढ़ और जौनपुर प्रादि में हाहाकार मचा हुआ है। वहां धन की कमी है। पटेल कमिशन ने पूर्वी उत्तर-प्रदेश के चार जिलों का बस्ती बनिया प्रादि का उल्लेख किया था और श्री टी० टी० कृष्णमाचारी ने कहा भी था कि मैं उनके विकास प्रादि का कार्य लूंगा लेकिन अभी तक कुछ नहीं किया गया है। उस सब को ब्लैक प्राउट कर दिया गया है। मैं बतलाना चाहता हूँ कि मैं सब से गरीब व पिछड़े इलाके का यहां प्रतिनिधित्व करता हूँ, सब से गरीब इलाके में मैं आता हूँ और मैं धीरे धीरे करता हूँ कि हमारे इलाके के मुबारक सहायता के लिए सरकार विलम्ब कदम उठाये।

दूसरी बात मुझे सरकार से यह कहनी है कि वह अपने बॉर्डर्स की सुरक्षा की ओर ध्यान दे और उसे हड़ बनाये रखें और उस काम में तनिक भी शील न आने दे। आज

देश में जैसे हालात चल रहे हैं और बाहरी संकट का भी खतरा टला नहीं है डी० घाई० प्रार० इस मुल्क में रहना चाहिए। डी० घाई० प्रार० देश की वर्तमान अवस्था में रहना जरूरी है (व्यवधान)।

कई माननीय सदस्य नहीं नहीं।

श्री शिव मारायण जरूर कायम रहना चाहिए। अभी दाजी साहब ने धमकी दी कि 9 मई को बड़ा हड़ताल मचने वाला है तो मेरा कहना है कि सरकार को अपने इस डी० घाई० प्रार० को बनाये रख कर किसी भी अन्तरिम गड़बड़ी और अशान्ति को रोकना चाहिए और गड़बड़ी फैलाने वाले अराजक तत्वों को भंग हो वह कोई हों, उधर के हों, उनको भी बन्द करके देश में शान्ति और व्यवस्था को बनाये रखें। (व्यवधान)

मैं चाहता हूँ कि फार्निम मिनिस्टर श्रीक. तरीके से लोगों को राहत पहुँचाये और उन्हें ऐसे में मदद करे और ऐसे का डिस्ट्रिब्यूशन करने वक्त वे भेदभाव को छोड़ दें। गरीबों के साथ जो एक उपद्रव का बनाव होता है उसे दूर करे और देखें कि ऐसे व महायत्ना का बटवारा उचित रूप में हो ताकि गरीबों की वास्तव में राहत मिल सके।

मैं यह चाहता हूँ कि यह जो आप के मूद की दर है वह जो 9 परसेंट और 12 परसेंट है उसे घटा कर छे परसेंट करे। 5 परसेंट आप देने हैं तो हम से 6 परसेंट ले ले। 6 परसेंट ले लेवे या ज्यादा से ज्यादा 7 परसेंट ले लेवे बाकी यह 9, 10 या 12 परसेंट लेने की क्या जरूरत है? यह काम जो प्रोपोझिशन वालों का था उसे मैं एक कांफ्रेंस कर रहा हूँ। कांफ्रेंस वाले चाहते हैं कि देश में समाजवादी समाज की स्थापना हो इसलिए मैं यह मुझसे अपनी सरकार को दे रहा हूँ। आप चौथे फार्निम मिनिस्टर हैं। आप से हमें बड़ी आशाएं हैं। आप

भी गांव के रहने वाले हैं। इसलिए गांव बागों की समस्याओं और कठिनाइयों का आपको बखूबी पता होगा। आप सरकार के उस मुसीबतख़दा इलाके में आते हैं जहां कि रोज चावल का हाहाकार मचा हुआ है। मैं उनको विश्वास दिलाना चाहता हूँ कि अगर आप हमारे वहां मिचवाई की माकूल व्यवस्था कर दें तो हम बस्ती जिले से उनको काफी मात्रा में चावल पहुंचा सकते हैं। बस मैं और अधिक न कह कर समाप्त करता हूँ।

**Shri Sachindra Chaudhuri:** I felt I need not inflict another speech on my hon. friends here, for, much of what has been said had been said in some shape or form earlier in the course of the debate on the general budget and otherwise, on the Demands for Grants and so on. Therefore, there is very little which I have to reply to or I can reply. We have debated the Finance Bill clause by clause. The only thing to which I would like to refer and to which I have not referred, is the Gold Control Act or the Gold Control Order. Speaking for myself,—I know what I am going to say is going to be very unpopular—I believe that there is reason for gold control, but I am prepared to give it a second thought, taking away from my mind the reasons that I have, and applying my mind to what has been put forward in this House, so that I can see whether or not it can be done away with. As I say, I am not so wedded to any sort of measure that I do not or cannot consider it in any other form. (Interruption).

