

(VI) REPORTED DISAPPEARANCE OF
THREE SCHOOL GIRLS FROM SARO-
JINI NAGAR, NEW DELHI.

श्री मनीराम बागड़ी (हिंसार) : उपाध्यक्ष महोदय, मैं गृह मंत्री का ध्यान टाइम्स आफ इंडिया दिनांक 31 जुलाई, 1980 में छपी इस खबर की तरफ दिलाना चाहता हूँ कि 3 किशोर छात्राये जो कक्षा 9 की विद्यार्थी थीं तथा गवर्मन्ट कन्या विद्यालय, सरोजिनी नगर, नई दिल्ली में पढ़ती हैं, सोमवार दिनांक 28-7-1980 से गुम हैं और मिल नहीं रही हैं। पुलिस रिपोर्ट के मुताबिक कुमारी सुषमा, निशा और आशा सुबह साढ़े सात बजे स्कूल के लिए चली थीं किन्तु वापस घर नहीं पहुँचीं। और तीनों ही छात्राएं स्कूल की वदी में थीं। उनके पास कोई विशेष पैसा व नकदी भी नहीं था। पुलिस अभी तक उनको तलाश करने में असमर्थ रही है। स्कूल के रिकार्ड के अनुसार वह स्कूल आई थी और इकट्ठी ही वापस घर के लिए निकली।

दिल्ली में आये दिन इस प्रकार की सनसनीखेज वारदातें हो रही हैं। लड़कियां और औरतों विशेष रूप से इसका शिकार हो रही हैं और पुलिस चैन की बंसी बजा रही है।

इस मामले में पुलिस बिल्कुल नाकारा साबित हुई है। गृह मंत्री कृपया इस तरफ ध्यान देंगे और दिलचस्पी लेकर लड़कियों को बरामद करेंगे और कसूरवारों को सजा दिलायेंगे।

12.37 hrs.

FINANCE (NO. 2) BILL, 1980—
contd.Clause 8—Amendment of section 35B
—contd.

MR. DEPUTY-SPEAKER: Before we take up the further clause-by-clause consideration, I have the following announcement to make.

As the hon. Members are aware the House will continue to sit between 1 and 2 today. At that time clauses of the Finance (No. 2) Bill would be under discussion. In this connection some hon. Members have represented to me that it would be convenient if voting on clauses and amendments is held after 2 P.M. In that case the clauses and amendments may be discussed and the Minister may also reply. After the Minister's reply, subsequent clauses and amendments thereto may be taken up similarly and discussed. Voting on all these clauses and amendments may be held after 2 p.m.

I hope the House agrees.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Fully Sir.

SEVERAL HON. MEMBERS: Yes, Sir, we agree.

MR. DEPUTY-SPEAKER: Now, Mr. Satish Agarwal.

SHRI JYOTIRMOY BOSU: **

MR. DEPUTY-SPEAKER: All these things will not go on record. He is speaking for himself.

SHRI ATAL BIHARI VAJPAYEE (New Delhi): 'Will not go on record' has become your Brahmastra.

MR. DEPUTY-SPEAKER: Only with regard to Mr. Jyotirmoy Bosu.

SHRI SATISH AGARWAL (Jaipur): I have moved my amendment No. 96 to clause 8.

Under clause 8, an amendment to Section 35B of the Income-tax Act is being made. Now, Sir, this relates to withdrawing, deleting and omitting certain concessions which were hitherto being enjoyed in relation to exports.

My main important amendment is that a proviso should be added at the end of clause 8 to the effect that

these deductions shall continue to be allowed in respect of small scale exporters and (2) holder of export house licence. These are the two categories which should continue to enjoy the concessions under this particular clause. So, I want this particular proviso to be added at the end of sub-clause (1) whereby the hon. Minister wants to delete the provisions. Those provisions may be deleted if they have been misused. Then, so far as these two categories are concerned, viz., small-scale exporters and holder of an export house licence, they should continue to enjoy these benefits. That is my amendment with regard to this.

My other amendment is that instead of bringing into force this particular clause immediately, some time should be given to those people who have already taken advantage of these concessions so far. Now, they will be put to a great difficulty and either refunds will have to be given or some more realisations will have to be made from them because they will not be admissible.

So, I am prepared to leave my amendment No. 9 but I would press my amendment No. 96 and expect that in view of the increasing anxiety for promoting our exports, these two classes of exporters are to be given this particular concession. Otherwise, the whole emphasis of the hon. Finance Minister that we shall be laying greater emphasis on export development, I think, will be hit hard. Looking into all these aspects, I think he will consider my amendment.

SHRI G.M. BANATWALLA (Ponnani): Mr. Deputy-Speaker, Sir, I have moved my amendment Number 53 to Clause 8. Clause 8 deals with certain deductions on certain items of expenditure relating to export promotion.

Now, Government seeks to delete certain items of expenditure and they are:

- (1) Expenditure on obtaining information regarding markets outside;

- (2) Expenditure on preparation and submission of tenders for supply outside India;
- (3) Expenditure on furnishing samples etc. to a person outside India; and
- (4) Expenditure on the performance of services outside India in connection with or incidental to the execution of any contract.

Now, you would very readily appreciate that these expenditures are very important in sales promotion policy. Several researches have taken place. Time will not permit me to refer to all those researches, as to the relative share of each of such expenditures. Now, the whole attempt at sales promotion is—it is an established fact—that these expenditures form a considerable part of our sales promotion. Therefore, I would oppose the move of the Government to disallow these expenditures and not to consider them for any deductions in the matter of sales promotion. There is an objection by the Government. Government says that there are certain abuses with respect to those items of expenditure. I can very well understand that particular stand taken by the Government. But, I have to ask the Government whether we should mend this system or end this system. Where mending should be done, let us not go to the extent of ending the whole thing. It will very much affect the whole of our sales promotion efforts.

Therefore, I would urge upon the Government that certain provisions may be made in order to see that there are no abuses. But, then, these expenditures form a considerable part of our sales promotion policy and, therefore, they should be continued to be admissible for deductions.

MR. DEPUTY-SPEAKER: The Minister.

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): Mr. Deputy-Speaker, Sir, I will take the point raised by Shri Banatwalla first. He said that Government should only mend the law and not end it.

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It is in pursuance of that policy that I have amended a few clauses and I have kept the section. Otherwise, I would have actually abolished this particular section which has led to such a lot of abuse that even the employed as Sales Promotion Officer even the pay of the driver employed in India and even if the person—employed as Sales Promotion Officer in India, have been debited for the weighted deductions. It has led to such a lot of abuse and even we wondered whether this clause serves the purpose or not. (Interruptions) So, Sir, the position is that a number of these abuses come to the notice of Government when the assessments take place. If a person avoids or evades tax, it does not come to the notice of the Government immediately; it goes through a long process of assessment, appeal and then it comes to the Commissioner. Sometimes the Commissioner writes to us that this kind of abuse takes place in spite of the best tax efforts.

MR. DEPUTY-SPEAKER: Mr. Venkataraman, when a person is very serious, then only the doctor comes to his house.

SHRI R. VENKATARAMAN: Thank you for your assistance. Therefore, I have really taken the advice of Shri Banafwalla and I have not ended this section; I have not removed this section but I have only tried to avoid such of those abuses which have come to our notice.

The point raised by Shri Satish Agarwal is that in respect of export houses and in respect of small scale industries, this provision should continue. In respect of the small scale industries, this provision has not been of much great use because they could not afford any of the expenditures which they have made. Actually we have seen that this provision has been used by the bigger people, the larger industrial houses. They have taken

advantage of this provision and have abused it:

Therefore, I would earnestly appeal to my friends to withdraw their amendments and pass the Clause as it is.

SHRI SATISH AGARWAL: What about export houses?

SHRI R. VENKATARAMAN: The same applies to both houses. We cannot afford to give weighted deduction in respect of the persons for whom they are claiming such as export managers situated in India, drivers and employees employed in India under the guise that they are promoting exports.

SHRI SATISH AGARWAL: I seek leave of the House to withdraw my amendment No. 9.

Amendment No. 9 was, by leave, withdrawn.

MR. DEPUTY-SPEAKER: I shall now put amendment No. 96 to the vote of the House.

Amendment No. 96 was put and negatived.

MR. DEPUTY-SPEAKER: I shall now put amendment No. 53 to the vote of the House.

Amendment No. 53 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill.

Clause 9—(Amendment of section 36)

SHRI SATISH AGARWAL: I beg to move: *

"Page 9, line 39,—

for "1981" substitute "1980" (10)

"Page 10, line 14,—

for "registered medical practitioner"

substitute—

"District Medical Health Officer or any Gazetted Medical Officer serving under the State" (11)

Sir, in this particular clause a provision has been made with regard to allowing certain deductions to persons who are employing, or paying salary upto Rs. 20,000/- to a blind person or a physically handicapped person. In that particular case it has been provided that a certificate from a Registered Medical Practitioner will be required and will be sufficient. Sir, I do not want to make any comment that it will be easy to procure a certificate from a registered medical practitioner. So, I have made an amendment that the words 'registered medical practitioner' should be substituted by "District Medical Health Officer or any Gazetted Medical Officer serving under the State". That is my first amendment. The second amendment is this. After all the Finance Minister got lot of applause in this House while announcing these concessions, deductions and all that. Now he has postponed these concessions to the next year. These provisions should come into effect from 1st of April 1981. I do not know why he should be postponing it. My approach and his approach are not much different excepting this. He says, assessment year 1981-82; I say, right now, from 1980-81. This will not have a very great effect in that case even if some amount had to be refunded. That is why I want 1981 to be substituted by 1980! That is all

that I want. These are my two amendments.

SHRI R. VENKATARAMAN: So far as the first amendment is concerned, normally the bureaucracy may say, we welcome it, that is, to bring it under the control of the Government servant. We are giving concession to blind people and to handicapped people. To drive them to Government Civil Assistant Surgeon or Civil Surgeon will be rather putting certain hardship on them. Therefore we decided that it is better if we say registered medical practitioner, so that, in that case, it will be easier for them to claim the benefit. Instead of making it more difficult for the handicapped people, we have made it really easier for them to claim the benefit. If his second amendment is accepted we will have to refund certain amounts which have been collected.

SHRI SATISH AGARWAL: Not much.

SHRI R. VENKATARAMAN: I am not worried so much about the amount involved, but the administrative work involved is really very much. I say it from the administrative angle. I want to give it as an inducement for those people who from now onwards employ these handicapped people. I want to give them opportunity for additional weightage for deduction. So, it will be an inducement. But if we do it from 1980-81 that amount will have to be assessed in the current assessment year and the administrative delay involved does not make it worthwhile.

SHRI SATISH AGARWAL: After all the taxes are paid 20 per cent less and the refund in any case will not be more than 20 per cent in any case.

SHRI R. VENKATARAMAN: It is not a question of money as such. There is lot of administrative work

* Amendments moved with the recommendation of the President

[Shri R. Venkataraman]

which is involved and it is this which makes it cumbersome.

SHRI SATISH AGARWAL: Since the arguments are not convincing I wish to press my amendments....

MR. DEPUTY-SPEAKER: Both?

SHRI SATISH AGARWAL: Regarding second amendment No. 11, regarding benefit to be given immediately, if he does not agree, I don't mind so much. But I wish to press my amendment No. 10.

MR. DEPUTY-SPEAKER: All right. I will put amendment No. 10 to vote.

Amendment No. 10 was put and negatived.

MR. DEPUTY-SPEAKER: Are you withdrawing Amendment No. 11?

SHRI R. VENKATARAMAN : I beg to move* :
Page 11, for lines 7 to 20, substitute—

'12. In the Income-tax Act,—

Insertion of new sections 80AA and 80AB. (a) after section 80A, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1968, namely :—

Computation of deduction under section 80M.

"80AA. Where any deduction is required to be allowed under section 80M in respect of any income by way of dividends from a domestic company which is included in the gross total income of the assessee, then, not with standing anything contained in that section, the deduction under that section shall be computed with reference to the income by way of such dividends as computed in accordance with the provisions of this Act (before making any deduction under this chapter) and not with reference to the gross amount of such dividends."

(b) after section 80AA as so inserted, the following section shall be inserted with effect from the 1st day of April, 1981, namely:—

Deductions to be made with reference to the income included in the gross total income.

"80AB. Where any deduction is required to be made or allowed under any section (except section 80M) included in this Chapter under the heading "C—Deduction in respect of certain incomes" in respect of any income of the nature specified in that section which is included in the gross total income

SHRI SATISH AGARWAL: Yes, I seek leave of the House to withdraw my amendment.

Amendment No. 11 was, by leave, withdrawn.

MR. DEPUTY-SPEAKER: The question is:

"that Clause 9 stand part of Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Clases 10 and 11 were added to the Bill.

Clause 12. (Insertion of New Section to sub 80 AA)

SHRI SATISH AGARWAL: I beg to move *

Page 11, lines 8 and 9—

omit "and shall be deemed to have been inserted with effect from the 1st day of April 1968.." (12)

*Amendment moved with the re commendation of the President.

of the assessee, then, notwithstanding anything contained in that section, for the purpose of computing the deduction under that section, the amount of income of that nature as computed in accordance with the provisions of this Act (before making any deduction under this Chapter shall alone be deemed to be the amount of income of that nature which is derived or received by the assessee and which is included in the gross total income" (151).

SHRI ATAL BIHARI VAJPAYEE:
I beg to move*

Page 11, line 9,—

for "the 1st day of April, 1968"
substitute "the 1st day of April,
1981" (181)

Page 11,—

for lines 10 to 20 substitute—

"80AA. Where any deduction is required to be made or allowed under section 80M in respect of income which is included in that gross total income of the assessee, then, notwithstanding anything contained in that section, for the purpose of computing the deduction under that section, the amount of income by way of dividends as computed in accordance with the provisions of this Act (before making any deductions under Chapter VIA) shall alone be deemed to be the amount of income by way of dividends which is derived or received by the assessee and which is included in its gross total income." (182)

MR. DEPUTY-SPEAKER: Now Mr. Agarwal, do you want to say anything on your amendment?

SHRI R. VENKATARAMAN: Sir, I have moved my amendment No. 151.

I think it will be advantageous if I explain first my amendment so that some of the points raised by the hon. Members may be covered afterwards.

SHRI SATISH AGARWAL: Hon. Finance Minister may explain first.

SHRI R. VENKATARAMAN: Sir, amendment No. 151 which I have moved really takes into account the general view expressed by a number of people in respect of the retro-active operation of Section 80AA. Now, in Section 80AA deductions for a number of things are given in the computation of the taxable income. The intention of Government has always been that the net income should be deducted, that is, the income minus the amount which was spent in earning that income should be eligible for that deduction. There are several clauses dealing with these deductions. One of them relates to inter-corporate dividends. There are sections 80 'N' and 80 'O' and others dealing with deductions in respect of those institutions which earn an income by way of sale of technological and scientific knowhow either in this country or outside and number of other smaller items. I have taken note of the general feeling not only in the House but also in the country and I have brought forward an amendment in which only the inter-corporate dividends will be subject to retro-active operation of law. In respect of others for which I have

*Amendments moved with the recommendation of the President.

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proposed amendments, there will be no retro-active operation of the section but there will be a prospective operation. I must now explain why in respect of inter-corporate dividends I have made this Section as retro-active.

Sir, you are aware that Company 'A' borrows a lakh of rupees and invests that money in Company 'B'. It earns dividends, let us say, of Rs. 2 lakhs or earns profits of Rs. 2 lakhs. Now, company 'A' pays interest to the company 'B' on the one lakh of rupees it borrowed. On that interest on one lakh of rupees paid to the Company 'B', company 'A', when it is assessed, is given a deduction on the amount paid as interest. Then in respect of Rs. 2 lakhs which it receives as dividend from Company 'B', it claims a deduction for the entire Rs. 2 lakhs, not Rs. 2 lakhs minus the interest which they have paid, on which they have claimed deduction. This is a sort of double benefit.

13 hrs.

That is not the intention at any time of the Government and it has been made clear that when you say 'income', it is net income, not the gross income. Therefore, in fairness and in equity, I have said that when one company, one corporation, makes an investment in another company, another corporation, in respect of those inter-corporate dividends, the expenses incurred in making that investment must be deducted and only the balance should be entitled to income tax deductions as income of the company A. This nobody can object to except that it has been in the past interpreted the other way and they have claimed double benefit.

As far as the other deductions are concerned, as I have said, we will

make the law prospective, for instance in Section 80, deductions in case of Indian companies in respect of royalties received from someone in India, royalties in respect of concerns received from abroad—all these things will not be subject to retro-active operation of this Section. Only the inter-corporate dividends will be subject to retro-active operation of the Section and the rest of it will be prospective. This is one point which I wanted to make clear. If this is understood, I think, the hon. Members may not have much objection to the amendment being accepted and withdrawing their amendments.

SHRI SATISH AGARWAL: Though the hon. Minister has virtually accepted my amendment to clause 12, yet I am not very happy because I am basically opposed and I have expressed yesterday also, and you will also agree with me, Sir, that retrospective operation of certain taxation proposals for the years 1968 or 1969, thirteen years back, is not very desirable. When these provisions were being misused right from 1968-69 onwards, when these provisions were being misused right from 1962 onwards in certain cases, as expressed yesterday, when these provisions were being misused from 1972 onwards, why don't you have some machinery in the department which should bring these anomalies or aberrations to the notice of the Government at the earliest possible opportunity? This is something very fantastic and you take the House for a ride. You have a majority, you can get anything passed, but every Member of the House will be interested, you too will be interested, Sir, that there must be some inbuilt mechanism in the department to see to this so that this House has not to pass legislation retrospectively hereafter. With these words, I welcome the amendment moved by the hon. Minister, which incorporates my

amendment. I seek leave of the House to withdraw my amendment.

SHRI G. M. BANATWALLA: There is some procedural difficulty. My amendment is No. 32; I could not move it, because my amendment is the same as No. 12, moved by Shri Satish Agarwal. Now, he has come forward to withdraw his amendment. I am, however, not yet convinced by the arguments given by the hon. Minister. Therefore, if Shri Agarwal goes out of the field, I should be allowed to move my amendment.

MR. DEPUTY-SPEAKER: He has already moved it.

SHRI G. M. BANATWALLA: But he is withdrawing it.

MR. DEPUTY-SPEAKER: It is left to the House. How do you know about the decision of the House? When his amendment is disposed of, your amendment will also be included in it.

SHRI G. M. BANATWALLA: How is it? He seeks to withdraw. (*Interruption*) I cannot be following his intentions.

MR. DEPUTY-SPEAKER: When I put it to vote....

SHRI R. VENKATARAMAN: May I suggest that the hon. Member may be allowed to say whatever he wants to say? That will save time, rather than....

MR. DEPUTY-SPEAKER: Mr. Banatwalla, why do you insist on this amendment? You can speak on it.

SHRI G. M. BANATWALLA: The Finance Minister tries to find out a *via media*. I thank the Finance Minister because he has partially responded to the purpose of our amendments. But he has not fully responded. The question of retrospective effect with respect to inter-corporate dividend still continues, in spite of the amendment moved by the hon. Finance Minister. In principle, I concede that there is a double deduction, as the law stands,

as far as ven inter-corporate dividends are concerned. My objection is that we cannot have, in the case of the Finance Bill, provisions with retrospective effect—and retrospective since 1968, i.e. for 12 years. There are innocent citizens who have arranged their transactions on the basis of well-settled laws. You provided them the scope for double deduction. They took advantage of it. They arranged their transactions on the basis of well-settled laws. If some citizen acts according to the law and settles his transactions accordingly, you cannot later on come to punish such a citizen. I shall, therefore, welcome the move to have the provision with prospective effect. But it would be unfair and not in a sense of equity to try to punish those who have been going on as per the well-settled principle. Therefore, even in the case of inter-corporate dividend, I feel this retrospective effect should not be there, as a matter of principle.

SHRI R. VENKATARAMAN: I am afraid as usually very well informed Member like Shri Banatwalla has got his facts wrong in this case. The departmental view—the Government's view—that only the 'net' is deductible, has been accepted by the High Court of Gujarat till as late as 1974. It is only when this case went up to the Supreme Court that it was reversed in 1979. I can come up only after the Supreme Court took a different decision. The departmental view, as it has always been and as it should be in every income-tax matter, is that income really means the net income, less the expenses incurred in earning that income. This you have accepted. And the Gujarat High Court confirmed it as late as in 1974. The same case went up to the Supreme Court; and it reversed it in 1979. That is why we have come now with this amendment and we make it retrospective, so that all other cases which may be pending in different areas, in different courts, in different stages and cases which have been re-opened, may be covered by

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this. We are not bringing in anything new, or anything drastic, as the Member said. This also meets Mr. Satish Agarwal's point, viz., why did the department act after such a long time? The department is in a great difficulty. Different Benches of tribunals sometimes give different judgements. And immediately we cannot rush to the Legislature for amendment. We wait till some High Court decision is there. And different High Courts give different decisions. It makes it very difficult to come forward with amendment every time. When we feel that some decision will be upheld upto the Supreme Court, we wait till that. In other cases, where we think that the process will take so long, that the uncertainty will be so great, then we come forward with the amendment. In this case, it is only because the judgement of the Supreme Court was given in 1979 that we have come forward with the amendment.

MR. DEPUTY-SPEAKER: We come to the next clause 13. Mr. Satish Agarwal.

SHRI SATISH AGARWAL: Amendment moved by Shri Venkataraman.

SHRI R. VENKATARAMAN: His point has been met by this.

MR. DEPUTY-SPEAKER: Voting on the clauses will take place, as announced by me, after 2 P.M. (Interruptions)

SHRI R. VENKATARAMAN: They say, between 1 and 2, there will be no voting.

MR. DEPUTY-SPEAKER: We have already announced about it. Some members have expressed their desire that voting should be after 2 p.m. I have already announced that. Now clause 13. Mr. Agarwal, do you want to move your amendments?

SHRI SATISH AGARWAL: Yes, I have two amendments Nos. 13 and 14.

MR. DEPUTY-SPEAKER: Shrimati Geeta Mukherjee—107.

SHRIMATI GEETA MUKHERJEE: (Panskura): I am not moving it.

MR. DEPUTY-SPEAKER: Mr. Agarwal, you can speak on your amendments.

Clause 13 (Amendment of section 80(C).

SHRI SATISH AGARWAL: I beg to move*:

Page 11, line 22,—

for "1981" substitute "1980" (13)

Page 11,—

for lines 30 to 39, substitute—

"(a) where such aggregate does not exceed

Rs. 6,000

(b) where such aggregate exceeds Rs. 6,000 but does not exceed Rs. 12,000

(c) where such aggregate exceeds Rs. 12,000

The whole of such aggregate.

Rs 6000 plus 50 per cent of the amount by which such aggregate exceeds Rs. 6,000.

Rs. 9000, plus 80 per cent of the amount by which such aggregate exceeds Rs. 12,000." ; (4).

Section 80 of the Income Tax Act is being amended by clause 13 whereby the deductions admissible with regard to long term investments in LIC, provident fund etc. are being restored to the 1978 level. There

were certain aberrations in this regard in the 1979 budget where the first Rs. 5,000 was fully exempt, but on the next Rs. 5,000 it was reduced to 40 per cent and balance, it was reduced to 35 per cent. Now the hon.

*Amendments moved with the recommendation of the President.

Finance Minister is restoring 1978 position, that is, the first Rs. 5,000 fully exempt. next Rs. 5,000, 50 per cent exempt and the rest, 40 per cent exempt. This is, of course, an improvement on the 1979 position. I am very happy to see that this particular aberration which crept into the budget in 1979 to which personally I myself was not very much reconciled, but where under certain compulsions. I had to reject the amendments moved then has been remedied. I am complimenting the Finance Minister to this extent partially that he has restored the position of 1978. But from 1979, it is now 1980. You are going back to 1978. Mr. Finance Minister, you are accustomed to going ahead. Why go backward to 1978? Come to 1980. And that is why looking to the inflation rate, the value of the money and the desirability of more investments in these long term savings, I have suggested a very innocent, useful, beneficial amendment to this provision and I think it is not going to either hurt, hard the revenue of the government because I have also developed a revenue during the last two years, unfortunately. Then, my amendment is that instead of Rs. 5,000, you keep Rs. 6,000 totally exempt, cent per cent. Then instead of Rs. 5,000, I wish to make it Rs. 12,000 and let it be 50 per cent; and then on the rest, instead of 40 per cent, I have brought it down to 30 per cent. The first instead of Rs. 5,000 make it Rs. 6,000; the next Rs. 5,000 make it Rs. 6,000; 50 per cent, all right, whatever you say, but on the balance, instead of 40 per cent, I shall come only to 30 per cent. So, whatever revenue loss is there on account of this increase of Rs. 1,000 in the first slab and in the second slab, you will make good by reducing the permissible allowance under the third category of the balance. So, the small, the petty people, the middle class people shall be encouraged to invest more and they will get a better benefit; and those who

cross these limits, may be above Rs. 10,000 or Rs. 15,000 or anything, will get only 30 per cent benefit. That is the only amendment that I have moved. If the hon. Finance Minister accepts it, then I am sure, I am not going to move, press for the other amendments.

SHRI R. VENKATARAMAN: I thank the hon. Member for his very kind reference to me because the tables were turned. Last time I moved an amendment to restore the position to what it was in 1978 and he was not able to accept it. As far the amendment which seeks to change the deductions. I am not sure that my friend Agrawal's suggestions are more favourable than my own because if a person has a saving of Rs. 10,000 under my scheme, for the first 5,000 he will get full deduction of 5,000 and for the next 5,000 he will get 50 per cent deduction, that is 2,500 and the total deduction will be 7,500. In Mr. Agarwal's scheme, the first deduction will be 6,000 and for only next 4,000 deduction, it will be only 30 per cent, that means, 1,200 and the total deduction will only be 7,200. I do not want to reduce the benefit which I have already given.

SHRI SATISH AGARWAL: It is only a mistake in certain calculation.

MR. DEPUTY-SPEAKER: On your part or on the part of the Minister?

SHRI SATISH AGARWAL: On the part of the Minister. But because he has restored the benefits to the 1978 level at least, I am sure he would look into this provision later on. I do not agree with this argument. Amendments Nos. 13 and 14 may be disposed of by voice vote.

Clause 14—(Omission of section 80FF)

MR. DEPUTY-SPEAKER: We take up clause 14. Mr. Agarwal has an amendment No. 141.

SHRI SATISH AGARWAL: I beg to move:

Page 12, line 2,—

for "1981" substitute "1982" (141)
This is with regard to section 80 FF. There is nothing more except that I want to seek one clarification from the hon. Finance Minister. He is going to omit section 80 (FF) from the Income-Tax Act with effect from 1st April, 1980. That means that for the accounting year 1980-81 and the assessment year 1981-82, expenses incurred on this head will not be made available to the person concerned. 80 (FF) relates to deduction in respect of expenses of higher education of specified, dependent relatives. The deduction will not therefore be available for the assessment year 1981-82 onwards. This particular deduction was available to persons whose specified dependent relatives had gone for higher studies and immediately to put a stop to it right from this accounting year will cause hardship. That is why I am bringing in this amendment. You do away with it and omit it if it has an adverse effect on the revenue; basically I do not oppose it but I simply say: Give those people a chance, only one year to complete their studies and be prepared to meet the challenges without deduction. Instead of bringing this into force from 1981, I plead to make it 1982 so that it will come into force from 1982 so that the dependent relatives who are specified by the government are able to complete their studies, if not complete, at least they will be able to reconcile themselves to the changed situation and make the necessary amendments with regard to their dependents as to how their education has to be managed. My amendment is that instead of bringing this particular provision into force from 1st April, 1981 it may be deferred for one year and may be brought into effect from 1st April 1982. This is my humble suggestion and amendment.

SHRI R. VENKATARMAN: Section 80 FF gives a benefit to an assessee in respect of expenses incurred on higher education and the assessee is eligible for this benefit only upto an income of Rs. 12,000/-. Since the income tax was leviable on Rs. 10,000 Section 80 FF was included so that the benefit may be available to a person who has income upto Rs. 12,000/-. Now, we have made assessment itself starting with Rs. 12,000/. There is absolutely no need for this. May be, it may be possible for a person to say—you increase the limit as well as give other benefits. That is only asking for additional benefits. So, we are not making any change in the law because at the moment a person having more than Rs. 12,000 taxable income, assessable income, get the benefit. Since it is up to Rs. 12,000/- he will not draw it.

Another question is about the year. There is a lot of confusion about the Accounting Year, the Assessment Year and so on. We follow one practice viz., the Assessment Year as far as possible. What we have made in this Section is that the Assessment Year and the exemption benefit will be coterminous. When the assessment takes place, he is given the benefit upto Rs. 12,000/-. It is from that year the benefit under 80 FF which the person gets will go. Therefore, there is no hardship caused. If there is any hardship, my friend may write to me on this subject.

SHRI SATISH AGARWAL: For a person who has received from 1st of April right now and before the introduction of your Budget and for this year, will you entitle him for this benefit under 80 FF? That is the problem. He has planned. He has spent for higher education. You said, you will not get it.

Please clarify that position—that they will not be disturbed or it will not cause any hardship. Then I am prepared to withdraw it.

SHRI R. VENKATARAMAN: The position is that this provision will be from the Assessment Year 1981-82 i.e. from the next year.....

SHRI SATISH AGARWAL: It will not be allowed in the Assessment Year 1981-82 i.e. Accounting Year 1980-81. So these expenses will not be permitted for the Accounting Year 1980-81. That is the problem.

SHRI R. VENKATARAMAN: We can keep the clause pending. We will check on that.

Clause 15—Amendment of Section 80 G

SHRI G. M. BANATWALLA: I beg to move*:

Page 12, lines 5 and 6,—

omit "and shall be deemed to have been substituted with effect from the 1st day of April, 1978". (33)

Page 12, lines 22 and 23,—

omit "and shall be deemed always to have been inserted". (34)

SHRI R. VENKATARAMAN: I beg to move*:

Page 12, for lines 5 and 6, substitute

"substituted with effect from the 1st day of April, 1981, namely:—". (152)

SHRI G. M. BANATWALLA: The tax payer is entitled to certain deductions on account of charitable donations. There are certain limits and now this Clause 15 wants to clarify these limits. Clause 15 now says that these limits refer to the aggregate donation and not to the entire quantum of deduction. I do not want to quarrel with the hon. Finance Minister as far as this clarification is concerned. In principle I welcome it. But once again he has developed a love for extensive use of this retrospective

effect. Now the clarification is coming to-day and it will have retrospective effect in certain cases from April 1968 and in certain cases from 1st April, 1978. This is what we are objecting to—that this fancy, this love, this attachment for retrospective effect in case of financial matters must not be there. I think the hon. Finance Minister should be large-hearted. He is large-hearted and he should accept and concede to this point of principle that we are taking up. The entire question of retrospective affect will again come up in other clauses also. Therefore, if the Minister accepts in principle to give up this retrospective business, I think it will save a lot of time of this House and save a lot of complications that might arise therefrom.

SHRI R. VENKATARAMAN: I should again explain the purpose of this. Under section 35 of the Income-tax Act, for any donation made for scientific research etc., they are entitled to benefit of tax deduction. Then again the same amount is claimed as deduction under section 80G. All that I have said is that this kind of double deduction under section 80 G. All that if he has claimed deduction under section 35, he cannot claim deduction under section 80 G. There can be objection to this on principle.

The next question is whether it should be retroactive. In these cases where there are assessments pending, we have got to make it retroactive so that we can clarify the law. Otherwise, upto a certain date, there will be one kind of decisions and afterwards, there will be another kind of decisions and this will make the law contradictory and confusing. As I said earlier, if anybody is called upon to pay back and if any difficulty arises, the Government will consider the case sympathetically and take it in instalments spread over a time. But the principle must be accepted.

*Amendments moved with the recommendation of the President.

[Shri R. Venkataraman]

Sir, I am very sorry; I apologise to the House. This matter is not made retrospective. The amendment which I am moving is to take it out of the retrospective effect. It is made prospective from 1980. I am sorry, I was reading the previous one. This is not retrospective.

SHRI SATISH AGARWAL: If it is not retrospective, I withdraw my amendments.

Clause 16—(Insertion of new section 80-I)

SHRI G. M. BANATWALLA: I beg to move:

*Page 15:—

omit lines 3 to 13 (54)

Page 12, line 36,—

for "twenty per cent" substitute—
"thirty per cent". (103)

Page 12, line 40,—

for "twenty per cent.", the words
"twenty-five per cent."

substitute—"thirty per cent", the
words "forty per cent". (104)

Page 14, lines 33 to 36,—

for "in which the industrial undertaking begins to manufacture or produce articles or things, or to operate its cold storage plant or plants or the ship is first brought into use or the business of the hotel starts functioning"

substitute: "in which the industrial undertaking or the ship or the business of the hotel first makes taxable profits" (105).

SHRI NARAYAN CHOUBEY (Midnapore): I beg to move:

Page 12, line 36,—

for "twenty per cent." substitute—
"ten per cent." (108)

SHRI R. VENKATARAMAN: I beg to move*:

Page 14, line 3, for "Explanation 2", substitute—

"Explanation 2—Where in the case of an industrial undertaking, any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent of the total value of the machinery or plant used in the business, then, for the purposes of clause (ii) of this subsection, the condition specified therein shall be deemed to have been complied with.

Explanation 3". (153)

Page 14, line 38, for "six", substitute "seven". (154)

Page 15, line 1, for "six", substitute "seven". (155)

SHRI SATISH AGARWAL: I beg to move:

Page 16,—

omit lines 12 to 16. (144)

SHRI G. M. BANATWALLA: This is a very important clause.

MR. DEPUTY-SPEAKER: Does it mean that the other clauses are not important?

SHRI G. M. BANATWALLA: Others are important, but this is very important. Clause 16 inserts a new section 80-I in our Income-tax Act. It deals with tax holiday concessions. I have moved four amendments to this particular clause. I most respectfully submit that this clause 16 inserting new section 80-I in the Income-Tax Act very much dilutes the tax holiday concessions that are made available. In the first place, there is a shift in the basis of the computation of this tax holiday concession. The basis has

*Amendment moved with the recommendation of the President.

changed from a specified percentage of capital employed to a specified percentage of taxable income. Here have an amendment. When you are changing the basis for tax holiday concession from a specified percentage of capital employed to a specified percentage of taxable income, it should be remembered that there are several industries in which we have a long gestation period. The income in the case of these new industries comes after a number of years—3 years or four years. Therefore, by saying that the tax concessions will hitherto be, with respect to the taxable income you are simply depriving the industries of tax holiday concession for three years or four years when there will be no profits whatsoever. I appreciate that the hon. Finance Minister has come forward with an amendment in which case those industries where there will be a longer gestation period, are given a concession from a 7-year period to a 8 year period. But this concession is not going to serve the purpose. I have moved an amendment that if you want this particular principle i.e., tax holiday concessions should be related to taxable income, then in that case, the period of 7 years for which the new industries are entitled to tax holiday concession, should be computed from the year in which the particular industry starts making profit for the first time. How can you compute those years in which no profits were made and there were loses? If you want to give tax holiday concession, in that case the period of 7 year should start from the period when the industry starts making the necessary profit. That is the purport of my amendment number 105.

I have another amendment number 54. This is also a very important amendment. A great injustice is being done. It is a preposterous position that the Government wants to take. The tax holiday concessions are given but we are told that even if the losses of new undertakings are fully

set off against the other income of the assessee, still the losses so set off will be notionally carried forward and adjusted against the profit of the new undertaking in the later part of the 7 year. This is a preposterous position. There is an assessee. He makes losses against a new industry. His losses are totally set off from the profits that he makes from other sources. The matter then ends if his losses are so set off. But then the position taken is that notionally in spite of the fact that the losses have been so set off yet these losses of the new industry will be carried forward. Whenever that new industry makes gains, those losses will again be set off against those profits and, thereafter, the entire gains will be calculated. This is a very unfair principle that has come up. It dilutes, it defeats the very purpose of the tax holiday concession. Therefore, I have moved my amendment No. 54, to omit this particular proviso that has been added to the entire tax holiday concession.

I have two other amendments also, Nos. 103 and 104. Because of the fact that there is a shift from the basis of capital employed to income, as far as holidays are concerned, I have simply stated that the exemption should be 30 per cent and not 20 per cent, and in the case of companies it should be 40 per cent and not 25 per cent.

I have moved these amendments with the sincere desire to see that the tax holiday concessions remain not merely apparent concessions but real concessions and help our industries and our industrial growth.

SHRI NARAYAN CHOUBEY (Midnapore): My amendment is to give just the opposite effect, because I feel that enough of concessions have already been given. Since the industrialists of our country have already been given enough concessions, our proposal is that it should be further reduced. The proposal is to have 20 per cent in respect of profit and gains

[Shri Narayan Choubey]

after a certain date. We feel that it is too much and the time has come when we should give less of concessions. I agree with him that it is not to be amended but it has to be ended. If you cannot end it, then amend it and have 10 per cent instead of 20 per cent.

SHRI SATISH AGARWAL: By clause 16, a new section 80-I is being added to the Income-tax Act. In this particular scheme of things, I strongly object to sub-clause (10). So, I have moved my amendment No. 144 for the deletion of sub-clause (10), which reads:

"The Central Government may, after making such inquiry as it may think fit, direct, by notification in the Official Gazette, that the exemption conferred by this section shall not apply to any class of industrial undertakings with effect from such date as it may specify in the notification."

When a particular concession has been announced by the Government and approved by the House after a full debate, authority should not be vested in the Government to do away with that concession in regard to any class of industry as such, because these powers are likely to be misused. Government have got ample powers under various laws. If any particular industry, or any class of industry, is not behaving properly, the heavens are not going to fall; Government can come before this House and get approval or they can take administrative action. There is no need for any authority under this Act. You can hold an enquiry and then stop that particular concessions, if it is being misused or if it is not in accordance with the spirit of the law. I think the sweeping powers to be exercised in any arbitrary manner by any future Finance Minister, who is not guided by his conscience as Shri Venkataraman is, will give scope for misuse out of even vindictiveness. If he is against

a particular industry or unit, he may institute an enquiry and then say "all right, these concessions will not be made applicable to you, unless you contribute substantially to the election fund of the ruling party." Unless you do this there is a likelihood of its being withdrawn. So, Sir, this sweeping power should not be given to Government once the concession has been announced.

MR. DEPUTY-SPEAKER: Mr. Agarwal, fortunately you are not in the Ruling Party now.

SHRI SATISH AGARWAL: We never introduce such a provision.

MR. DEPUTY-SPEAKER: You don't take it seriously. (*Interruptions*). Automatically it will come. It comes only to the Ruling Party. Therefore, he said that.

SHRI ANANDA GOPAL MUKHOPADHYAY (Asansol): Sir, Mr. Agarwal is speaking from his knowledge, not faith.

SHRI SATISH AGARWAL: What Mr. Mukhopadhyay says is true. We learn by experience and we learn by knowledge. I am aware of the fact that more and more powers, sweeping and arbitrary, are given by this Parliament to the executive. They are very much likely to be misused. There are 101 instances of your regime, of our regime, of any regime whatsoever. Don't go by the regimes. Please forget that. Now, six months are over. Don't build up arguments only on the basis of this Government or that Government, Janata Government or Lok Dal Government. It is not going to take us too far. Things are changing, things have changed, things will change in such a short span or period. Nobody knew that in the first week of July 1979 the days of the Janata Government were numbered. Nobody knew that your Government headed by Mrs. Indira Gandhi would go away in March 1977. Nobody knew

it. So, one should not feel proud and should not think that he going to rule this country for all times to come. Nobody knew what is going to happen after six months even of this period. I wish all well to everybody because there is no alternative, and your Party is the only Party at the moment. But nobody know what will happen. Your party may collapse within six months. So, don't feel proud of this. So, Mr. Deputy-Speaker, Sir, I was just submitting that....

श्री शिव कुमार सिंह ठाकुर (खंडवा) : यह जो आप का सोचना है, आप की यह इच्छा पूरी नहीं हो सकती ।

श्री सतीश अग्रवाल : मैं चाहता भी नहीं हूँ । मैं आप से निवेदन करता हूँ कि ईमानदारी से मैं यह चाहता भी नहीं हूँ और वह इसलिए नहीं चाहता हूँ कि आज आप का कोई विकल्प नहीं है ।

I am least interested in pulling down this Government. And unfortunately there is no alternative. Pulling down this Government will lead to chaos. I am not interesting in that. I am interested in other matters, not so much in politics as in economy or economic matters.

MR. DEPUTY-SPEAKER: Come to the amendment.

(Interruptions)

SHRI SATISH AGARWAL: If you are not going to pay any heed to my advice, who else is going to do that? So, why should I bother my head? I am concerned with my chocolate.

Mr. Deputy-Speaker, Sir, that is why I pleaded with the Finance Minister yesterday that 'anyhow, please try to find out a way whereby the Parliament approves a certain rate of taxation and the Government exercise the powers under the customs and excise law to have an effective rate, which is much less than the rate prescribed by the Parliament. But the Government pleaded some difficulty, may be so. Do not have the

cover under the pretext that the Janata Government also did not agree. The Janata Government is not a Supreme Court for you, so that whatever they did you are going to follow all that. Whatever good they did, you follow it. Whatever bad they had, you discard it. So, I say, Sir, that these sweeping powers should not be given to the Government as they are likely to be misused. The Government have got ample powers under the law whereby they can proceed and see that in certain cases if there is any misuse, they come to the House. But now don't have the sweeping powers. You are giving so many sweeping powers under sub-clause (10) to the Government and under sub-clause (9) to the Income-tax officer. He has got the full discretion to assess the reasonable profits of the industrial undertakings. You are giving so many discretionary powers to the income-tax officer. Anyway, I am not criticising this at the moment, but I am drawing your attention, at least don't have these sweeping powers under sub-clause (10) and that should be deleted.