**Dr. L. M. Singhvi:** How does he propose to review it, by setting up some a machinery or a committee or in any other way? Would he indicate his mind?

**Shri Sachindra Chaudhuri:** All that I can say is that a committee will be set up, if necessary. But first let me have a look at it and let me consult

[Shri Sachindra Chaudhuri]

my colleagues first, and after having done that, let me see—(Interruption).

**Shrimati Lakshmikanthamma (Khammam):** Why should the Finance Minister be afraid, when the women are behind him on this measure?

**Shri Sachindra Chaudhuri:** The thing is this. It has been said that the purpose of the Gold Control Act was to stop smuggling. But the real reason was not to stop smuggling alone. The real reason was to try and reduce the desire for gold among the people in this country, so that the money might be diverted to other purposes. That is number one.

Secondly, so far as gold is concerned, if the Gold Control Order is removed, one of the things about which some hon. Members here have emphasised rightly is that the people invest their money in gold after having escaped taxation or after having earned the money in black market. So far as the gold is concerned, if it is allowed to go on increasing without any control or any report, it would be easier as a matter of investment for those people who have got money to invest and which they do not want to bring out. These are the factors which really make me feel a little doubtful, in fact, quite doubtful, as to whether I should or should not ask this House to let me remove that order.

**Shri J. P. Jyotishi (Sagar):** Will you kindly see that the order is strictly enforced?

**Shri Sachindra Chaudhuri:** So far as not enforcing the law strictly is concerned, that may be my fault, but it does not mean that the law itself is bad. It merely means this: that we have got to think in terms of further and better enforcement.

Now, my hon. friend Shri Daji drew my attention and the attention of the House to a particular gentleman—I

do not want to name him—had a certain quantity—I forget the exact amount and I think it was Rs. 37 lakhs worth of gold—which according to the hon. Member—I do not know as I have not examined it and I will have to examine it now that he has told me—was the result of investment of money which had evaded tax and also perhaps the money which had been made by putting up prices unjustifiably. In other words, by black-marketing. The easiest way of investing it was found in this gold. I do not know whether he was involved in gold smuggling or not. Because of the law having been there, he took or tried to take advantage of the declaration and ante-dated the declaration. If he had not done that, if the law had not been there, the information which Mr. Daji has given us would not have been there. This little clue which he has put before us, which this gentleman was made to resort to by reason of the fact that the Gold Control Act is there, would not have been there if that law had not been there and it would have been very difficult for us to get it.

18.00 hrs.

**Shri D. C. Sharma:** Why could not the government find it out through its own sources? Your machinery is so defective.

**Shri Sachindra Chaudhuri:** Mr. Daji has got sources which I have not got. The Government of India does not have multiple eyes and multiple arms.

**Shri Daji:** You have got better sources, but they are tainted and corrupt.

**Shri Sachindra Chaudhuri:** It is no use accusing me.

**Shri Daji:** I am not accusing you, but your sources are corrupt and tainted. When I have come to know of it, you should have come to know of it also.

**Shri Sachindra Chaudhuri:** I do not know whether they are corrupt or not. He has said something as a responsible member of this House and naturally it is my duty to enquire into it. I do not make this statement which Mr. Daji is making without examination, that something is corrupt or not. I do not judge a person until I am satisfied that there is at least a *prima facie* case. Therefore, I cannot accede to it that my sources are corrupt.

Then, I should like to say something in self-explanation. Reference has been made in this House to a particular circular which went out asking Commissioners of Income-tax not to make raids. I do not remember the exact language of it, but I will say this that very soon after I had taken office, I felt and found that in certain cases, there was enthusiasm and the tainted source which Mr. Daji referred to persuaded income-tax officers to go and make raids without there being sufficient reason to do that, in the sense that without examining it, as a reasonable person, you should not have done it. If you examine it, it may be that ultimately that person will be found completely free from guilt. But at any rate the suffering to himself in his mind, body and reputation, the agony of that man and the money that is spent by the Government in pursuing it cannot be undone.

I cannot recollect the exact words, but if I remember aright, the instructions I gave were, where you have got to do it, do it with the greatest harshness. But before you start doing it, do not have a repetition of the Barium case to which Mr. Daji has referred; kindly ensure that there is *prima facie* evidence on the basis of which you can proceed. If you have any doubt in any big case, having regard to my little experience, refer the matter to me and I shall tell you whether to go forward or not. Fortunately for me, that occasion has not arisen. But if a case like the one

referred to by Mr. Daji comes to me, I will look into it myself.