MR. DEPUTY-SPEAKER: Mr. Minister, you can speak on your amendments and also reply.

SHRI R. VENKATARAMAN: First I will dispose of the point raised by Shri Agarwal and then go to my amendment. Shri Agarwal has made it appear as if I have introduced a new clause taking extraordinary powers.

But if he looks at section 80J, sub-clause (7), the same provision is there in the Act. It says:

"The Central Government may, after making such enquiry as it may think fit, direct by a notification in the Official Gazette, that the exemption conferred by this section shall not apply to any class of industrial undertakings with effect from such date as it may specify in the notification."

So, I have not done anything new. I have only incorporated the section which is already in the Act. It is al-

[Shri R. Venkataraman]

ready in the corresponding provision in section 80J. When you are substituting section 80J by section 80-I, you take the same provision, that is all.

SHRI SATISH AGARWAL: Are you substituting section 80J by section 80-I? No, you are adding a new section, 80-I.

SHRI R. VENKATARAMAN: I will explain it. Up till now the tax holiday benefit was given on the basis of capital employed. Hereafter, it will be given on the basis of the income earned. Therefore, after 1981 section 80J will go, and for the period 1981-85, section 80-I will be in operation. For industries which are established from 1981-82 the new provisions of section 80-I will apply, and in making those provisions we just incorporate all the provisions existing in respect of capital employed, since we are changing only the manner of computing the tax holiday. I suppose I have made myself clear.

There is a question of principle involved in this. The tax holiday benefit given on the basis of the capital employed has led to two abuses. Firstly it has led to capital-intensive industries, because, irrespective of the fact you have made a profit or not, whether you produce or not, by the mere fact that you have invested in heavy machinery, you are entitled to 7½ per cent of the return as tax holiday.

The Dandekar Committee went into this question, and they said that this was a wrong principle, and that the tax holiday provision should be so changed that it is related to production and profits rather than to mere investment.

The second abuse which arose was that some of the existing companies were able to expand and then write off the losses of the new companies in their existing companies' profit and loss account, and at the same time

claim the benefit of tax holiday on the basis of capital employed in the new industry, with the result that more and more concentration of industries took place in bigger houses. A new industry started by a new entrepreneur was at a comparatively greater disadvantage as against a new industry started by an established industrialist. Therefore it is that Government thought that we should now change the computation of the tax benefit, and we therefore linked it to productivity, profit and income rather than to the money that was put into machinery and equipment. Therefore, the principle cannot be objected to. It is true that some people, who have benefited, particularly, the existing industries, which would get a double benefit, will be affected. But we are committed to diversifying industries not only with regard to places, but with regard to persons also and if we want new entrepreneurs to develop, this is the kind of incentive that should be given and that is the kind of disincentive also which should be given in respect of established industries.

Now I come to Government amendments. First I will take up amendment No. 153. In the clause, as it originally stood, Government stated that if used machinery were employed, then it would not be entitled to any tax-holiday benefit. This, we thought, was very harsh since a small portion of used machinery, second-hand machinery can be used. Therefore, in amendment No. 153, we have said that the tax-holiday benefit will be available provided the machinery used is limited to 20 per cent of the total investment on machinery in the company. This is the liberalisation which has been given and I am sure it will be welcome.

Amendment Nos. 154 and 155 seek to extend the benefit by one year. In the clause as it stands, a person is entitled to....

श्री कलचन्ध बर्मा (शाजापुर): उपाध्यक्ष महोदय, मेरा प्वाइंट आफ आर्डर है। सदन में कोरम नहीं है।

SHRI R. VENKATARAMAN: The hon. member may not ask for quorum till two. He cannot raise the point of order on that once the House has agreed.

What I have stated in the clause is that in respect of income derived by new industries, they can get 20 per cent in respect of non-corporate tax payers and 25 per cent in respect of companies as tax reduction for a period of seven years. It was represented both in the House and elsewhere that the seven-year period is not enough. They thought that it will take about two to three years for a company or an industry or a unit to earn profit and therefore, at least five year tax benefit should be given after that three years. So, we extended it to eight years, allowing three years for no-profit period and a period of five years for tax-benefit, after that. This is also a liberalisation. Shri Banatwalla wanted more liberalisation. He said that it should be seven years from the date on which it makes profit. If a company goes on showing that it has made no profit at all, then the Government would not get any revenue. There must be certainly a time limit for any benefit that we are giving. He also said that 40 per cent should be given. If you calculate all the benefits that we are giving, you will find that in the first year, as much as 50 per cent of the income can be deducted in one form or another. I am sorry, I cannot go farther than that. I have already come under attack from my friends on the other side for giving greater concessions to industry. I have tried to strike a balance between the two views and I request the House to accept my amendments.

Clause 17— (Amendment of Section) 80J).

SHRI G. M. BANATWALLA: I beg to move*:

Page 16, lines 21 and 22,—

omit "and shall be deemed to have been substituted with effect from the 1st day of April, 1972." (15).

Page 16, lines 24 and 25,—

omit "and shall be deemed to have been inserted with effect from the 1st day of April, 1972" (17).

SHRI MOOL CHAND DAGA (Pali): I beg to move*:

Page 16, lines 21 and 22,—

for "and shall be deemed to have been substituted with effect from the 1st day of April, 1972" substitute—

"with effect from the 1st day of April, 1981" (16).

Page 16, line 25,—

for "the 1st day of April, 1972" substitute—

"the 1st day of April, 1981" (18).

Page 18,—

after line 20, insert—

'(c) in clause (iii) of subsection (4) for the words "thirty-three years" the words "thirty-eight years" shall be substituted'. (19).

SHRI ATAL BIHARI VAJPAYEE: I beg to move*:

Page 16, lines 21 and 22,—

for "and shall be deemed to have been substituted with effect

*Amendments moved with the recommendation of the President.

[Shri Atal Bihari Vajpai]

from the 1st day of April, 1972"
substitute—

"with effect from the 1st day
of April, 1972" (183).

Page 16,—

after line 22, insert—

"(aa) in sub-section (1),
after the proviso the following
proviso shall be inserted, name-
ly—

Provided further that in re-
lation to the profits and gains
derived by an assessee being
a company, from an industrial
undertaking which begins to
manufacture or produce arti-
cles or to operate its cold
storage plant or plants after
the 31st day of March, 1981,
or from a ship which is first
brought into use after that
date, or from the business of
of a hotel which starts func-
tioning after that date, the
provisions of this sub-section
shall have effect as if, for the
words "six per cent.", the
words "ten per cent." had
been substituted. (184).

Page 18,—

after line 20, insert—

"(c) in sub-section (4), the
third proviso shall be omitted
with effect from the 1st day of
April, 1981." (187).

SHRI G. M. BANATWALLA: Mr.
Deputy-Speaker, Sir, this is a very
serious thing. Clause 17 is with res-
pect to the modification of the provi-
sion relating to tax-holiday. The de-
finition of "capital employed" is
sought to be now changed, that is,
"capital employed" will not now in-
clude long-term borrowings, and the
whole clause is being given a retros-

pective effect from 1st April, 1972.
Since you want me to be brief, I will
not go into the entire history.

The objection is to the retrospective
effect—the term "capital employed"
shall not include long-term borrow-
ings not only prospectively but with
retrospective effect from 1st April,
1972. Our hon. Finance Minister has
made very extensive use of this idea
of "retrospective effect" irrespective
of the norms that should govern the
use of this provision, namely, the pro-
vision of retrospective effect. There
are several changes in tax-holiday,
taxation of inter-corporate dividends,
income and wealth of private trusts,
de-recognition of partial partition of
Hindu undivided families and so many
other things that will have a retros-
pective application. Amendments are
proposed in the Income-tax Act under
Clause 12 with retrospective effect
from April, 1968, under Clause 15,
with retrospective effect from April,
1968; under Clause 17, with retrospec-
tive effect from April, 1972, under
Clauses 28 and 39, with retrospective
effect from January, 1979 and so on.

My first submission is that such an
extensive use of the principle of "re-
trospective effect" provision militates
against the assurances that have been
given to this very House. There have
been assurances in the past that the
changes in the taxation laws would
be effective only prospectively. Even
in the Memorandum explaining the
tax provisions of the Financial Bill,
1980, we are told "Changes in the
rates of tax as also in the provisions
of tax laws should ordinarily be made
operative prospectively in relation to
current incomes and not in relation
to incomes of the past years". I,
therefore, submit that it is atrocious,
to say the least, to impose financial
obligations on a citizen which he
could not visualise earlier.

I can be very easily told that this
particular obligation could be visuali-
sed. The matter went to the courts

and it was on technical grounds that the courts have held that "capital employed" does not include long-term borrowings. But then what was the Government doing from the date of the decision of the courts? They have been sleeping over the whole matter. For their negligence now, all innocent citizens who have based their transactions on wellsettled laws have to suffer. That is not a proper policy to be adopted.

14 hrs.

Mr. Deputy Speaker, Sir, one has therefore to see that the citizens are not penalised for the lapses and negligence on the part of the Government. They could have come earlier to this House, but they went on sleeping for three to five years after the decision of the court. They did not even choose to go to the Supreme Court but they are now here for the purpose of giving retrospective effect to all these particular provisions.

Now, the Government is adopting double standards also. Take the case of clause 12—inter-corporate dividends and others. It should be related to clause 44 and if we look at the Memorandum explaining the Finance Bill's provisions we are told that clause 44 has come up in order to give sanctity to certain court decisions. Now, Sir, at certain places the Government...

MR. DEPUTY-SPEAKER: To clause 44 also you have given some amendments. Please stick to this one now.

SHRI G. M. BANATWALLA: I am pointing out the double standards—certain principle accepted in clause 44 not being accepted in clause 17. In the case of clause 44 the Government says that it is very anxious to give sanctity to court decisions, to maintain the sanctity of court decisions. But here, in the case of clause 17, no such sanctity is envisaged. However, I shall deal with clause 44, to which I have given some amendments, when the time comes.

Now, I want to make one last point about this distinction that 'capital employed' henceforth shall not include long-term borrowings and also the particular social tinge that is there. There is a discrimination being made between the more affluent who possess all the capital to invest and those weaker people who may not possess all the capital but have long-term borrowings from the banks. The capital employed, therefore, should mean capital whether owned or whether borrowed or any other kind of capital that may be envisaged.

With these words, I commend my amendments for the consideration of the House and I hope the Hon. Minister will respond positively to them.

MR. DEPUTY-SPEAKER: Amendments 15 and 17?

SHRI G. M. BANATWALLA: Yes, Nos. 15 and 17.

MR. DEPUTY-SPEAKER: Shri Mool Chand Daga.

Your amendments are Nos. 16, 18 and 19.

श्री मूलचन्द डागा (पाली): उपाध्यक्ष महोदय, यह कानून 1972-73 से लागू किया गया और 1972-73 के बाद जिन कम्पनीज के एससेमंट केसेज तय हो चुके हैं, 1972 से ले कर 1980 तक जो केसेज तय हो चुके हैं, उन को फिर से री-ओपन किया जाएगा। जो कानून पहले बनाया गया था, उस के अनुसार जिन उद्योगों ने काम किया, जिन व्यापारियों ने काम किया और जिन कम्पनियों ने काम किया और सरकार ने जो घोषणा की थी, उस को ध्यान में रखते हुए अपने व्यापार में रुपया इन्वेस्ट किया और उस कानून के मुताबिक उन का एससेमंट भी हो चुका है लेकिन इस एमेंडमेंट को लाने के बाद आप 8 साल के बाद फिर उन केसेज को री-ओपन कराएंगे।

श्री फूलचन्द वर्मा : उपाध्यक्ष महोदय, कोरम नहीं है। अब तो 2 भी बज चुके हैं।

SHRI JYOTIRMOY BOSU (Diamond Harbour): There is no quorum in the House Sir. An Adjournment Motion can be admitted, Sir, there is no quorum. How are you going to conduct the proceedings?

(Interruptions)

MR. DEPUTY-SPEAKER: Let the quorum bell be rung. Now there is quorum. Mr. Daga may continue.

श्री मूलचन्द्र डागा : उपाध्यक्ष जी, मैं यही कह रहा था कि कानून के अन्तर्गत जो असेसमेंट हो चुकी है, अगर वे कोसिज अभी आप रि-ओपन करते हैं तो मैं वित्त मंत्री जी से जानना चाहूंगा कि इस क्लॉज के कारण कितने कोसिज रिओपन हो जाएंगे और उनसे आपको कितना रेवेन्यू मिल जाएगा, आपकी कितनी आमदनी बढ़ जाएगी ?

आखिर मैं यह सवाल पैदा होता है कि आप यह कानून 1972 से बना रहे हैं और जो असेसमेंट हो चुकी है, उनकी इस कानून के अनुसार आप फिर से असेसमेंट करेंगे उन्हें फिर से रिओपन करेंगे तो क्या यह नियम विरुद्ध नहीं होगा। मैं कहता हूँ कि यह नियम विरुद्ध होगा। इसीलिए मैंने इसको पहली अप्रैल, 1980 से लागू करने के लिए रिकमण्ड किया है।

MR. DEPUTY-SPEAKER: Now Shri Atal Bihari Vajpayee, on amendments Nos. 183 to 187.

SHRI SATISH AGARWAL: Sir, what about my amendments?

MR. DEPUTY-SPEAKER: They are the same. Amendment No. 145 is the same as No. 15 and 146 is the same as 17.

SHRI ATAL BIHARI VAJPAYEE: Sir, I have a submission to make: Mr. Agarwal will speak on my behalf.

MR. DEPUTY-SPEAKER: All right.

SHRI SATISH AGARWAL: Sir, will you be kind enough to get us one piece of information from the Hon. Finance Minister with regard to clause 17 whereby Sec. 18(J) is being retrospectively amended with effect from 1st April, 1972, if he is able to give the information? Suppose this Sec. 18(J)

is not amended retrospectively, what is the amount that Government has to pay and supposing this is amended, what is the revenue implication? How much more are you going to get for the public exchequer? Have you a rough calculation about these figures? If it is only a crore or so, why do it retrospectively? If it is a substantial sum which the Government will have to refund otherwise, let us see how much it is.

MR. DEPUTY-SPEAKER: You can reply to all the amendments.

SHRI R. VENKATARAMAN: If they have finished, I will reply to all the points.

First of all, Shri Banatwalla quoted the observations of Shri Morarji Desai, but if he himself looks into it more carefully, Shri Desai had said 'I propose, therefore, to apply several measures for making changes in the tax laws as also in the tax rates prospectively to current incomes which will fall due for assessment next year, except where it is felt that a particular measure calls for a retro-active application of the case'. Therefore, even the very 'Bible' which he has quoted contains exceptions. Nobody can say that no law can be retro-active: it will depend on the merits of the case. Therefore, I am defending it on the merits of the case: I am not merely saying that Government has the power to do it retro-actively and therefore I am doing it.

The second question asked by Shri Daga and a number of others is 'Why did you not do it when the first case was decided? Why did you wait for such a long time?'

14.09 hrs.

[SHRI SHIVRAJ V. PATIL in the Chair]

There are several cases in the High Courts. One case which was decided by the Calcutta High Court gave a decision adverse to the Government on 29th April, 1976. There was another case which was decided in the

Madras High Court in 1977 adverse to the Government. A third case in Allahabad High Court—the date is not known, but about that time. And the fourth case is Andhra High Court case, favourable to the Government, in 1978....

PROF. MADHU DANDAVATE (Rajapur): These are all High Court decisions. As far as the Supreme Court is concerned, there has been no decision at all.

SHRI R. VENKATARAMAN: You are supporting my argument. I will explain what the consequences will be.

There is the fourth judgment which is in favour of the Government from the Andhra High Court in 1978. If for another five years we allow this kind of a nebulous thing to continue and if the Supreme Court decides in favour of the Government later, there will be a long period over which they will have to repay, and greater confusion and greater hardship will be caused. It is not a question of the authority of the Government to levy the tax. If the legality of the tax or the right of the Government to levy the tax were in question, then we can say that we will wait till the decision of the Supreme Court. All that those three Courts said was, what you have put in the rules should have been in the Act and, therefore, this was *ultra vires* the Act. I will deal with this matter both on equity and in law.

In 1948, for the first time, the tax holiday benefit for new industries started, was given on the basis of the capital employed. At that time, a rule was framed saying that " 'capital employed' means owned capital and reserves"; it did not include borrowed capital. The situation went on for 20 years, and the industry accepted it and there was no question about that rule. In 1968 somebody recommended—there is always a difficulty when you appoint experts, they recommend something and you pay for it—that 'capital employed' should include

longterm borrowings, and on the basis of that, Government again introduced a rule, not in the Act but again in the rule, that 'capital employed' would include long-term borrowings from financial institutions. By 1972—this was in 1969—, within about two years, the Department realised that a double benefit was accruing to the industry. In respect of the long-term borrowings they were paying interest, and on that interest, income-tax was deducted. Then again on the capital employed for long-term borrowings, they were getting a seven and a half per cent deduction which is not at all fair, reasonable and equitable. Therefore, government again reintroduced it in the rules in 1972 saying that capital employed would mean the owned capital and the reserves and that it will not include the long-term borrowings. It is not merely in the rule, but actually, a statement was made on the floor of the House by the then Finance Minister, Mr. Chavan, pointing out that these two double benefits were not intended, that it was never the intention of the Government to give both the benefits and, therefore, he was giving only the benefit of tax deduction in respect of owned capital as well as the reserves. This was done in the rules.

In 1975 or around 1976 a decision was given by the High Court saying that capital employed will include the long-term borrowings. Sir, many of us are lawyers and many of us have practised in the courts. I merely ask you to read this particular section and say whether it is not already provided in the very section itself. Sec. 80-J provides for the benefit at the rate of 6 per cent per annum on the capital employed in the industrial undertaking or a ship or a business of a hotel, as the case may be, computed in the prescribed manner. Everybody knows 'prescribed manner' means prescribed in the rules. 'Prescribed' means prescribed by the rules. We have stated in the section itself that capital employed will be computed in the manner prescribed and in the prescribed rules, we have said that only the

[Shri R. Venkataraman]

owned capital and reserves will be treated as capital employed. But to give an etymological interpretation and to say, 'Therefore, capital employed should include the 'borrowed capital', in my humble opinion, runs counter and contrary to the section. In fact, if I were practising as I used to do in the courts, I would have said that the judgment of the learned Judge is contrary to law, weight of evidence and probabilities and circumstances of the case. So much for the law on the subject.

Now, I will deal with the equitable part of it. Many people, in spite of the decision, have continued to pay under protest the tax as computed by the Department. But some big assesses who have recourse to tax consultants and who can challenge the Government, of course, have refused to pay and taken the risk of not paying. It is the latter class which is now fighting tooth and nail against the amendment. If the intention of the government had been from 1948 to allow a tax holiday benefit only in respect of capital employed in the sense that it is the owned capital and reserves and if the section itself says that it shall be computed in the manner prescribed, merely because some decisions have said that it is beyond the powers of the section, nobody can say that the Government was wrong in this. The Government was not at all wrong. It had put it in the rule in 1948 and in 1948 it has not been challenged and questioned. From 1969 to 1972 when it was in favour of the assessee it was not challenged. Again in 1972 when it was put, it was not challenged. But it is now challenged. My humble submission is this. It is only those who should have paid the tax and who have taken the risk of not paying the tax according to the rules will be affected. This tax is payable. There can be no two opinions about it. Nobody can get a double benefit at the cost of society, who is paying for all these benefits?

We have to take the other people to give this benefit to be a small class of industrialists and when we try to give them more assistance; they take advantage of it and then they try to exploit it if there is advantage for their own ends.

Sir, this is what will happen if the clause is passed. What will happen if the clause is not passed? If the clause is passed, such of those people who ought to have paid but who have not yet paid will have to pay now. If the Clause is not passed, those who have paid according to the law or according to the rules, can go to the Commissioner of Income-tax and say that the rule is *ab initio* void and ask for reopening of their entire assessment and then ask for their taxes to be re-adjusted in which case, we do not know, how much we will have to pay for the whole lot of the years; from 1972 cases will be reopened. People say that there is a limitation in respect of reopening of cases. There is only one limitation in respect of reopening of cases by Government. The assessee can always go and ask for the case to be reopened on the ground that there has been some mistake. And this is a quasi-judicial decision of the authority whether it should be reopened or not. I cannot give any instructions that he should not reopen the case; nor would I ever do that. Therefore, let us look at it from the point of view of country, the society and the Parliament. Are we prepared to give a further additional benefit to to a small class of people who should have paid the tax according to the rules and regulations but who were merely exploiting the decision in their favour, for the purpose of depriving the society and the State of the revenue? Or, do you want it to be interpreted in such a way that those who have paid the tax according to the rules framed, according to the law framed, should be given this protection?