I do not see Mr. Banerjee here. Had I seen him here, I would have told him something more. He referred to a certain party in U.P. who had Rs. 31 lakhs written off. I think the House should be told about it. In 1958 there had been a proposal made by this particular party in regard to a finding which had been made by the now defunct Income-tax Investigation Commission. I may be out by a lakh or two; do not misunderstand me on account of that. The commission had found that that particular party had to pay tax to the tune of Rs. 52 or Rs. 53 lakhs. On the approach being made, an enquiry was made into the assets of this person and it was found that the person had got Rs. 15 or Rs. 16 lakhs worth of assets at that time. He might have had more. I beg your pardon; it was not Rs. 16 lakhs but Rs. 22 lakhs. If we made a forced attempt then Rs. 8 or Rs. 9 lakhs would be realised. I am prepared to say it may be Rs. 15 or Rs. 16 lakhs which could be realised.

In these circumstances, the gentleman in charge at that time came to the conclusion that it might be a good idea to write off something and let him have a relief, if he could provide Rs. 20 lakhs in a certain period of time. Thereafter, by reason of the judgment of the Supreme Court, the Income-tax Investigation Commission was held to have been *ultra vires* and its decisions were of no effect. The result was that this was reopened. In 1961 it was found by reason of this lapse of time another Rs. 2½ lakhs had to be paid by this man. What was done was a claim of Rs. 53 or Rs. 54 lakhs—I may be out by a lakh or two—was settled on these terms that in a period of time the time given was 3 years—there should be a payment of Rs. 22½ lakhs. In that event, the balance of Rs. 31 lakhs would be written off. Now, what persuaded these people in charge—luckily or unluckily, these people are

[Shri Sachindra Chaudhuri]

not there; neither the Finance Minister, nor the Minister of State, nor the Chairman of the Board, nor the Commissioner who was concerned with that is there—this is my information. Therefore, I am left with this, that I have to examine the documents, and on that examination what I find is this, that there had been a look given to it and the decision was taken on this basis, that if we allow this man to function, retain what he has got, then we shall get more tax out of him, because he is going into business; if we take it away from him, there would not be any recovery of tax; therefore, perhaps it would be a good thing if we allow him to pay Rs. 22½ lakhs in the course of three years, plus whatever tax is due from him on his current earnings, and in that case we might consider the question of writing it off. That decision was taken in 1961.

**Shri Daji:** Has he paid that Rs. 22½ lakhs?

**Shri Sachindra Chaudhuri:** Yes. That is what I am saying. In 1964 he paid Rs. 22½ lakhs plus such other tax as was due from him up to that rate. There were certain claims against him which were not gone into by that time as there is always delay in income-tax matters. But he has paid Rs. 22½ lakhs without any reference to the Ministry, by reason of the order previously made, and the writing off was done. That is the entire story of the writing off.

In this case you may take a view and we may take a different view. If you take the view that Rs. 18 lakhs was not the correct assessment, you may say that the decision taken was wrong. I have not left it at that. I have asked or suggested that the matter should be examined again, what were the assets, what was the value put on, whether there was any fraud committed by this man or not, whether any misinformation has been given, whether any wrong is done so

that this assessment of Rs. 22 lakhs started in 1958 was wrong. If that is found correct, I have said that the rigours of the law must be enforced to the last extent. I can assure this House that whenever any such thing happens, whether I come and report to the House or not, I shall take the strictest action. At the same time, I would beg of this House to have consideration for the people of this country, even if they are rich people, even if they are businessmen. If there is an examination and on that examination no positive evidence is found, if there is no *prima facie* case, let these people not be harassed, because it is not the intention of this House that these people should be harassed. I am sure that every member of this House, before he makes a statement of this nature, takes care to find out for himself how far his information is true. That is all what I have to say.

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

**श्री मधु लिमये :** किलाचन्द देवचन्द के केस में जे० पी० सिंह के खिलाफ क्या कार्यवाही की गई है, इस का जवाब नहीं दिया गया है। वह 56 लाख रुपये का मामला है।

**Mr. Deputy-Speaker:** Order, order, please sit down.

**श्री हुकूम चन्द कछवाय (देवास)**  
जवाब नहीं दिया है। जवाब दिलवाइये।

**श्री मधु लिमये :** उत्तर नहीं दिया है।  
जे० पी० सिंह को उल्टा एक्स्टेंशन मिला है।

**Mr Speaker** Order, order.  
There is no time now. I have to guillotine it. Now, the question is:

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

The motion was adopted.

12.08½ hrs.

## RELEASE OF MEMBERS

(Shri R. Umanath and Shri Ananda Nambiar)

Mr. Deputy-Speaker: I have to inform the House that the Speaker has received the following communication, dated the 2nd May, 1966, from the Superintendent, Central Jail, Cuddalore:

"I have the honour to inform

you that Sarvashri R. Umanath and Ananda Nambiar, Members, Lok Sabha, have this day been released from detention on cancellation of the detention order."

18.09 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, May 6, 1966/Vaisakha 16, 1888 (Saka).