Therefore, Sir, there has been a meaningless objection, opposition and obstruction to this. I very strongly plead with the House that this House should accept it unanimously.

PROF. MADHU DANDAVATE: I have a clarification to ask. You have pointed out the difficulty that all those past records will be gone through and people will be demanding readjustments to be made. So, it goes either way. Even when retrospective effect is given, there also, you are required to do a lot of administrative work. So the difficulties are on both sides.

SHRI R. VENKATARAMAN: No. Because, in those cases where the department has not accepted, they have filed the appeals.

Therefore, only those cases would be treated as if they are pending and, in those cases, there will be no difficulties. It will be in cases which have been closed, on the basis of the existing law, that the question of reopening will come and then it will also require the calling back of the accounts of the past years.

SHRI SATISH AGARWAL: Can you give us some rough, calculation of the amount I had asked for?

SHRI R. VENKATARAMAN: It is not possible to quantify it.

MR. CHAIRMAN: There is Amendment No. 151 to Clause 12 by Government.

SHRI SATISH AGARWAL: Just a minute. Are you going back to Clause 12?

MR. CHAIRMAN: I am only putting the Government Amendment No. 151 to the vote of the House.

SHRI SATISH AGARWAL: In certain cases, the hon. Minister has moved amendments with retrospective effect and are accepted. Be careful about that. And go slow.

Clause 12—

MR. CHAIRMAN: I am just taking up Clause 12, Amendment No. 151 moved by Government. And then I will take other amendments.

The question is:

“Page 11, for lines 7 to 20, substitute—

‘12. In the Income-tax Act,—

(a) *Insertion of new sections 80 AA and 80 AB.*—after section 80A, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1968, namely:—

“80AA. *Computation of deduction under section 80M.*—Where any deduction is required to be allowed under section 80M in respect of any income by way of dividends from a domestic company which is included in the gross total income of the assessee, then, notwithstanding anything contained in that section, the deduction under that section shall be computed with reference to the income by way of such dividends as computed in accordance with the provisions of this Act (before making any deduction under this Chapter) and not with reference to the gross amount of such dividends.”;

(b) after section 80AA as so inserted, the following section shall be

[Mr. Chairman]

inserted with effect from the 1st day of April, 1981, namely:—

'80AB. Deductions to be made with reference to the income included in the gross total income.— Where any deduction is required to be made or allowed (80M) included in this Chapter under the heading "C-Deductions in respect of certain incomes" in respect of any income of the nature specified in that section which is included in the gross total income of the assessee, then, notwithstanding anything contained in that section, for the purpose of computing the deduction under that section, the amount of income of that nature as computed in accordance with the provisions of this Act (before making any deduction under this Chapter) shall alone be deemed to be the amount of income of that nature which is derived or received by the assessee and which is included in his gross total income."... (151).

The motion was adopted.

MR. CHAIRMAN: Now we take up amendment No. 12 moved by Shri Agarwal. Do you want to withdraw it?

I shall now put amendment No. 12 to the vote of the House.

Amendment No. 12 was put and negatived.

MR. CHAIRMAN: I shall now put amendments No. 181 and 182 to the vote of the House.

Amendments Nos. 181 and 182 were put and negatived.

MR. CHAIRMAN: The question is:

"That clause 12, as amended, stand part of the Bill."

The motion was adopted.

Clause 12, as amended, was added to the Bill.

Clause 13

MR. CHAIRMAN: I shall now put amendments No. 13 and 14 to the vote of the House.

Amendments Nos. 13 and 14 were put and negatived.

MR. CHAIRMAN: The question is:

"That clause 13 stand part of the Bill."

The motion was adopted.

Clause 13 was added to the Bill.

Clause 14

MR. CHAIRMAN: Amendment No. 141 standing in the name of Shri Satish Agarwal.

SHRI SATISH AGARWAL: Sir, this is a very innocent amendment. The Minister wanted to explain.

SHRI R. VENKATARAMAN: The point really is that in respect of current year the year in which the new tax, that is, twelve thousand exemption limit will come into operation, the advance tax will be collected this year and will come into operation next year. But this will be shifted as from part III to part I at the next year with the result that it will take effect from the year 1980-81. People will not lose money which they spend on the education of children in the interim period.

SHRI SATISH AGARWAL: Interim period means 1980-81.

SHRI R. VENKATARAMAN: Interim period means this year.

SHRI SATISH AGARWAL: See to your explanation at page 12.

It says 'Section 80FF of the Income-tax Act shall be omitted with effect from the 1st day of April, 1981.' The notes on Clause_s say_s this:

'Clause 14 seeks to omit, with effect from 1st April, 1981 section 80 FF of the Income-tax Act, relating to deduction in respect of expenses on higher education of specified dependent relatives. The deduction will not, therefore, be available for the assessment year 1981-82 and subsequent years.'

That is, assessment year 1981-82 is accounting year 1980-81. If he spends on education in respect of specified relatives he will not get deduction for the assessment year 1981-82.

SHRI R. VENKATARAMAN: I will explain it. The tax-exemption limit comes into operation from 1981-82. Until then the present law is in operation. Under the present law a person whose exemption is only up to 10,000 is entitled to this benefit. It is only when the exemption limit goes to 12,000,—it is from that year—the benefit does not apply to him. Because he has already reached the 12,000 rupees limit. So even under the old law he was not entitled to the benefit. I don't know whether I have made myself clear.

SHRI SATISH AGARWAL: I am sorry your explanation runs counter to what is written there in page 112. You have made this specifically clear that deduction will not be available for the assessment year 1981-82. Assessment year 1981-82 is based on the accounting year 1980-81. It is plain and simple. Is it not? It is not available for accounting year 1980-81. Your 10,000 will not help it. Your 12,000 will not help it. That is why I say, it is for higher education of certain specified dependent relatives, who are already undergoing higher education. It does not relate to big industrial houses, Tatas or Birlas. It is only for higher education.

SHRI R. VENKATARAMAN: The position which I have stated is correct. As long as the tax limit is only 10,000 the person will be entitled to the benefit of 80 FF. When the tax exemption goes to 12,000 thereafter he will not be entitled to the benefit. This is the position.

SHRI SATISH AGARWAL: It means in the next assessment year he will not get it.

SHRI R. VENKATARAMAN: It is a matter for interpretation and I have already stated the position.

MR. CHAIRMAN: I will now put amendment No. 141 moved by Shri Satish Agarwal to Clause 14 to the vote of the House.

Amendment No. 141 was put and negatived.

MR. CHAIRMAN: Now the question is:

"That Clause 14 stand part of the Bill."

The motion was adopted.

Clause 14 was added to the Bill.

Clause 15

MR. CHAIRMAN: Government Amendment No. 152 has already been moved. I will put it to vote. The question is:

Page 12, for lines 5 and 6, substitute—

"substituted with effect from the 1st day of April, 1981, namely:—".
(152)

The motion was adopted.

MR. CHAIRMAN: I will now put amendment Nos. 33 and 34 moved by Mr. Banatwalla to vote.

Amendments Nos. 33 and 34 were put and negatived.

SHRI SATISH AGARWAL: I have got Amendment Nos. 142 and 143.

MR. CHAIRMAN: It is the same as 33 and 34.

SHRI SATISH AGARWAL: Your amendment covers my amendment No. 148 with regard to retrospective effect. You are going to enforce it from 1961-62. If your amendment is to this effect that it will not apply from 1961-62 then it is all right, but you said something there.

MR. CHAIRMAN: Now, Amendments Nos. 142 and 143.

SHRI SATISH AGARWAL: You put them to the vote of the House.

MR. CHAIRMAN: It does not arise, because your amendments Nos. 142 and 143 are identical to the amendments Nos. 33 and 34 moved by Mr. Banatwalla and those amendments have been negatived by the House.

Now, 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.

Clause 16

MR. CHAIRMAN: I will now put amendments Nos. 153, 154 and 155 moved by Shri R. Venkataraman.

The question is:

Page 14, line 3, for "Explanation 2", substitute—

"Explanation 2.—Where in the case of an industrial undertaking, any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does

not exceed twenty per cent. of the total value of the machinery or plant used in the business, then, for the purpose of clause (ii) of this sub-section, the condition specified therein shall be deemed to have been complied with.

Explanation 3. (153)

Page 14, line 38, for "six" substitute "seven". (154)

Page 15, line 1, for "six" substitute "seven". (155)

The motion was adopted.

MR. CHAIRMAN: I shall now put amendments Nos. 54, 103, 104 and 105 to the vote of the House.

Amendments Nos. 54, 103, 104 and 105 were put and negatived.

MR. CHAIRMAN: I shall now put amendment No. 108 to the vote of the House.

Amendment No. 108 was put and negatived.

MR. CHAIRMAN: I shall now put amendment No. 144 to the vote of the House.

Amendment No. 144 was put and negatived.

MR. CHAIRMAN: The question is:

"That Clause 16, as amended, stand part of the Bill."

The motion was adopted.

Clause 16, as amended, was added to the Bill.

Clause 17

MR. CHAIRMAN: I shall now put amendments Nos. 15 and 17 to the vote of the House.

Amendments Nos. 15 and 17 were put and negatived.

SHRI MOOL CHAND DAGA: Sir, I seek permission of the House to withdraw my amendments Nos. 16, 18 and 19.

MR. CHAIRMAN: Has the hon. Member leave of the House to withdraw his amendments?

SOME HON. MEMBERS: No.

MR. CHAIRMAN: I will now put Amendments Nos. 183, 184 and 187 by Shri Mool Chand Daga to the vote of the House.

Amendments Nos. 16, 18 and 19 were put and negatived.

MR. CHAIRMAN: I shall now put amendments No. 183, 184 and 187 moved by Shri Atal Bihari Vajpayee to the vote of the House.

Amendments Nos. 183, 184 and 187 were put and negatived.

MR. CHAIRMAN: The question is:

"That clause 17 stand part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

Clause 18. (Amendment of section 80 JJ)

SHRI R. VENKATARAMAN: I beg to move*:

Page 18, for lines 21 to 28, substitute—

'18. In section 80JJ of the Income-tax Act, with effect from the 1st day of April, 1981,—

(a) in clause (a), for the words "ten thousand rupees", the words "fifteen thousand rupees" shall be substituted;

(b) for clause (b), the following clause shall be substituted, namely:—

"(b) in any other case, one-fifth of the aggregate amount of such profits and gains or fifteen thousand rupees, whichever is higher:

Provided that in computing the aggregate amount of such profits and gains in a case where the profits and gains derived from a business of poultry farming exceed seventy-five thousand rupees, such excess shall be ignored." (156)

Originally, the tax concession given for poultry farming as well as live-stock breeding was maximum of Rs. 15,000 or one-third of the net profit, whichever was less. Several representations had come to Government thereafter and they said that larger deductions should be given. Government have considered this and come forward with an amendment under which poultry farming will be exempt from tax to the extent of Rs. 15,000 and they will be liable to tax on the income above Rs. 15,000.

So far as the live stock breeding is concerned, they would be entitled to tax deduction of Rs. 15,000 or one-fifth of the total income, whichever is higher. We have taken note of the horse and cattle breeding requirements and have, therefore, revised it in the manner I have presented.

MR. CHAIRMAN: The question is: Page 18, for lines 21 to 28, substitute—

'18. In section 80JJ of the Income-tax Act, with effect from 1st day of April, 1981,—

(a) in clause (a), for the words "ten thousand rupees", the words "fifteen thousand rupees" shall be substituted;

(b) for clause (b), the following clause shall be substituted, namely:—

"(b) in any other case, one-fifth of the aggregate amount of such profits and gains or fifteen thousand rupees, whichever is higher:

*Amendments moved with the recommendation of the President.

[Mr. Chairman]

Provided that in computing the aggregate amount of such profits and gains in a case where the profits and gains derived from a business of poultry farming exceed seventy-five thousand rupees, such excess shall be ignored." (156)

The motion was adopted.

MR. CHAIRMAN: The question is:

"That Clause 18, as amended, stand part of the Bill."

The motion was adopted.

Clause 18, as amended, was added to the Bill.

Clause 19 was added to the Bill.

MR. CHAIRMAN: There is an amendment to insert a new clause. Mr. Daga.

SHRI MOOL CHAND DAGA: I am not moving it.

Clause 20.—(Amendment of section 80 RR)

SHRI RAMAVATAR SHASTRI (Patna): I beg to move:

Page 18, lines 43 and 44,—

for "musician, actor or sportsman (including an athlete)"

substitute—

"artist (including musician and actor), sportsman (including an athlete) or author". (110)

MR. CHAIRMAN: I now put amendment No. 110 moved by Shri Ramavatar Shastri to the vote of the House.

Amendment No. 110 was put and negatived.

MR. CHAIRMAN: The question is:

"That clause 20 stand part of the Bill."

The motion was adopted.

Clause 20 was added to the Bill. Clauses 21 to 23 were added to the Bill.

Clause 24 (Amendment of Section 139)

Amendment made:

Page 20, line 17, for "individuals; or",

substitute "individuals;" (157)

(SHRI R. VENKATARAMAN)

MR. CHAIRMAN: The question is:

"That clause 24, as amended, stand part of the Bill."

The motion was adopted.

Clause 24, as amended, was added to the Bill.

Clause 25 was added to the Bill.

Clause 26. (Amendment of Section 155)

SHRI R. VENKATARAMAN: I beg to move*:

Page 20, line 31, for "section 155"

substitute "section 155 of the Income-tax Act". (158)

It is only formulatory, i.e. it gives a clarification of words.

MR. CHAIRMAN: The question is:

Page 20, line 31, for "section 155"

substitute "section 155 of the Income-tax Act". (158)

The motion was adopted.

*Amendments moved with the recommendation of the President.

MR. CHAIRMAN: The question is:

"That clause 26, as amended, stand part of the Bill."

The motion was adopted.

Clause 26, as amended, was added to the Bill.

Clause 27, was added to the Bill.

Clause 28, (Amendment of Section 171)

SHRI MOOL CHAND DAGA: I move amendments No. 20, 21 and 22 together, because they are all correlated. I beg to move*:

Page 23, line 20,—

for "31st day of December, 1978" substitute "18th day of June, 1980 being the date of introduction of the Finance (No. 2) Bill, 1980" (20)

Page 23, lines 25 to 28,—

omit "and any finding recorded under sub-section (3) to that effect whether before or after the 18th day of June, 1980 being the date of introduction of the Finance (No. 2) Bill, 1980, shall be null and void" (21)

Page 23,—

after line 41, insert—

'(b) in the Explanation, in clause (b) the words "or both" shall be omitted' (22)

SHRI SATISH AGARWAL: I beg to move:

Page 23, line 20—

for "1978" substitute "1980" (147)

MR. CHAIRMAN: Mr. Daga, are you interested in saying something on your amendment?

SHRI MOOL CHAND DAGA: Yes, Sir.

SHRI R. VENKATARAMAN: If there are some points, I will reply at the end.

श्री मूलचन्द डागा : सभापति महोदय, ये जो एमेंडमेंट्स मैंने मूव किये हैं, इन के बारे में मुझे यह कहना है कि फाइनेन्स बिल 18 जून, 1980 को इन्ट्रोड्यूस किया गया था और उस के पहले जो हिन्दू ज्वाइन्ट फैमिली थी, उस के अन्दर कई लोगों ने जो अपनी प्रॉपर्टी रखते थे, उस का पार्टिशन कर लिया था। अब अगर यह जो कानून बनता है, इस को पहले से लागू करते हैं, तो लोगों के ऊपर हार्डशिप होगी। इसलिए मैं कहता हूँ कि इस को आप 1980 से लागू कीजिए। जिस दिन से आप ने फाइनेन्स बिल इन्ट्रोड्यूस किया, उस दिन के पहले के जितने भी डीइस हैं उन को सही मानना चाहिए क्योंकि ऐसा होता है कि जो हिन्दू ज्वाइन्ट फैमिली है, उस में कई आदमी अलग अलग आमदनी रखते हैं। इसलिए जिस दिन से आप यह कानून लाए हैं, उस दिन से लागू होना चाहिए और उस दिन से पहले जिन लोगों की प्रॉपर्टी का पार्टिशन हो गया है, उस को गलत नहीं मानना चाहिए क्योंकि अगर आप किसी पहली तारीख से इस कानून को लागू करेंगे, तो इस से बहुत से लोगों को कठिनाई का सामना करना पड़ेगा।

SHRI SATISH AGARWAL: Section 171 of the Income Tax is being amended through this clause 28, making a provision applicable with retrospective effect. I am sorry to say that in cases where retrospective operation should have been given as in the case of long term savings in approved schemes, the hon. Finance Minister did not agree to my suggestion. Now, in this particular case, the government is going to negative it or annul it or derecognise all partial partitions with

[Shri Satish Agarwal]

effect from 1-1-1979. I would like to ask the hon. Minister if an advance tax is to be paid in the month of March, somebody partitioned the property in the month, say of January 1979 or February 1979, all the different units paid an advance tax in the month of March. They filed their return in the month of April or May 1979 or later. Assessments have been finalised. Tax has been realised. Now, supposing everything is complete. Now comes 1980. In 1980 also, supposing some assessment has been taken place. You introduce your Finance Bill in this House on 18th of June, 1980 and then you say, partial partition after 31st of December 1989; it means with effect from 1st January 1979 shall be null and void, so far as the income tax is concerned; and those units who have been separated by registered deeds or otherwise, now, you will not recognise them for income tax purposes, and even if the assessment has been taken place, the income tax officer shall hold an enquiry again club them together and assess tax on the remaining HUF realising from the separating units and impose fine on this, realise from X or Y or Z or anybody else. Will it not lead to litigation? What is the sense in all this? This will lead to a lot of harassment and corruption in the department. How much difference does it make? Mr. Daga's suggestion is quite reasonable. After all, it is a partial partition. What is the total revenue involved? I agree some might have misused it; some people might have misused it. But some misuse here and there, the Government of India, does not take note of it retrospectively. I could very well understand the provision with regard to capital employed or capital borrowed; whether it should be included, because then the Government of India should have been made to pay Rs. 150 crores, you are saving Rs. 150 crores. You are going to realise more Rs. 50 crores. So, Rs. 200 crores is going to be added to the public exchequer; and that is why I was not

giving in my criticism with regard to that amendment. But here what you are going to do? You are going to reopen everything; you are going to club and derecognise and say.. Mr. Chairman, you are an eminent advocate of the Bombay High Court. You will appreciate my argument. They say, this amendment will take effect from the First of April 1980. Other beneficial amendments will give relief to the blind, a relief to the handicapped. You do not agree for First April 1980; you reject my contention. I said, blind people should be given benefit from First of April 1980, handicapped people should be given benefit from First of April 1980. Then LIC concession and all that should be given, exemption from First April 1980. The Finance Minister did not agree to any one. You either have in this particular Finance Bill provisions which are retrospective from 1961-62, to 1968-72, 18 years back or you have provisions from 1981 onwards. It is only this provision which you are practically having from the First of April 1980. What is the sense? How much misuse is there? How much defrauding the government? I agree that there might have been certain cases where partial partition might have taken place.

But I say, you yourself have admitted in the fine Budget speech, you have reduced the tax from 72 per cent to 66 per cent; and then you say, in your speech, that the revenue implication will be nil. It means you are giving a benefit of 8 per cent, reducing taxation by 8 per cent without any revenue implication. It means you have admitted indirectly that tax evasion is 8 per cent. I say, it is 20 per cent. How much difference does it make? It will lead to litigation it will lead to complications. For God's sake—my only amendment is this that in this particular clause 28—you have it prospective—You accept Mr. Daga's amendment, 18th June onwards. Do not reopen the past cases; do not say that they will be derecognised, they will be null and void. It will lead to litigation. Those

people are not going to pay anything to you. Your Department has got one section in the Income Tax Board which is writing off arrears. Every day, we are reading in the newspaper... Every day we are reading in the newspapers that Rs. 5 crores, Rs. 10 crores and Rs. 100 crores are written off like that; it is a continuous process. On the one hand the government is writing off arrears of income-tax against those people from whom you cannot realise. But those people who very much exist in this world and carry on business and get their licence from you, from the government in different names government cannot do anything whatsoever. So far as economic offenders are concerned, let the government take stringent action; put them behind the jail, I will not mind; special courts for them—I will not mind, black list them for all practical purposes and do not invite them to 15th August or 26th January functions—I will not mind. But I plead, for God's sake do not disturb the whole system, do not allow harassment, corruption and reopening of those cases and give discretionary powers to the income-tax officers who will mint money like anything.

15 hrs.

SHRI R. VENKATARAMAN: Public memory is short and politician's memory is shorter still! It was my esteemed friend Satish Agarwal who last year moved an amendment in respect of donations made by Joint Hindu Families and made it retrospective from 1969..

AN HON.' MEMBER: Because of Charan Singh.

SHRI SATISH AGRAWAL: I would have accepted many of your amendments had I been in your position then. I was not a full-fledged Minister, you know it very well. You can do that now. In fact I said then that I was very much in agreement with many amendments of the hon. Member but I was not in a position to

accept them. You know it very well, there is no hiding the fact."

SHRI R. VENKATARAMAN: That is not my argument, on the Finance Bill let us have some fun. But that is not my argument certainly.

I have in this Finance Bill tried to plug a number of loopholes in tax administration. In fact for all the concessions which I have given in the direct taxes, I have said that I am not going to impose any additional taxation because I intended to recover it by better tax administration.

One of the ways in which tax evasion has been going on is to resort to the fiction of Hindu Undivided Family. That is not Joint Hindu Family under the Hindu law, this is Hindu undivided family under the income-tax law, under which people have evaded taxes to the maximum extent possible. My friend Satish Agrawal knows it because he has also read that report of the Wanchoo Committee which pointed out how one member became a member of 7 or 8 Hindu undivided families and thereby escaped the maximum rate of taxes which they would be liable to pay if they were assessed as individuals. If a person has an income of Rs. 1 lakh, he becomes a member of Hindu Undivided Family, HUF, with his wife. You are a lawyer, everybody is a lawyer. Can there be a Hindu joint family with the wife? But you could have a HUF with the wife under the income-tax law. Then he becomes a member of the HUF with his first son; then he becomes a member of the HUF with his brother, then if he gets a grandson, he becomes a member of the HUF with his grandson. If a man distributes his income of Rs. 1 lakh over five such HUF, it becomes Rs. 20,000 on which he pays tax at the rate which is applicable to 20,000 and not at the rate which is applicable to Rs. 1 lakh which will be the maximum rate.

This has been the loophole which has been going on. This is not the first time that I have said it. Right

[Shri R. Venkataraman]

from the time that I came into Parliament I have protested against it. In every one of my speeches, I have said that you must plug this whole H.U.F. When I got a chance, I did it. In fact if people had read my three speeches, on the Finance Bills, they could have even written my speech because it contains all the things which I have said in the House.

The point raised is: why did you make it retrospective from 1st January 1979? For H U F oral partition is enough, no registered partition deed is necessary. Therefore, if I give a prospective date as Mr. Oaga wants everybody would come forward with oral partition and say that they have decided to divide their families before 18th June, 1980. For generations to come, that will be recognised. There is no need for a written document.

SHRI K. BRAHMANANDA REDDY (Narasaraopet): Your argument can apply to 1979 date also.

SHRI R. VENKATARAMAN: In one more minute, I was coming to that point. Before April 1979, they would have filed their returns and there they would have declared themselves whether they were members of the H U F or not. That is why I have fixed an anterior date so that they cannot come forward with spurious oral partitions and then evade the law. This is a simple proposition and I am sure the House will accept it.

MR. CHAIRMAN: I shall now put amendments Nos. 20, 21 and 22 of Shri Daga to the vote of the House.

Amendments Nos. 20, 21 and 22 were put and negatived.

MR. CHAIRMAN: I shall now put Shri Agrawal's amendment No. 147.

Amendment No. 147 was put and negatived.

MR. CHAIRMAN: The question is:

"That clause 28 stand part of the Bill."

The motion was adopted.

Clause 28 was added to the Bill.

Clauses 29 to 35 were added to the Bill.

Clause 36.— (Amendment of section 2)

MR. CHAIRMAN: We take up clause 36. There are amendments.

SHRI RAMAVATAR SHASTRI: I beg to move:

Page 25, line 25,—

after "coffee," insert "sugarcane, jute, tobacco, cotton." (111)

Page 25, line 28,

after "coffee," insert "sugarcane, jute, tobacco, cotton," (112)

SHRI SATISH AGARWAL: I beg to move:

Page 25,—

(i) line 18,—

for "1981" substitute "1980";

(ii) line 20, for "1981" substitute "1980" (148)

श्री रामावतार शास्त्री: सभापति महोदय, सरकार ने यह व्यवस्था की है कि चाय, काफी रबर और कार्डिमम प्लान्टेशन के लिए सम्पत्तिकर की छूट की सीमा को एक लाख से बढ़ा कर डेढ़ लाख कर दिया है। लेकिन अगर कपास, जूट गन्ना और तम्बाकू के काश्तकारों की आमदनी डेढ़ लाख है, तो उन पर टैक्स नहीं लगेगा। मैं अपने अनुभव से जानता हूँ कि गन्ना उपजाने वाले बड़े बड़े किसान होते हैं। जूट, तम्बाकू और कपास की भी यही स्थिति है। इन चीजों का उत्पादन करने वाले किसानों की सम्पत्ति भी डेढ़ लाख, बल्कि उससे भी ज्यादा होती है। इस विधेयक में उन्हें वैल्यू टैक्स की सीमा से बाहर रखा गया है। हमारे संशोधनों का आशय है कि उन्हें भी शामिल किया जाये। प्लान्टेशन वालों पर यह टैक्स लगा दिया, वह तो ठीक किया, लेकिन गन्ना, जूट, तम्बाकू और कपास की खेती करने वालों को नहीं छोड़ना चाहिए।

क्योंकि वे बड़े लोग होते हैं। जिन लोगों की आमदनी और सम्पत्ति बहुत अधिक हो, उन्हें छोड़ा जाये, यह बात समझ में नहीं आती है। ऐसा लगता है कि सरकार ने शहरों में तो उद्योगपतियों को छोड़ दिया और देहात में अपने वर्ग के लोगों--धनी लोगों--को बह नहीं छूना चाहती है, यानी उनपर कर नहीं लगाना चाहती है। मेरे संशोधनों का उद्देश्य यही है कि गन्ना, जूट, तम्बाकू और कपास की खेती करने वाले काश्तकारों को भी सम्पत्ति-कर के दायरे में शामिल किया जाये।

MR. CHAIRMAN: Shri Satish Agarwal.

SHRI K. P. UNNIKRISHNAN (Badagara): May I move my amendments?

MR. CHAIRMAN: After this, as it will look a little awkward at this stage.

SHRI SATISH AGARWAL: Section 2 of the Wealth Tax Act is being amended by Clause 36 whereby definition of word 'assets' is being modified so as not to include the agricultural land. When we are discussing Clause 28, the hon. Finance Minister referred to his speech in this House regarding partial partition of H U F. I would like to remind him of his speech, in this connection, in this very House which is on record that 15 per cent population of this country is controlling 60 per cent of the land and hence there is a case for taxing the rural rich. Is that not your speech on record, Mr. Finance Minister which you made by sitting over here and I sitting over there? Now I remind you of that speech and your commitment and your conviction. Why are you not taxing the rural capitals or the rural rich and why are you excluding them from the purview of the Wealth Tax Act and, particularly, those people who are living in cities having agricultural lands, adding to the pressure on the land? They are being given this benefit. The necessity was that of those people who are having income from other sources than the

agricultural land. They should be deprived of the agricultural land so as to make it available to the landless farmers in the rural sector. Instead of doing that, you are putting premium on having more holdings on the rural sector apart from different sources within the city.

In that particular background, I am saying that this is not well conceived of. I press my amendment.

SHRI R. VENKATARAMAN: Mr. Satish has levelled off, what I have said, he has replied to. The point which I want to place before the House is not that there is no case for taxing the rural rich, but as I said, this particular tax has not yielded sufficient return. There have been various difficulties of valuation and also complaints of harassment and so on and with all that, we have been able to get hardly about Rs. 80 lakhs. The cost of administration was higher than the revenue received. Therefore, I said, this is a matter in which we may give up the revenue. So far as taxing the rural rich is concerned, in spite of all your protests, we have increased the prices of fertilisers. Then you did not support us. The fertilisers are used by the richer farmers. It was in connection with the fertiliser prices that I said that 15 per cent of the people own 60 per cent of the land and you are giving the benefit of subsidy on fertiliser prices to that class of people. That is what I said last year. Now, I have done the same thing. Fertilisers will be charged at the commercial rate and the bigger and richer farmers will have to pay at that price. So far as the tax administration is concerned, we are governed by certain canons of taxation, equity, productivity of the tax, etc. The productivity of the tax in this case was so low that it was not worth having a tax whose cost of collection and harassment involved was much greater than the return on it. That is why we did it. On principle, I agree that the rich, whether they are in the agricultural, urban or industrial sector, should be taxed.

MR. CHAIRMAN: I shall now put amendments Nos. 111 and 112 moved by Shri Ramavatar Shastri to the vote of the House.

Amendments Nos. 111 and 112 were put and negatived.

MR. CHAIRMAN: I shall now put amendment No. 148 moved by Shri Satish Agarwal to the vote of the House.

Amendment No. 148 was put and negatived.

MR. CHAIRMAN: The question is:

"That clause 36 stand part of the Bill."

The motion was adopted.

Clause 36 was added to the Bill.

Clause 37—(Amendment of section 5)

SHRI K. P. UNNIKRIISHNAN: I beg to move*:

Page 25, omit lines 41 and 42 (88)

Page 26, omit lines 1 to 3 (89)

Page 26, omit lines 4 to 6 (90)

SHRI RAMAVATAR SHASTRI: I beg to move:

Page 25, line 41, after "coffee," insert "sugarcane, jute, tobacco, cotton," (113)

Page 26, line 2, after "coffee," insert "sugarcane, jute, tobacco, cotton," (114)

Page 26, line 5, after "coffee," insert "sugarcane, jute, tobacco, cotton," (115).

SHRI K. P. UNNIKRIISHNAN: Sir, direct taxes on agriculture have so far been only land revenue, cesses and surcharge, agricultural income-tax in a few States, etc. The total collection of all these categories in 1977 were only Rs. 136 crores. I understand

even now it is only Rs. 150 crores. It is only in Assam and Kerala that agricultural income-tax is being seriously collected and has a significant revenue impact. Land revenue and agricultural income-tax constitute, only 0.85 per cent of the national income, while income-tax and wealth tax from non-agricultural sources provide 2.6 to 2.7 per cent. I had also referred to the declining trend in this when I spoke on the Finance Bill.

So, the Wealth Tax Act, 1957 was amended as a result of many demands from our own undivided Party at that time and scope of expression of 'asset' was redefined and then no collections were made because the case went upto the Supreme Court, the constitutional validity was challenged in the case of Union of India Vs. Dhillon and the Supreme Court held that in the Residuary Entry in the Union List—Entry 97—in List I of Seventh Schedule, the Parliament was empowered to legislate for taxation of net wealth. Now, the Finance Minister, I am sure, knows that even when that was operative—he has just explained the administrative difficulties—there were a large number of exemptions and after the exemptions, it was only people with four lakhs and above who were caught in the net. But there was no attempt made even to tax them. Now, the Finance Minister wants to go back on the previous commitment. He talks of the resource mobilisation. He knows what has happened in this sector after green revolution. He knows the capacity of the agriculturists in the cash crop sector. In spite of all this, he is refusing to implement it and he wants it to be withdrawn. I do not want to say anything about the political motivations behind it except to say that in terms of equity, this is a retrogressive step. If there are difficulties, what he should have done was to have a special wing in the Income Tax Department itself. I know in terms of valuation—crop patterns vary from State to State and region to region—there are difficulties. But he

*Amendments moved with the recommendation of the President.

should have seen to it that the procedure was streamlined. Instead of that, it is disappointing to find that he is refusing to see the writing on the wall in terms of resource mobilisation. Therefore, I strongly urge upon the hon. Finance Minister to accept my amendment.

SHRI RAMAVATAR SHASTRI: Why are you so soft towards such rich people who are engaged in such cultivation as cotton, etc.? This is what I have mentioned in my amendment. Why is it so?

SHRI R. VENKATARAMAN: I would straightway concede that the exemption of agricultural wealth from Wealth Tax does not stand the scrutiny of canon of equity of taxation but it does stand the scrutiny of the canon of convenience and the canon of productivity. It is an elementary principle of every tax administration that if you have to spend more money for collection of less tax, if you cause more harassment than any benefit, then the tax will be counter-productive. As Mr. Unnikrishnan himself has stated, we have seen the difficulties in making the valuation. Crop pattern is different, the value of land is different in different States. And the valuation of this causes such a lot of irritation and such a continuous litigation that considering the yield of about Rs. 80 lakhs, Government thought it fit not to continue it. Therefore, as I have said earlier, it is a matter of administrative principle.

Shri Shastri asked as to why we have excluded other crops like sugarcane, tobacco and so on. The crops I have excluded, are defined as plantation crops. They have statutory definition and they are generally coming under the valuation which is more or less, known because there are other companies which carry on this business of plantation and they have standard valuation for this area. It has not caused any trouble. On the other hand, the areas in which

tobacco or sugarcane is grown is almost like agricultural land. That is why we have thought it is better it is included among agricultural land and excluded.

MR. CHAIRMAN: The question is: "Page 25,—

omit lines 41 and 42." (88)

Lok Sabha divided:

Division No. 9]

[15.25 hrs.

AYES

Acharia, Shri Basudeb
 Agarwal, Shri Satish
 Balanandan, Shri E.
 Barman, Shri Palas
 *Bhole, Shri R. R.
 Choubey, Shri Narayan
 Ghosh, Shri Niren
 Hannan Mollah, Shri
 Jha, Shri Bhogendra
 Mahata, Shri Chitta
 Mandal, Shri Dhanik Lal
 Misra, Shri Satyagopal
 Mukherjee, Shri Samar
 Negi, Shri T. S.
 Pal, Prof. Rup Chand
 Pandit, Dr. Vasant Kumar
 Parulekar, Shri Bapusaheb
 Rai, Shri M. Ramanna
 Rakesh, Shri R. N.
 Roy, Shri A. K.
 Roy, Dr. Saradish
 Roy Pradhan, Shri Amar
 Saha, Shri Gadadhar
 Saini, Shri Manohar Lal
 Shastri, Shri Ramavatar
 Soren, Shri Shibu
 Suraj Bhan, Shri
 Tirkey, Shri Pius
 Unnikrishnan, Shri K. P.
 Yadav, Shri R. P.

*Wrongly voted for 'AYES'.

NOES

Alluri, Shri Subhash Csandra Bose
 Anand Singh, Shri
 Anuragi, Shri Godil Prasad
 Arakal, Shri Xavier
 Bajpai, Dr. Rajendra Kumari
 Barway, Shri J. C.
 Bhatia, Shri R. L.
 Bheekhabhai, Shri
 Birbal, Shri
 Chaudhary, Shri Manphool Singh
 Chennupati, Shrimati Vidya
 *Dabhi, Shri Ajitsinh
 Daga, Shri Mool Chand
 Dalbir Singh, Shri
 Das, Shri A. C.
 Dhandapani, Shri C. T.
 Era Mohan, Shri
 Fernandes, Shri Oscar
 Gadgil, Shri V. N.
 Gehlot, Shri Asnok
 Ghufraan Azam, Shri
 Gireraj Singh, Shri
 Gomango, Shri Giridhar
 Gouzagin, Shri N.
 Gowda, Shri H. N. Nanje
 Gulsher Ahmed, Shri
 Jadeja, Shri Daulatsinhji
 Jaffer Sharief, Shri C. K.
 Jaideep Singh, Shri
 Jamilur Rahman, Shri
 Jena, Shri Chintamani
 Jitendra Prasad, Shri
 Kamakshaiah, Shri D.
 Kidwai, Shrimati Mohsina
 Krishan Dutt, Shri
 Kuchan, Shri Gangadhar S.
 Kulandaivelu, Dr. V.
 Mahabir Prasad, Shri
 Mahala, Shri R. P.
 Makwana, Shri Narsinh

Mallick, Shri Lakshman
 Misra, Shri Nityananda
 Motilal Singh, Shri
 Mukhopadhyay, Shri Ananda Gopal
 Murthy, Shri M. Rajashekara
 Murthy, Shri M. V. Chandrashekara
 Nagina Rai, Shri
 Nangyal, Shri P.
 Nandi Yellaiah, Shri
 Narayana, Shri K. S.
 Nikhra, Shri Rameshwar
 Panday, Shri Kedar
 Pandey, Shri Krishna Chandra
 Panigrahi, Shri Chintamani
 Parashar, Prof. Narain Chand
 Pardhi, Shri Keshaorao
 Parmar, Shri Hiralal R.
 Parthasarathy, Shri P.
 Patel, Shri Uttambhai H.
 Patil, Shri A. T.
 Patil, Shri Chandrabhan Athare
 Pattabhi Rama Rao, Shri S. B. P.
 Phulwariya, Shri Virda Ram
 Poojary, Shri Janardhana
 Potdukhe, Shri Shantaram
 Pradhani, Shri K.
 Quadri, Shri S. T.
 Rane, Shrimati Sanyogita
 Ranga, Prof. N. G.
 Ranjit Singh, Shri
 Rao, Shri M. Nageswara
 Rawat, Shri Harish Chandra Singh
 Reddy, Shri K. Vijaya Bhaskara
 Reddy, Shri M. Ram Gopal
 Satish Prasad Singh, Shri
 Satya Deo Singh, Prof.
 Sebastian, Shri S. A. Dorai
 Sethi, Shri Arjun
 Shaktawat, Prof. Nirmala Kumari
 Sharma, Shri Mundar
 Sharma, Shri Nand Kishore

*He voted by mistake from a wrong seat and later informed the Speaker accordingly.

Sharma, Shri Nawal Kishore
 Singh, Dr. B. N.
 Singh Deo, Shri K. P.
 Sinha, Shrimati Ramdulari
 Sreenivasa Prasad, Shri V.
 Stephen, Shri C. M.
 Subburaman, Shri A. G.
 Sunder Singh, Shri
 Tariq Anwar, Shri
 Tewary, Prof. K. K.
 Thakur, Shri Shivkumar Singh
 Tripathi, Shri Kamalapati
 Venkataraman, Shri R.
 Virbhadra Singh, Shri
 Vyas, Shri Girdhari Lal
 Yazdani, Dr. Golam
 Yusuf, Shri Mohmed
 Zainul Basheer, Shri

MR. CHAIRMAN: The result** of the division is:

Ayes 30; Noes 99.

The motion was negatived.

MR. CHAIRMAN: I will now put amendment Nos. 89 and 90 moved by Shri Unnikrishnan to the vote of the House.

Amendments Nos. 89 and 90 were put and negatived.

MR. CHAIRMAN: I will now put amendments Nos. 113, 114 and 115 moved by Shri Ramavatar Shastri to the vote of the House.

Amendments Nos. 113, 114 and 115 were put and negatived.

MR. CHAIRMAN: I will now put clause 37 to the vote of the House.

The question is:

"That clause 37 stand part of the Bill."

The motion was adopted.

Clause 37 was added to the Bill.

MR. CHAIRMAN: I will now put clause 38 to the vote of the House.

The question is:

"That clause 38 stand part of the Bill."

The motion was adopted.

Clause 38 was added to the Bill.

Clause 39—(Insertion of new section 20A)

MR. CHAIRMAN: There is an amendment to clause 39 by Shri Satish Agarwal.

SHRI SATISH AGARWAL: Sir, I beg to move:

Page 26, line 31,—

for "1978" substitute "1980". (169)

MR. CHAIRMAN: Now, I will put amendment No. 169 moved by Shri Satish Agarwal to the vote of the House.

Amendment No. 169 was put and negatived.

MR. CHAIRMAN: I will now put clause 39 to the vote of the House.

The question is:

"That clause 39 stand part of the Bill."

The motion was adopted.

Clause 39 was added to the Bill.

**The following Members also recorded their votes:

AYES: Sarvshri Phool Chand Verma, Ram Lal Rahi, Mohammed Ismail, Jaipal Singh Kashyap and Shrimati Geeta Mukherjee;
 NOES: Sarvshri Brajamohan Mohanty, D. L. Baitha, R. P. Gaekwad, Harihar Soren, Manmohan Tudu, K. Brahmananda Reddy, Nathu Ram Shakyawar, R. N. Tripathi, Syad Muzaffar Husain, Amarender Singh, Acharya Bhagwan Dev, Viridhi Chander Jain, R. R. Bholu, K. T. Kosairam, and Shrimati Kailash Pati.

Clause 40—(Amendment of section 21)

MR. CHAIRMAN: There are amendments to clause 40 from the Government.

SHRI R. VENKATARAMAN: Sir, I beg to move*:

Page 27, for lines 29 and 30, substitute—

'(i) for the portion beginning with the words "as if the persons" and ending with the words "resident in India", the following shall be substituted, namely:—

"as the case may be, in the like manner and to the same extent as it would be leviable upon and recoverable from an individual who is a citizen of India and resident in India";

(ii) in clause (b), for the words "one and one-half per cent", the words "three per cent." shall be substituted;'. (159)

Page 27, line 31, for "(ii)", substitute "(iii)". (160).

Page 28, line 4, for "(iii)", substitute "(iv)". (161).

Sir, the amendments are to prevent the abuse or avoidance of tax through trusts. I have already stated in the course of my Budget speech that people are resorting to the instrument of trusts called discretionary trusts and other trusts. We have now made amendments to this provision so that there is no evasion and also to see that the discretionary trusts are levied taxes at the maximum rate. It is to carry out this that the amendments have been moved.

MR. CHAIRMAN: The question is:

Page 27, for lines 29 and 30, substitute—

'(i) for the portion beginning with the words "as if the persons"

and ending with the words "resident in India", the following shall be substituted, namely:—

"as the case may be, in the like manner and to the same extent as it would be leviable upon and recoverable from an individual who is a citizen of India and resident in India";

(ii) in clause (b), for the words "one and one-half per cent.", the words "three per cent." shall be substituted;'. (159)

Page 27, line 31, for "(ii)", substitute "(iii)". (160).

Page 28, line 4, for "(iii)", substitute "(iv)". (161).

The motion was adopted.

MR. CHAIRMAN: The question is:

"That Clause 40, as amended, stand part of the Bill."

The motion was adopted.

Clause 40, as amended, was added to the Bill.

Clause 41— Amendment of

SHRI SATISH AGARWAL: I beg to move:

Page 28, line 19,—

for "Rs. 1,50,000" substitute—
"Rs. 2,00,000" (170).

Page 28, line 24,—

for "Rs. 1,50,000" substitute
"Rs. 2,00,000" (171).

Page 28, line 27,

for "Rs. 1,50,000" substitute
"Rs. 2,00,000" (172).

Under the Income-tax and Wealth Tax Acts, properties are valued at intervals, and a property which was worth Rs. 50,000 earlier has gone up to Rs. 2,00,000 merely by efflux of

*Amendments moved with the recommendation of the President.

time, without any additions or alterations. Therefore, the limit of Rs. 1,50,000 needs revision, looking to the practical problems of the people, and inflation by which the middle class are hard hit. The hon. Minister may accept it right now or take into consideration later on.

SHRI R. VENKATARAMAN: I am unable to accept the amendments. Already there is criticism in the House that the exemption limit has been raised unnecessarily. We have taken a middle course in this matter between two extreme points of view, one that the limit should not be raised at all, and the other that it should be raised to Rs. 2 lakhs. We have really arrived at a compromise and raised it to Rs. 1.5 lakhs. Therefore, it should be accepted by all.

MR. CHAIRMAN: The question is—
Amendment Nos. 170 to 172 to the House.

Amendments Nos. 170, 171 and 172 were put and negatived.

MR. CHAIRMAN: The question is:
“That Clause 41 stand part of the Bill.”

The motion was adopted.

Clause 41— was added to the Bill.

MR. CHAIRMAN: The question is:
“That Clause 42 stand part of the Bill.”

The motion was adopted.

Clause 42 was added to the Bill.

Clause 43 (Amendment of Act 45 of 1974)

**Amendments made:*

Page 29, lines 6 and 7, omit—

“, with effect from the 1st day of September, 1980”. (162).

Page 29, for lines 10 to 14, substitute—

‘(i) after sub-clause (i), the following sub-clause shall be inserted and shall be deemed always to have been inserted, namely:—

“(ia) interest referred to in subsection (1B) of section 42 of the Reserve Bank of India Act, 1934.”;
(2 of 1934)

(ii) for sub-clause (iii), the following sub-clause shall be substituted with effect from the 1st day of September, 1980, namely:—

‘(iii) interest on any term loan sanctioned before the 13th day of June, 1980 where the agreement under which such loan has been sanctioned provides for the repayment thereof during a period of not less than three years.

Explanation.—For the purposes of this sub-clause, “term loan” means a loan which is not repayable on demand;”. (163).

Page 29, line 17, for “inserted” substitute—

“inserted with effect from the 1st day of September, 1980.” (164)

Page 29, line 23, for “Industrial Development Bank”, substitute—

“Industrial Development Bank of India”. (165)

Page 29, line 33, after “substituted”, insert—

“with effect from the 1st day of September, 1980”. (166)

(Shri R. Venkataraman)

MR. CHAIRMAN: The question is:

“That clause 43, as amended, stand part of the Bill.”

The motion was adopted.

Clause 43, as amended, was added to the Bill.

Clause 44— (Saving in certain cases).

**Amendments made:*

Page 29, line 37, for “an appeal”, substitute—

**Amendments moved with the recommendation of the President.*

"an appeal or a reference". (167)

Page 30, for lines 2 to 4, substitute—

"the deduction under section 80M is to be allowed in a manner". (168)

(Shri R. Venkataraman)

MR. CHAIRMAN: The question is:

"That Clause 44, as amended, stand part of the Bill."

The motion was adopted.

Clause 44, as amended, was added to the Bill.

Clauses 45 and 46 were added to the Bill.

Clause 47 (Amendment of Act, 13 of 1980).

SHRIMATI GEETA MUKHERJEE (Panskura): I beg to move*:

Page 30, line 24,—

for "ten per cent." substitute—
"seven and a half per cent." (38)

Our Finance Minister has actually raised the excise duty on all items in the category of special excise duties and general excise duties. All the categories of consumer items will come in it. That is why we do not want that this should be raised to ten per cent. At the same time, appreciating that some money has to come to the coffer, we have proposed that it should be reduced to seven and a half per cent. That is our amendment.

SHRI SATISH AGARWAL: Regarding amendment No. 173 to Clause 47, whereby the special duty has been raised from five to ten per cent, I would like to draw the attention of the hon. Minister without commenting much on the subject in this behalf that it is not so necessary to raise the duties as the tightening of the machinery for the collection of the same. Will he consider this sugges-

tion? The special excise duty is being raised from five to ten per cent on various items. He has extended his net to include many more items, which were exempted previously and on many items which were carrying a duty of five per cent, he has increased it to ten per cent, and on many items, where there was no levy of five per cent, he has included them for purpose of levying five per cent.

For the last ten years, if you look at the figures the indirect taxes constitute practically three-fourths of the total tax revenue of the Government of India. In this Budget also, the projection is near about that; the total tax revenue is Rs. 12,600 crores, out of which, three-fourth comes from the indirect taxes and one-fourth from the direct taxes. Looking to the conditions prevailing in the country at the moment, the Finance Minister himself has expressed in this House and there is no sense in repeating the various arguments on that score. With regard to levy of excise duties we have had a detailed discussion while participating in the debate on the General Discussion of the Budget. So, I would only say that the amendment is with regard to this, instead of making it ten per cent, let it be a little milder, you increase it from five to seven and a half per cent, and there are certain levies where I would suggest to the Finance Minister that he can make up the deficiency.

Particularly, I would like to refer, in this connection, to only one item where duty relief has been given by the Government, by the Finance Minister. You withdraw that relief; you withdraw that exemption and you will make good partially some loss on this account. There may be many more such items.

In this particular connection, I would like to draw the attention of the Finance Minister to the Explanatory Memorandum on the Budget of the Central Government for 1980-81,

*Amendment moved with the recommendation of the President.

p. 21, where dutywise details of revenue from Union Excise are given. It is common knowledge which is known to the Finance Minister also that, normally, the Government of India assumes 10 per cent growth in the excise duties automatically without any increase on account of increased production. So, if the duties are, for example, Rs. 4000 crores, the normal presumption is that next year, the duties will be Rs. 4400 crores without any increase whatsoever. Normally, 10 per cent growth in the excise duties is presumed on account of increased production on the industrial front.

Now, I am surprised to see, in respect of various items, if I look at, there is a growth of 10 per cent or even more. But on one item, that is, No. 7, aerated waters, it was Rs. 11.46 crores (Actual) in 1978-79 and, according to the revised budget of 1979-80, one year after, the figure was put at Rs. 15.10 crores, that is, practically Rs. 4 crores more. It is 40 per cent increase. I am surprised to see that for 1980-81, the figure has been kept at Rs. 16 crores. It should have gone to Rs. 20 crores. Here is a revenue loss of Rs. 4 crores. It is on account of the concession given by you to aerated waters comprising or consisting of concerns like Campa Cola from 60 per cent to 40 per cent, raising the duty from 30 per cent to 40 per cent on others. You kindly consider this. You bring an amendment that the duty on aerated waters containing caffeine, such as, Campa Cola, should be restored to 60 per cent. You will make good the loss which you may incur on account of agreeing to my amendment.

I put this amendment before the consideration of the Finance Minister.

SHRI R. VENKATARAMAN: Mr Chairman, Sir, at the outset, I should clarify that when people talk of 5 per cent and 10 per cent, it is not 5 per cent and 10 per cent of the value of goods, but it is 5 per cent increase and 10 per cent increase of the

excise duty. Therefore, it is not as high as it is made out to be.

SHRI SATISH AGARWAL: I did not make out that.

SHRI R. VENKATARAMAN: You know much better.

The second point which I want to make is that the revenue which is expected from this source is spread over such a large number of items that the impact of it will be very small. That is why it is that I have spread my indirect taxes on a wide variety of commodities and very thinly so that it may not have very great impact on prices. On revenue considerations, I will not be able to accept any amendment which will reduce my revenue.

The third point which Mr. Agarwal made is about aerated waters. There was considerable difficulty in finding out whether one is a caffeinated drink or a non-caffeinated drink. Actually, it was found that many people were escaping and avoiding taxes by passing off caffeinated drink as non-caffeinated drink and getting the benefit. Therefore, if we have on one flat rate, whether caffeinated or non-caffeinated, I will get the revenue. I do hope I will have more revenue than what I have shown by good administration.

MR. CHAIRMAN: I put Amendment No. 38 moved by Shrimati Geeta Mukherjee to the vote of the House.

Amendment No. 38 was put and negatived.

MR. CHAIRMAN: The question is:

“That Clause 47 stand part of the Bill.”

The motion was adopted.

Clause 47 was added to the Bill.

Clause 48 was added to the Bill.

Clause 49 —(Amendment of Act, 25 of 1978)

SHRI MOOL CHAND DAGA: Sir,
I beg to move*:

Page 30 and 31,—

for clause 49, substitute,—

“49. In the Customs, Central Excises and Salt and Central Boards of Revenue (Amendment) Act, 1978 in section 11B, as directed by section 21 of that Act to be inserted in the Central Excises Act, the Explanation at the end shall be omitted.” (97)

सभापति महोदय, फाइनेंस बिल का मॉनिटरिंग बिल के रूप में बहुत जल्दी पास कर दिया जाता है। फाइनेंस बिल में किसी परपज से ही अमेंडमेंट आना चाहिये, लेकिन सेंट्रल एक्साइज एंड साल्ट एक्ट के सेक्शन 11-बी का जो अमेंडमेंट किया है, अभी तक मेरी समझ में नहीं आया कि इस अमेंडमेंट की कैसे जरूरत हुई?

इसमें अमेंडमेंट लाना जरूरी है या नहीं? आखिर पार्लियामेंट को कुछ काम तो खूद करना चाहिये, इस बिल को सलैक्ट कमेटी में जाना चाहिये और वहां तसल्ली से सोचना चाहिये।

कौल एंड शकघर ने कहा है--

“‘Finance Bill’ means the Bill ordinarily introduced in each year to give effect to the financial proposals of the Government of India for the next following financial year and includes a Bill to give effect to supplementary financial proposals for any period”.

आपने सेक्शन 11-बी अमेंड किया है, उसमें वर्ड है “रैलेवेन्ट”। उसमें आलरैडी वर्ड है “फ्राम दी डेटे आफ पेमैंट आफ ड्यूटी”

Section 11B says:

“(1) Any person claiming refund of any duty of excise may make an application for refund of such duty to the Assistant Collector of Central Excise before the expiry of six

months from the date of payment of duty”.

From the date of payment of duty, it should be six months.

The amendment which has been moved by the Hon Finance Minister, as to how the relevant date will be considered, says:

“(a) in the case of goods exported out of India where a refund of excise duty paid is available in respect of the goods themselves or, as the case may be, the excisable materials used in the manufacture of such goods,—

(i) if the goods are exported by sea or air, the date on which the ship or the aircraft in which such goods are loaded, leaves India.”

रैलेवेन्ट डेटे, जो इन्होंने मॉशन की है, उसका पता लगाना पॉसिबिल नहीं है, क्योंकि किसी जहाज ने कब समुद्र का किनारा छोड़ा और कब रवाना हुआ, या पोस्ट आफिस से कब डाक चली गई इसका पता नहीं लगता। यह जरूरी नहीं है कि जिस दिन रजिस्ट्री हुई हो उसी दिन पार्लियामेंट में आया हो। उसमें था कि फ्राम दी डेटे आफ पेमैंट आफ ड्यूटी। यह बड़ा पुराना एक्ट 1948 का है उसमें 11-बी में “डेटे आफ पेमैंट” में 6 मन्थ्स का पीरियड दिया हुआ है, लेकिन आपने एक वर्ड रैलेवेन्ट डेटे कर दिया। यह कन्फ्यूजन करने वाला है। अगर कोई बाडर पार करता हो, तो बाडर से कब पाकिस्तान में चीज गई, वह जाने के दिन से “रैलेवेन्ट डेटे” होगी, यह इम्पॉसिबल है। इस तरह से फाइनेंस बिल में इस तरह की चीज लाना कि जल्दी पास हो जायेगा, ठीक नहीं। हमारा सामान है, हमने मैन्युफैक्चर किया, फैक्टरी में वापिस आया तो उसको एक्सपोर्ट करने के लिये स्पेसिफिक सिचुएशन में “रैलेवेन्ट डेटे” कौन सी होगी? जिस दिन आपने इसे वापिस निकाला है या कौन सी डेटे होगी? इसमें “रैलेवेन्ट डेटे” का बहुत भगड़ा है और उसमें लिखा है “फ्राम

*Amendment moved with the recommendation of the President.

दी डेटे आफ पेमेंट'; तो यह क्लॉज 49 का अमंड करन की कैसे जरूरत हुई?

संक्षेप 11 बी को 1978 में एमंड किया गया था, लेकिन आज तक वह फोर्स में नहीं आया है। अब एक नया एमंड-मेंट किया जा रहा है। इस तरह के एमंड-मेंट्स से साधारण लोगों, छोटे छोटे दुकानदारों और स्माल-स्केल इंडस्ट्रीज चलाने वालों को कितनी तकलीफ हो जायेगी। इसी वजह से कानून को जानने वाले भी कानून को नहीं जान सकते हैं। एक्साइज एक्ट में सारे रूलज लोड डाउन हैं, लेकिन फिर भी यह एमंडमेंट किया जा रहा है कि "फ्राम दि रॉलिवेंट डेटे" और उसके अन्तर्गत लम्बे-घाड़े एमंडमेंट्स किये जा रहे हैं। ऐसे एमंडमेंट्स से जनता को तकलीफ होती है और सरकार का कोई फाइनांशल परपज भी सर्व नहीं होता है। इस लिए इस प्रकार के एमंडमेंट्स नहीं होने चाहिए। ऐसे बिल सिलेक्ट कमेटी में जाने चाहिए और एक संपेरेट बिल लाना चाहिए। मैं ने पहली बार देखा है कि फिनांस बिल के जरिये गोल्ड कंट्रोल एक्ट में एमंडमेंट कर दिया गया है और कहा गया है कि यह एक सोशल मेजर है।

इस एमंडमेंट की जरूरत नहीं है। इससे ज्यादा कनफ्यूजन होगा, लोगों को ज्यादा तकलीफ और मुसीबत का सामना करना पड़ेगा। इस लिए मैं ने अपने एमंड-मेंट में कहा है कि क्लॉज 49 में दिये गये प्राविजन को डिलीट कर दिया जाये।

SHRI R. VENKATARAMAN: Mr. Chairman, Mr. Daga has raised this with all his eloquence but wisdom on nothing. Whatever is in rule 11B here is being brought into the Act because as we saw in the other case of 80J, court sometimes takes the view that some of these rules should be incorporated in the Act itself. Now, what we have done in this case is that the rules which are in the Central Excise Manual have now been transferred, and there is nothing to worry about.

MR. CHAIRMAN: I shall now put Amendment No. 97, moved by Shri Daga, to the vote of the House.

Amendment No. 97 was put and negatived.

MR. CHAIRMAN: The question is:

"That Clause 49 stand part of the Bill."

The motion was adopted.

Clause 49 was added to the Bill.

Clause 50 was added to the Bill.

Clause 51—(Amendment of Act, 52 of 1962, etc., to provide for an Appellate Tribunal.)

SHRI G. M. BANATWALLA: Sir, I beg to move*:

Page 32,—

omit lines 21 to 26, (24).

SHRIMATI GEETA MUKHERJEE:

Sir, I beg to move*:

Page 32,—

omit lines 27 to 32. (40).

SHRI G. M. BANATWALLA: This is where a positive response from the hon. Finance Minister should be very easy. Clause 51 refers to postal rates and modifications made in the postal tariff. I have moved an amendment only with respect to the increase in the postage rate on letters. At present a 30 paise postage stamp is wanted for letters. The government wants and has come forward with a modification that the rate of postage stamp should be raised from 30 paise to 35 paise. But my amendment seeks to delete this and restore it to the present position of maintaining a 30 paise postage stamp. It is a very easy suggestion I have made. Let us not think that these letters are used by the rich and affluent classes of people and only the postcards are used by the poor and the common people. The middle class people, the common people make use of these

*Amendments moved with the recommendation of the President.

[Shri G. M. Banatwalla]

letters and there also you want to squeeze them?

There are modifications with respect to parcel rates. I have not touched those modifications. My only plea and request to the hon. Minister is—I request you, I beseech you and I implore you—that in the case of letters at least you should maintain the *status quo* and the 30 paise postage stamp which is at present there be maintained and there should not be any increase about it.

I hope a positive response will come from the hon. Finance Minister. At least somewhere we must cut across party lines. This is not at all a party question and, therefore, no rigid postures should be taken. I hope and look forward to a very positive and happy response from the hon. Finance Minister.

SHRIMATI GEETA MUKHERJEE (Panskura): My amendment No. 39 is the same as just now explained by Mr. Banatwalla. I would like to add to the strength of the request on two grounds.

The Minister in his speech has said that these are used not so much by common people, implying thereby because he has left the postcard, that they are used by the affluent sections of the society. How, although everybody is not here at the moment, at least more than half of the 500 members are here and if everyone makes a statement, how many envelopes will be required? Then, Sir, members get everyday so many applications from the poor people which are contained in envelopes. If you increase the rate, you imagine the burden on the poor people. That being the case, I also urge very strongly that this one thing at least should be agreed upon by everybody in the House. So I appeal and implore not only to the Minister but to all my hon. colleagues cutting across party lines....

SHRI K. BRAHMANANDA REDDY: We may agree but we will vote against it.

SHRIMATI GEETA MUKHERJEE: Secondly, I have also to talk about the parcel rates. There the first slab increase will hit the middle class people for whom our Minister has shown so much concern while giving all the concessions to the big people. Here is one occasion where he could give some relief to these people. That is why I also propose that this parcel rate increase be given up.

Thirdly, this is not his own directly. Here in his speech he has said that he has taken up this responsibility on behalf of his colleague who is not here at the moment. So our Minister is completely free though it is a collective responsibility.

With these words, I implore upon him to accept my amendments.

SHRI SATISH AGARWAL: Pay back the compliments by accepting her amendments.

16 hrs

SHRI R. VENKATARAMAN: Sir, it is not a pleasure to levy taxes but the administration has to be carried on. In the budget we have given several concessions and we could not add more to them. Actually, this has to cover the cost of administration and the cost of services of the Postal Department.

The hon. Members are aware that the cost of administration of the Postal Department went up by Rs. 18 crores on account of the bonus payment which has been agreed upon, actually, the Government has to recoup it from some form or other. They have thought that they could recoup it only from the areas which can bear the burden. In respect of postcards and in respect of inland letters, though the service is greater than the prices charged, the Government did not touch the prices of those items. In respect of envelopes, a greater

majority of them are used by business houses and they can bear the taxes. That is why the levy has been made.

I would request my hon. friends to accept this. If you can reduce the expenditure, I have no objection to it.

SHRI NIREN GHOSH (Dum Dum): We give you our compliments if you accept her amendment.

SHRI R. VENKATARAMAN: I have great regard for Mrs. Geeta Mukherjee for her devotion. But, I cannot give away Government revenue.

MR. CHAIRMAN: I shall put amendment No. 24 moved by Shri Banatwalla to the vote.

Amendment No. 24 was put and negatived.

MR. CHAIRMAN: I shall now put amendment No. 40 moved by Shrimati Geeta Mukherjee.

Amendment No. 40 was put and negatived.

MR. CHAIRMAN: I shall put Clause 51 to the vote of the House.

The question is:

"That Clause 51 stand part of the Bill."

The motion was adopted.

Clause 51 was added to the Bill.

MR. CHAIRMAN: We take up clauses 52 to 54. I shall put them to the vote.

The question is:

"That Clauses 52 to 54 stand part of the Bill."

The motion was adopted.

Clauses 52 to 54 were added to the Bill.

First Schedule

MR. CHAIRMAN: Now we take up the First Schedule. There are amendments by Shri Banatwalla. Are you moving them?

SHRI G. M. BANATWALLA: I beg to move*:

Page 47, line 32.—

"for Rs. 8,000" substitute "Rs. 10,000"
(25)

Page 47, line 34,—

for "Rs. 8,000" substitute "Rs. 10,000"
(26)

Page 47, line 35,—

for "Rs. 8,000" substitute "Rs. 10,000"
(27)

MR. CHAIRMAN: There are amendments by Shrimati Geeta Mukherjee; 116 to 119. Are you moving:

SHRIMATI GEETA MUKHERJEE: I am not moving.

MR. CHAIRMAN: Mr. Vijay Kumar Yadav. Not here. Shri Narayan Choubey. Not here. Shri Unnikrishnan. Not here. Shri B. R. Bhagat. Not here. Mr. Ramavatar Shastri. Are you moving?

SHRI RAMAVATAR SHASTRI: I move:

Page 44, line 38.—

for "25 per cent." substitute "30 per cent." (120)

Page 45, line 4,—

for "40 per cent." substitute "45 per cent." (121)

Page 45, line 30,—

for "50 per cent." substitute "60 per cent." (122)

Page 45, line 37,—

for "20 per cent." substitute "25 per cent." (123)

Page 46, line 14,—

for "40 per cent." substitute "45 per cent." (124)

*Amendments moved with the recommendation of the President.

[Shri Ramavatar Shastri]

Page 46, line 24.—

for 50 per cent." substitute "55 per cent." (125)

Page 46, line 29.—

for "40 per cent." substitute "45 per cent." (126).

Page 46, line 32.—

for "44 per cent." substitute "48 per cent." (127)

Page 46, line 35.—

for "70 per cent." substitute "75 per cent." (128)

SHRIMATI GEETA MUKHERJEE:

[move:

Page 47, line 32.—

for "Rs. 8,000" substitute "Rs. 12,000" (129)

Page 47, line 34.—

for "Rs. 8,000" substitute Rs. 12,000 (130)

Page 47, line 35.—

for "Rs. 8,000" substitute "Rs. 12,000" (131)

Page 48, line 1.—

for "Rs. 1,050" substitute "Rs. 300" (132)

Page 48, line 4.—

for "Rs. 1,950" substitute "Rs. 1,050" (133)

Page 48.—

Omit lines 23 to 29 (134)

Page 48, line 34.—

add at the end—

"where total taxable income exceeds Rs. 20,000" (135)

Page 54, line 31.—

for "50 per cent." substitute "55 per cent." (136)

Page 54, line 34.—

for "70 per cent." substitute "75 per cent." (137)

Page 55, line 45.—

for "seven and half per cent." substitute "ten per cent." (138)

SHRI SATISH AGARWAL: I move:
Page 36,—

for lines 15 and 16, substitute—

"(1) where the total income does not exceed Rs. 12,000"—Nil; (174)

Page 36,—

for line 17 to 19, substitute—

"(2) where the total income exceeds Rs. 12,000 but does not exceed Rs. 20,000—15 per cent of the amount by which the total income exceeds Rs. 12,000;" (175)

Page 36,—

omit lines 20 to 22. (176)

Page 37,—

for lines 25 and 26, substitute—

"(1) where the total income does not exceed Rs. 12,000"—Nil. (177)

Page 37,—

for lines 27 to 29, substitute—

"(2) where the total income exceeds Rs. 12,000 but does not exceed Rs. 20,000—20 per cent. of the amount by which the total income exceeds Rs. 12,000;" (178)

Page 37,—

omit lines 30 to 32. (179)

SHRI G. M. BANATWALLA: Mr. Chairman, Sir, my three amendments Nos. 25, 26 and 27 refer to the rates of personal taxation and the exemption limit. We are thankful to the hon'ble Finance Minister for having raised the exemption limit from ten thousand to twelve thousand. This was a very timely act of him. But while raising the exemption limit from ten thousand to twelve thousand the hon'ble Finance Minister has, however, maintained the nil slab rate of rupees eight thousand when the income increases twelve thousand.

Sir, formerly when the exemption limit was ten thousand the nil slab rate was maintained at eight thousand for those whose income exceeded ten thousand. Now, when he has

raised the exemption limit from ten thousand to twelve thousand then he should come forward and raise the nil slab rate from eight thousand to ten thousand in cases where the income exceeds twelve thousand.

Sir, it should be remembered that this exemption limit of ten thousand was introduced in 1978. Today, it is equivalent to thirteen thousand one hundred. Therefore, it is absolutely essential that the nil slab rate should be increased from eight thousand to ten thousand even for higher income group people because a certain level of consumption should be allowed to all irrespective of their position.

Sir, we have the system of dearness allowance and this dearness allowance is automatically related to the rate of inflation. Similarly, it is necessary that we should evolve a system of automatic annual adjustment of the exemption limit in case of personal taxation with reference to the rate of inflation. It is not necessary every year to rush to this House and say that because inflation has gone up, therefore, there is a need for an adjustment in the exemption limits. There should be some system of an taxation with the rate of inflation. This system does prevail with certain taxation with the rate of inflation. This system does prevail with certain modifications in Denmark, Netherlands, Canada, Australia, etc.

Sir, my amendment at present, of course, seeks to raise the nil slab rate from eight thousand to ten thousand in keeping with the increase that we have had from ten thousand to twelve thousand exemption in the case of personal taxation.

श्री रामावतार शास्त्री : सभापति महोदय, मेरे जितने संशोधन हैं . . .

सभापति महोदय : आप के सं. 120 से 128 हैं ।

श्री रामावतार शास्त्री : उद्योग-धन्धों को चलाने वाले जो लोग डिविडेण्ड पाते हैं या रायल्टी पाते हैं, उन पर टैक्स लगाने का प्रस्ताव इस में किया गया है । हम लोगों

का ख्याल है कि इस में उद्योग पतियों को खास तौर से सरकार ने रियायत देने की कोशिश की है, जिस के हम विरोधी हैं, उन पर ज्यादा टैक्स लगाना चाहिये था । इस बात को ध्यान में रख कर मैंने अपने संशोधनों द्वारा यह प्रयास किया है कि जो प्रतिशत सरकार ने निर्धारित किया है, उस प्रतिशत को कुछ-न-कुछ बढ़ा दिया जाय और उन से कर के रूप में ज्यादा बसूला जाय—यही मेरे संशोधनों का आशय है । मैं चाहूंगा कि सरकार पूंजीपतियों और उद्योगपतियों के बारे में दरिया-दिली से काम न ले । वे बहुत गलत तरीके से पैसा कमाते हैं, जिस को दुनिया भी जानती है और सरकार भी जानती है, फिर भी आश्चर्य की बात है कि ऐसे लोगों को ज्यादा से ज्यादा रियायत देने की कोशिश की जा रही है । मैं चाहता हूँ कि उस रियायत में कुछ कमी कर दी जाय और कर का रेट बढ़ा दिया जाय ।

SHRIMATI GEETA MUKHERJEE: My amendment follows Mr. Banatwalla's amendment but there is a serious difference. I have mentioned that the tax benefit should accrue to those who earn upto 20,000 rupees and not more than that; everybody should not get that benefit. In the Finance Bill provision is made for marginal adjustment upto 16,250 rupees. We should extend it a little more upto 20,000 rupees. The net effect of my amendment would be that it will give concession of Rs. 405 to the group earning from 12,000 to 15,000; Rs. 640 a year to the group earning from 15,000 to 20,000. This is mainly for salaried people from whom some concessions have been withdrawn in reality in the shape of other things. That is why the middleclass salaried people need this concession and when you are thinking of going up to 12,000 rupees I wish that that benefit should accrue to those also who earn upto Rs. 20,000. That is all.

SHRI SATISH AGARWAL: I have already moved my amendments Nos. 174 to 179. They are to the First Schedule. 3 amendments relate to Part I, sub-paragraph (I) at page 36. 3 amendments relate to subparagraph (II) at page 37. 'Where the total

[Shri Satish Agarwal]

income does not exceed 8,000' in its place, I wanted it to be substituted by '12,000'. Where the income exceeds Rs. 12,000 but does not exceed Rs. 20,000, there, the rate of income-tax may be as prescribed. Under these amendments I have clubbed part II and III and raised slab for nil rate. Similar amendments have been sought with regard to Hindu Undivided Families in sub-paragraph (II) at page 37. I don't think the Finance Minister is going to agree to the amendments right now. But of course he deserves compliments for raising the limit to Rs. 12,000 from Rs. 10,000. But it does not go a long way in solving the hardship which is being caused on account of everyday rising prices or inflation which is practically 20 per cent. So, the 20 per cent rise is there and that makes it automatically Rs. 12,000. Therefore, if nil slab rate should be increased, that would give some more relief to the people. That is my feeling.

SHRI R. VENKATARAMAN: Mr. Chairman, I regard all these suggestions as future action. It is certainly not possible to readjust the budget taking any of these suggestions immediately. But I would like to mention one or two points. Shri Banatwalla said that there must be an automatic adjustment in taxes. In fact, he was putting forward a concept of indexing according to the price level. I have no objection to indexing provided he also agrees to the indexing of taxes in conformity with the price increase. If the price level increases by 20 per cent then my taxation also should increase by 20 per cent. Then it would mean no benefit to anybody. Therefore, the suggestion that you must index it or link it to the cost would not really help for this reason that if the taxation limit is raised the rate of taxation would be raised and the burden would be heavier. The only question is: whether at the level at which people are not able to pay there could be some relief? That I think I have provided by taking into account those people

with less than Rs. 12,000 income. Actually if I had raised the nil rate of tax to Rs. 10,000 and kept the rate of taxation at Rs. 10,000, no extra persons would have benefited. Whereas by raising the exemption limit to Rs. 12,000 I have been able to give relief to six lakhs of people. Therefore, the way in which I have organised the tax adjustment is to see that larger number of people get benefit rather than some people get a larger benefit.

The other points which have been raised like the one that industrialists have been given greater concession, I have explained it already that these are intended for greater production and not to persons. Therefore, the incentives are for higher production.

The next point raised by Shri Satish Agarwal is that there is a scope for telescoping some of these classifications like 2, 3, 4 and all that. As I have said, these are really matters which will have to be gone into in depth and I will bear this in mind when the tax reform is undertaken.

MR. CHAIRMAN: I shall now put the amendments No. 25, 26 and 27 moved by Shri Banatwalla to the vote of the House.

Amendments Nos. 25 to 27 were put and negatived.

MR. CHAIRMAN: I shall now put the amendments No. 120 to 128 moved by Shri Ramavatar Shastri to the vote of the House.

Amendments Nos. 120 to 128 were put and negatived.

MR. CHAIRMAN: I shall now put the amendments Nos. 129 to 138 moved by Shri Ramavatar Shastri to the vote of the House.

Amendments Nos. 129 to 138 were put and negatived.

SHRI SATISH AGARWAL: In view of the assurance given by the hon. Finance Minister that he would look into the classification and different

slabs of personal taxation, I beg leave of the House to withdraw my amendments No. 174 to 179.

Amendments Nos. 174 to 179 were, by leave, withdrawn.

MR. CHAIRMAN: The question is:

"That the First Schedule stand part of the Bill."

The motion was adopted.

The First Schedule was added to the Bill.

The Second Schedule was added to the Bill.

Third Schedule.

SHRI G. M. BANATWALLA: I beg to move*:

"Page 62,—

omit lines 7 and 8." (37)

SHRIMATI GEETA MUKHERJEE: I beg to move:

*Page 62, line 6,—

for "Fifteen per cent." substitute—

"Nine per cent." (48)

*Page 62, line 10,—

for "Fifteen per cent." substitute.—

"Nine per cent." (49)

*Page 62, line 10,—

for "Fifteen per cent." substitute "Nine per cent." (50)

*Page 62, line 12,—

for "Fifteen per cent" substitute—"Seven and a half per cent." (51).

*Page 63,—

omit lines 12 to 15. (52).

Page 64, line 42,—

for "twenty per cent." substitute—"ten per cent." (139).

SHRI G.M. BANATWALLA: Mr. Chairman, Sir, my amendment No. 37 refers to the increase in the duty on caustic soda; the duty has been increased from 10 per cent to 15 per cent; there is an increase of 5 per cent in the excise duty. I submit that this increase in the excise duty on caustic soda will increase the cost of a host of other items like soap, detergents, paper, textiles and such other articles. Therefore, this increase in the duty on caustic soda will defeat the very purpose for which certain reliefs were given in the case of duties on soap etc. If you see as to who are the bulk of the consumers of this caustic soda, you will find that the bulk of the consumers are industries like paper, textile and soap. The benefits of excise duty reduction in the cheap toilet soap will, therefore, not get passed on to the consumers, because of the cost-push nature of the duty that has been imposed on caustic soda. The paper industry, a very vital industry, apprehends that its cost of production may go up by Rs. 70 per tonne in consequence. I have, therefore, to appeal to the hon. Finance Minister to agree to my amendment in order to see that this 50 per cent increase in the duty on the caustic soda does not take place. When I raise this matter that it will lead to more inflation, cost-push inflation, I should not be accused by the hon. Finance Minister of creating a psychology of push-up inflation in order to serve the interests of some business houses. Somewhere we must face the grim reality of the situation and the grim reality is that the inflation has gone up to the tune of 30 per cent. I said yesterday also that as far as inflation is concerned, our hon. Finance Minister is going at a speed faster than the speed of SLV 3. He has promised that all will level off; I wish him success; our cooperation is with him, but in the case of caustic soda it will be defeating its own purpose as I have pointed out. I, therefore, make a fervent plea to the hon. Finance Minister to withdraw this increase in duty on caustic soda and to accept the amendment I commend to the House.

*Amendments moved with the recommendation of the President.

SHRIMATI GEETA MUKHERJEE: Apart from soda ash and caustic soda, I also wanted the duty on these acids and molasses to be reduced from 15 per cent to 9 per cent. I do not want to dilate on the reasons—they being the same, viz., that they do not make for a greater inflationary pressure.

SHRI R. VENKATARAMAN: Hon. Members should be aware that the items which I have chosen for the purpose of levying this extra excise duty are all those which are selling at a premium; and, therefore, we thought that we could mop up some of the premium at which they are selling—caustic soda, the acids mentioned and the molasses. In fact, for molasses, the international price is Rs. 400 a tonne, as against Rs. 60 at which they are selling in India. And a Rs. 30 a tonne increase would not affect the industry very much. Actually, nobody wants any increase in taxes and they exaggerate the effect of these taxes on the cost-push. We have now become slaves to slogans.

SHRI JYOTIRMOY BOSU. Like 'Garibi Hatao'.

SHRI R. VENKATARAMAN: In fact, I have been advised that I should not take note of the statements which are made, while a Member is sitting. Really it is not going to have that kind of effect. If I have imposed anything on those commodities, i.e. on which there is no premium in the market, then it will get reflected. On the other hand, when people are already paying a premium on these commodities, it is not going to have an impact on the prices; and the secondary impact of the increase in prices, on the commodities produced, is going to be negligible. I would request the Members to withdraw the amendments.

MR. CHAIRMAN: I now put amendment No. 37 moved by Shri Banatwalla to the vote of the House.

Amendment No. 37 was put and negatived.

MR. CHAIRMAN: I now put amendments No. 48 to 52 and amendment No. 139 moved by Shrimati Geeta Mukherjee to the vote of the House.

Amendments Nos. 48 to 52 and 139 were put and negatived.

SHRIMATI GEETA MUKHERJEE: Amendments No. 139 and 140 are connected.

MR. CHAIRMAN: No. 140 is on the Fourth Schedule. You can speak on it when it comes.

MR. CHAIRMAN: The question is:

"That the Third Schedule stand part of the Bill."

The motion was adopted.

The Third Schedule was added to the Bill.

MR. CHAIRMAN: There is only one amendment No. 140 by Shrimati Geeta Mukherjee.

SHRIMATI GEETA MUKHERJEE: I beg to move:

Page 70, line 21,—

for "five per cent." substitute "one per cent." (140)

This is an amendment where I have sought to negate the rise on excise duty on cotton fabrics which are not subjected to any process. I want that instead of 5 per cent, it should be reduced to 1 per cent. As you very well understand, the cotton fabrics which are not subjected to any process, those fabrics must have competitive advantage over those which are subjected to many processes from the cottage industry structure. My amendment No. 39 is also connected with this. So, I want that tariff on customs be reduced instead of increasing it.

SHRI R. VENKATARAMAN: Mr. Chairman, apparently, the hon. lady member has not fully realised the consequences of this amendment. In lieu of sale tax, an additional excise duty

was levied in respect of three items and a few more were added later. They are cotton, textile, tobacco and so on. Now, this additional excise duty goes to the States. It is not the central source of revenue; and this additional excise duty cannot be varied by us without the consent of the States. It is generally discussed in the National Development Council and an agreement is reached on this matter. Any attempt now to reduce this tax, additional tax duty, will affect the States and to that extent, the revenue of the States will go down and therefore it will not be possible to accept this amendment.

MR. CHAIRMAN: Now I shall put amendment No. 140 moved by Shrimati Geeta Mukherjee to the vote of the House.

Amendment No 140 was put and negatived.

MR. CHAIRMAN: The question is:

"That the Fourth Schedule stand part of the Bill."

The motion was adopted.

The Fourth Schedule was added to the Bill.

Fifth Schedule

SHRI MOOL CHAND DAGA: I beg to move*:

Page 87, lines 1 and 2,—

for "four years" substitute "six months" (98)

Page 88, line 18,—

for "two years" substitute—

"one year where the order is made by the Board under sub-section (1) and three months where the order is made by the Collector of Central Excise under sub-section (2)" (99)

Page 88, line 31,—

for "35F." substitute—

"35F.(1) Nothing in this clause shall apply to the case where the determination of any question hav-

ing relation to the rate of duty of excise or to the value of goods for purposes of assessment is in issue." (100).

Page 88, lines 33 and 34,—

for "goods which are not under the control of central excise authorities".

Substitute "goods which are under seizure or goods if the manufacturing ceases to be in production" (101)

Now, in this Schedule, there is a provision for the Appellate Tribunal. It says, "The Appellate Tribunal may, at any time within four years from the date of the order, with a view to rectifying any mistake apparent from the record, amend any order passed by it under sub-section (1) and shall make such amendments if the mistake is brought to its notice by the Collector of Central Excise or the other party to the appeal." I have submitted my amendment—within a period of four years, if there is a mistake or if they want to rectify their judgment. They have taken a period of four years. I say, it is a very long period. After all, an Appellate Tribunal, once they have passed their order, if they do not agree on anything or if they want to rectify that mistake the period of six months is quite enough. After all, four years is such a long period. If they give their judgment and say that you have to pay so much of excise duty, now the customer or the person who has already sold his commodity in the market, will he be able to recover the exercise duty which he has to pay to the government? So, this period of four years is a very long period. I submit that it should be reduced.

SHRI R. VENKATARAMAN: This is a provision for rectification of the errors apparent on the record. On the face of it, is not an appeal or revision. If some mistake is apparent on the record, then it may be rectified. This benefit is available to the appellants as well as to the government.

*Amendments moved with the recommendation of the President.

[Shri R. Venkataraman]

If Mr. Daga wants it to be reduced to 6 months, to that extent the assessee will also suffer. We thought that it would be proper to give the same time to the person as well as to Government and therefore we have given four years. I do not think any great harm will occur since the benefit is given to the party as well as to the Government.

MR. CHAIRMAN: I shall now amend put amendments No. 98, 99, 100 and 101 to the vote of the House.

Amendments Nos. 98 to 101 were put and negatived.

MR. CHAIRMAN: The question is:

"That the Fifth Schedule stand part of the Bill."

The motion was adopted.

The Fifth Schedule was added to the Bill.

MR. CHAIRMAN: Now, we come to clause 1. Shri Satish Agrawal has an amendment.

SHRI SATISH AGRAWAL: The hon. Finance Minister has been piloting the Finance Bill for the last four and half hours. I am also here. He was very harsh on me last year when he kept me sitting from 12 to 9 O'clock without tea or coffee or lunch. I do not want to be too harsh to him. He has done something; he has accepted some amendments. In view of this, I do not move my amendment.

MR. CHAIRMAN: I shall then put clause 1 to the Vote of the House. The question is:

"That Clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

The Enacting Formula and the Title were added to the Bill.

SHRI R. VENKATARAMAN: I beg to move:

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

I will take only ten minutes at the end.

MR. CHAIRMAN: Motion moved:

"That the Bill, as amended be passed."

SHRI NIREN GHOSH (Dum Dum): The Finance Bill which is oriented towards big business is totally unacceptable to us. The first part of hon. Minister's reply yesterday was panegyric for big business. We want elimination of big business altogether but we do stand for preservation and safeguarding of the interests of non-big-business interests though we do fight against their vices, swindlings, thuggery and knavery, exploitation and all that.

The second point I would like to make is this. The hon. Minister said that he had reached the plateau. Is the plateau discernible, visible? Because clouds seem to have descended upon the plateau with five per cent rise in wholesale price index in one month only and two Cabinet Ministers being under the cloud. The plateau is not visible. What it will lead to is anybody's guess. We can certainly gauge the galloping rise in prices and inflation.

The third point is: I support Mr. Satish Agarwal and Mr. Unnikrishnan in the matter; our economy has been mortgaged to the World Bank and IMF. There are other member-countries also and they do get help from them but our economy is getting more and more dependent on them and so much so it has been mortgaged to them and we are sinking under its burdens; the world bank dictates to us and we will sink under its burden.

I raise another point. Another Finance Minister, late Shri T. T. Krishnamachari made equalisation of the price of steel. There has been equalisation of the price of coal in the matter of adjustment of freight on long distance haulage. Nowhere in the world such

a provision exists. I protest against this. Either you do away with this equalisation of prices or make equalisation of prices of all of them—basic industrial raw materials, including cotton, etc., throughout India. This discrimination, pure and simple, against certain States in favour of certain other States would not be tolerated by the people for long. Happenings in the North Eastern Region, are important to note. I think Government should get on to it.

Surcharge on Income Tax—this measure—was introduced when Bangla Desh liberation struggle was there. It was taken as a special measure. Now this is the measure for mopping up huge resources. The States do not get a single pie as share. The states do get share of income tax, but from surcharge they do not get a single pie. I propose that surcharge on income tax should be totally and fully done away with.

MR. CHAIRMAN: Mr. Ghosh, I am bringing something to your notice. I have eight Members....

SHRI NIREN GHOSH: I am finishing my speech in two, three minutes.

MR. CHAIRMAN: I am bringing rules to your notice.

SHRI NIREN GHOSH: I would have finished by now.

Bihar, Orissa, Rajasthan, U.P. were singled out for food for work programme—over 2 lakh tonnes and more than 1 lakh tonnes for them but for the rest of the States only 30,000, 20,000 metric tonnes. What is this? Is it not political chicanery in order to win election where the Congress (I) was in a difficult position.

Concessions have been given to big business in regard to ten to twelve commodities of consumption by the public. Why not get 10 to 12 commodities of public consumption distributed through the fair price shops at equal price throughout India? If

subsidy to the tune of Rs. 500 crores or something more is needed, we can afford it. We should give it.

Hon. Minister made an observation about sugar. He said for the poor he gives sugar at controlled price through fair price shops. He does not know in the villages the quantity given is only 100 grams and not 400 grams or more. For others, the rate is Rs. 8 to Rs. 11/- per k.g. The sugar mills are minting money. So is the case with raw jute. Government is under the influence of the sugar magnates and crores of rupees have found their way into the coffers of the Congress (I) Party.

(Interruptions)

Inflation, deficit financing heavy taxes, indirect taxes on commodities, concessions to the big business—this is a pungent and bitter pill which would not be swallowed by the people. They will reply to it through mass upsurge in the coming months.

You prepare yourself for that.

SHRI K. P. SINGH DEO (Dhenkanal): Sir, I thank you and the Minister of Parliamentary Affairs for very kindly giving me this opportunity. The 1980 budget presented by the Finance Minister was a class in itself. It was rather pragmatic, bold and courageous for change, especially in the backdrop of the mismanagement and uncertainty created by our hon. friends on the other side for the last 3 years and the backdrop of 20 per cent inflation. The Finance Minister has resorted to a lot of welfare measures, benefits and reductions in taxes as well as levies. He has tried to restore the economic situation; he has tried to bring in social justice with growth. But here I must caution that his intentions and the benefits for which he had planned for the people have not yet reached the people, i.e., the consumers and weaker sections of the society, for which the attempt has been made. So, my submission would be that it is not enough just to enunciate a policy or grant certain concessions, but the implementation and monitoring and evaluation is most necessary.

[Shri K. P. Singh Deo]

The budget as well as the Economic Survey have brought out one point very sharply and tellingly—the Finance Minister's reply to the discussion on the Finance Bill has also brought it out—that we are still dependent on the monsoon. He was very happy that because of the monsoon, there has been a wonderful transformation as far as the energy position and the economic condition of the country are concerned. We have seen from the Economic Survey as well as in the various debates in Parliament that the failure of the monsoon affected the hydel power position, which affected agriculture, industry and infrastructural developments as far as railways, coal, energy, cement and steel are concerned and it is a vicious circle. So, it is rather heartening that immediately after taking over, the Prime Minister and the Finance Minister have given first priority to putting the energy problem right and they have succeeded to a certain extent by bringing up the installed capacity to from 42 per cent to near about 50 per cent. I think we must try to utilise the unutilised capacity which has been installed rather than going in for fresh and unchartered waters. Since we have seen the effect of the monsoon on the power situation especially on the hydel, it is high time that our non-conventional sources of energy like solar, wind, tidal, micro-hydel and nuclear should be developed to augment the power situation. My friend, Mr. Jyotirmoy Bosu will correct me if I am wrong that China has got 60,000 such micro-hydel generators.

SHRI JYOTIRMOY BOSU: Yes.

SHRI K. P. SINGH DEO: Thus apart from the nuclear energy which we must develop so as to augment the energy situation which will offset the vagaries of the monsoon and which will again have its impact on the infrastructure like agriculture and the industry, the fact that the failure of the monsoon is connected with the environment and the destruction of the environment has

been made amply clear. Today, unless we go in for a massive plan for management of the environment and go in for massive social forestry as well as ecological balance and protection of the environment, ours being an agricultural economy, not only the economy of the country but the survival of our country will be a matter of question. It is also heartening that the Prime Minister, in March while inaugurating the World Conservation Strategy Movement in Vigyan Bhavan has stressed the need for subjecting impact analysis on environment of economic development especially when large dams are constructed, forests and other places are submerged.

The Bhabha Atomic Research Centre as far back as February at an international seminar on the World Environmental Management, have given certain recommendations for the consideration of the Government. With your permission, I will just go through the recommendations:

“1 The Parliament pass without further delay the “Air Pollution Bill”.

2. All the states and Union Territories of India should formulate steps for the control of Automobile Exhaust and Noise Pollution.

3. A comprehensive Act for the control of all types of environmental pollution should be passed for the whole of India at an early date.

4. A National Environmental Protection Agency should be formed for this country.

5. Pending the formation of the agency mentioned in item 4 above, all future developmental projects which are likely to affect the environment, should be referred to an expert committee consisting mainly of environmentalists for the consideration of impact on environment due to the project. Any recommendation by the committee should be treated as final not to be over-ruled by political and/or economical considerations.

6. The subject of environment should be introduced as a part of the education curriculum at all the stages of education."

This is a seminar in which most of the world's leading scientists, environmentalists and ecologists have taken part. It was chaired by the Chairman, Atomic Energy Commission, Dr. H. N. Sethna.

I would now like to come to the point of defence planning in this country which is the single largest sector in our budget proposals. It is pathetic that in three decades after our independence, we have still not got the defence orientation, defence awareness and defence thinking in this country as absolutely appalling. We have neglected defence at our cost in 1962 and from which we have learnt a lesson. But we are still treating defence as if it is drain on our resources. In a recent study by Professor Emile Benoit of the Columbia University, wherein he has gone into the case of 44 developing countries, he has found irrefutable proof that defence expenditure has an impact on the growth of the country. The Defence Minister while replying to the States have progressed in comparison with certain other States in our own country because of the defence personnel, defence industry and commitments which had a multiplier effect. Therefore, although the Finance Minister had added another Rs. 273 crores to the defence budget this year, which is 16.6 per cent more than last year, it has been off-set by the 20 per cent inflation. So, I would submit that the outlay on defence should be increased and the defence plan dovetailed and integrated into the national plan.

The same is the case with the plan for science and technology and R&D. It is only through science and technology that we can raise the level of life and progress of the 72 per cent of the people living in the rural areas. So, we must take science and technology

to the rural areas, to the micro-level. The science and technology plan should not be taken separately; it should be an integral part of the overall socio-economic plan.

Then I come to sports and physical education. The Finance Minister has very rightly given certain concessions to sportsmen who have reached national and international level. But the crux of the matter is that unless we provide facilities to the sportsmen to develop into national and international standards, they will not be able to take advantage of the facilities which have been granted by the Finance Minister. Since the Finance Minister has already said this is a joint responsibility, sports and physical education should be given a rightful share and they should form part of the integrated developmental planning. Just winning a gold medal in hockey does not give a correct index of the health of the nation or of the standard of the sportsmen and sportswomen in our country. Therefore, the spotting, nurturing, persevering, training and management of the sportsmen and sportswomen, their nutrition, safety and security must be looked after by the Government, who should act as a catalyst agent in trying to build up this. It is not just enough to grant certain concessions; equally important is to look after the monitoring, evaluation and implementation aspect of it. •

Finally, I would like to say that the ex-servicemen, serving defence personnel, are debarred by the defence service regulations from ventilating their grievances. So, it is our bounden duty to look after their welfare. The released emergency commissioned officers, who had been taken into the paramilitary forces in 1967 are now sought to be given a raw deal, because their seniority and pay protection for their military service is not being counted. I would request the Home Ministry to see that this move is scuttled, otherwise, it will affect the morale of our men, specially those who have given their lives today for our tomorrow.

17 hrs.

MR. CHAIRMAN: I shall read out Rule 94 of the Rules of Procedure, it is as follows:

"The discussion on a motion that the Bill or the Bill as amended, as the case may be, be passed shall be confined to the submission of arguments either in support of the Bill or for the rejection of the Bill. In making his speech a member shall not refer to the details of the Bill further than is necessary for the purpose of his arguments which shall be of a general character."

I have 8 names from the Congress side and 7 names from the Opposition side. The time allotted is only one hour.

(Interruptions)

SHRI CHANDRAJIT YADAV (Azamgarh): You were the Speaker of Maharashtra Legislative Assembly. The tradition there is that half the time is given to the ruling Party and half time is given to the Opposition. Why don't you apply the same rule here also?

MR. CHAIRMAN: We have discussed this Budget generally. All the Ministries have been discussed. Then, there was a General Discussion on the Finance Bill. Clause-by-Clause reading is also over. So, I shall request the Members to please submit succinctly if they have something to say in support of or against the Bill so that all Members can be accommodated.

Now, Mr. Chintamani Jena. You will speak only for five minutes.

17.02 hrs.

SHRI CHINTAMANI JENA (Balasore): Mr. Chairman, Sir, I rise to support the Finance Bill moved by our hon. Finance Minister. We are going to implement the 20-point programme, which is a historic programme of our

Prime Minister, Shrimati Indira Gandhi, to remove the regional imbalances and to reduce the differences between the rich and the poor. So, in this context, I would like to request the Finance Minister that the money which is being sanctioned by this august House should be spent in that way so that the 20-point programme of our Prime Minister can be implemented in a fruitful manner. In this connection, Sir, many things can be told, but since you have told me to speak only for five minutes. I will try to give only the points.

17.03 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

There are States which are backward like Orissa, Bihar, Assam, Manipur etc. While spending money, they should be given the first priority so that regional imbalances can be removed. Apart from this, I am thankful to our Finance Minister for he has very boldly told this House yesterday that price rise can be contained. But I very humbly submit that black money is one of the major reasons for price rise. Stern action need be taken so that blackmoney should be recovered by the way which he has told yesterday. It should be done either by applying the DIR or PD Act or something like this. In this context, I would like to submit that in times of Emergency, Rs. 2200 crores of blackmoney came to the Government exchequer. So, I would request the hon. Finance Minister and the Government to think in that way so that the black money can be recovered, so that the price rise and inflation cannot have an adverse effect on our economy.

If rural reconstruction is to be fruitfully undertaken by the Government, I submit that States which are backward should be given priority.

It is well known that persons with more than Rs. 1 lakh of income annually contribute 80 per cent of income-

tax to the Government exchequer. So, they are actually controlling the economy of our country. But unfortunately the income-tax department and officials are not trying to realise in full the taxes due from big people who are avoiding them. So, they should be more vigilant so that taxes due from the big people are fully realised.

The Finance Minister has told us boldly yesterday that he can check the price rise. In this connection I would submit that in this capital of Delhi prices differ from one locality to another. For instance, this month the prices of certain commodities were higher in Lajpat Nagar than in Darya Ganj. Similarly, certain commodities which are sold in the Super Bazar are not available in the nearby shops. So, while checking prices, Government should also effectively control these things. I suggest that there should be a vigilance committee with powers so that they can award punishments on the spot to erring businessmen.

The nationalised banks are really not meant for the rural people, that is what we feel. I will give you one instance. Today I got a telephone message from my constituency stating that the UCo Bank was going to open two branches in Balasore District in Orissa, but you will be surprised to know that till today the orders have not been communicated from the head office, though the Chief Minister has chalked out his programme to inaugurate the branches on 6th August. In this connection, I would like to say that, as our Prime Minister has nationalised some banks, the large industrial houses and monopoly houses should be taken over by the Government in phased manner. Orissa is a backward State and to improve the economy of our State, the Chief Minister of Orissa has announced that in 1000 days, 1000 industries, involving an investment of Rs. 1000 crores, will be set up, thereby giving employment to lakhs of people. I would like to request the Finance Minister to give special attention to our State so that

the poverty and backwardness of our State can be removed. You will be surprised to know that our State, Orissa is the most backward State and the people of Orissa are the poorest. About 71 per cent of our people are living below the poverty line. It is the highest in the country. I would like the Government to give special attention to our State and on the second steel plant at Paradeep, which will cost 90 crores less as compared to others, should be given priority. An aluminium plant should be set up in Koraput. We are spending some hundreds of crores of rupees for importing oil. So, our cities and towns should be provided with buses and trams which could be run with electricity. We are facing shortage of power. So, I would request that the Bhimkund hydel project which is the biggest one in Asia, should be given first priority in the Sixth Plan.

With these words, I resume my seat.

श्री रामावतार शास्त्री (पटना): मैं इस वित्त विधेयक का विरोध करने के लिए खड़ा हुआ हूँ। विरोध के क्रम में मैं तीन बातों का निवेदन सदन के सामने करना चाहता हूँ। सरकार देशी पूंजीपति को या विदेशी उनकी सेवा बहुत दिलचस्पी के साथ कर रही है। मैं इसके सिर्फ उदाहरण ही दूंगा आंकड़ों में। हमारे देश के अर्थ तंत्र में विदेशी कंपनियों की स्थिति आज क्या है, उसकी बान्की सुनिये। ये आंकड़े 31 मार्च 1979 तक के हैं। विदेशी कंपनियों की शाखाएँ हमारे मुल्क में 358 थीं, उप शाखाएँ 125 थीं। इन शाखाओं की कुल सम्पत्ति 2011.40 करोड़ थी। यह आंकड़े अभी पूरे नहीं हैं, आंशिक हैं क्योंकि अभी 19 देशों की विदेशी कंपनियों की 38 शाखाओं के आंकड़े उपलब्ध नहीं हैं। मैं बताता हूँ कि हमारे देश में इन बहु-राष्ट्रीय कंपनियों की स्थिति क्या है-

[श्री रामावतार शास्त्री]

ब्रिटेन की कंपनियों की 189 शाखाएँ हैं जिनकी सम्पत्ति 1279.90 करोड़ रुपये है। इसकी उप-शाखाएँ 86 हैं जिनकी सम्पत्ति 1006.57 करोड़ रुपये

[श्री रामावतार शास्त्री]
है। अमेरिका की कंपनियों की शाखाएं, 64 हैं जिनकी सम्पत्ति है 531.21 करोड़ रुपये, इसकी उपशाखाएं 19 हैं जिनकी सम्पत्ति है 227.79 करोड़ रुपये। जापान की 17 शाखाओं की सम्पत्ति 63.57 करोड़ है। स्वित्जरलैंड की शाखाएं, उपशाखाएं 6 की सम्पत्ति 60.42 करोड़ है, पश्चिमी जर्मनी की उपशाखाएं 4 की सम्पत्ति 117.91 करोड़ है और कनाडा की उपशाखाएं 2 की सम्पत्ति 117.91 करोड़ है और कनाडा की उपशाखाएं 2 की सम्पत्ति 103.89 करोड़ है।

इससे आप अन्दाजा लगा सकते हैं कि हमारे अर्थ-तंत्र पर विदेशी कंपनियों, बहु-राष्ट्रीय कंपनियों और विदेशी इन्वारेदारों का शिकंजा कितना मजबूत है और इसका फैसला सरकार करे।

हमारे देश में तेल, पेट्रोल, किरासिन आयल, डीजल दिन-प्रति दिन मंहगा होता जा रहा है। यह चीजें हमको बाहर से मंगानी पड़ती हैं। इसमें आपके इंडियन आयल कार्पोरेशन के बड़े-बड़े अधिकारी, मगरमच्छ जो वहां बैठे हैं और पेट्रोलियम मिनिस्ट्री के बड़े-बड़े अधिकारी किस तरह से गोलमाल करते हैं, जनता की पूजी को लूटते हैं, उसके भी कुछ आंकड़े मैं बताना चाहता हूँ। हम कितना तेल मंगा रहे हैं, उसकी क्या स्थिति है:--

1972-73 में हमने 207 करोड़ रुपये का तेल मंगाया, 1973-74 में 541 करोड़, 1975-76 में 1256 करोड़, 1977-78 में 1561 करोड़, 1979-80 में 3,000 करोड़ और 1980-81 में 5,000 करोड़ रुपये। इस मंहगाई के पीछे जो राज है वह यह है कि आपके लोग विदेशी तेल कंपनियों से सांठ-गांठ कर के 5 प्रतिशत के हिसाब से कमीशन बड़े-बड़े अधिकारी कमाते हैं और 300 करोड़ रुपये की लूट इस तरह से चल रही है। ये अधिकारी इसमें इन्वाल्ड हैं, विदेशी कंपनियों के साथ सांठ-गांठ करते हैं। अगर पूरी कहानी पढ़नी हो तो आप 12 अप्रैल के 'ब्लिट्ज' को पढ़िये, उसमें बहुत सारे आंकड़े मिलेंगे। उसमें पूरा पर्दाफाश किया गया है। आई. ओ. सी. के चेयरमैन से लेकर नीचे तक अधिकारी और पेट्रोलियम

मिनिस्ट्री के अधिकारी किस तरह से आपस में मिलकर करोड़ों-करोड़ रुपया हज्म कर रहे हैं?

SHRI M. RAM GOPAL REDDY (Nizamabad): This is very unfair.

SHRI RAMAVTAR SHASTRI: I am not mentioning any name. Don't try to shield such officers who are looting our country and our poor people.

इस लिये मैं कह रहा हूँ कि इसकी इन्क्वायरी होनी चाहिये। मेरा कहने का मतलब यह है कि तेल को लेकर जो लूट चल रही है, किसानों को सरकार लूटती है और उसका पैसा ये अफसर लोग किस तरह से हज्म करते हैं, उसका नमूना मैंने पेश किया है। मेरी मांग है कि सरकार आई. ओ. सी. के सब मामलों की एन्क्वायरी कराये। तब भंडा फूट जायेगा।

बिहार में सिन्दरी का खाद कारखाना 1951 से चल रहा था। पचास करोड़ रुपये खर्च कर के वह कारखाना बना था। पं. जवाहरलाल नेहरू ने उसका उद्घाटन किया था। अगर अब उसकी कीमत आकी जाय, तो वह 200 करोड़ रुपये हो गई होगी। अब उस कारखाने को रद्दी और बेकार कह कर, स्क्रैप के तौर पर, चार करोड़ रुपये में बेचने की तैयारी चल रही है। अब वहां पर आयल-बेस्ड तेल से चलने वाला खाद का कारखाना बनाया गया है। जो कोल-बेस्ड कायल से चलने वाला कारखाना था, उसमें दस हजार मजदूर काम करते थे, लेकिन अब वहां तीन हजार मजदूर काम करेंगे। क्या सात हजार मजदूर वित्त मंत्री के घर पर, या देश के प्रधान मंत्री के घर जा कर भोजन करेंगे, या कहां करेंगे? सरकार बताये कि वे कहां भोजन करेंगे?

एक माननीय सदस्य: शास्त्री जी के घर।

श्री रामावतार शास्त्री: मैं पूछना चाहता हूँ कि कोल-बेस्ड कारखाने को चार करोड़ रुपये में बेचने का फैसला किसके आदेश पर, या किस कमेटी की रिपोर्ट के आधार पर, किया गया है? क्या किसी संसदीय कमेटी या किसी एक्सपर्ट कमेटी की रिपोर्ट में यह सिफारिश की गई है? नहीं। कारखाने के निदेशक-मंडल ने यह फैसला कर लिया। कब किया? 4 जनवरी को फैसला

किया, जब पूरा देश लोक सभा के चुनावों में लगा हुआ था। 4 जनवरी को बहुत से राज्यों में वोट डाले जा रहे थे और 6 जनवरी को वोट डालना खत्म हुआ। देश में कोई लोकप्रिय सरकार नहीं थी। इसी बीच में निदेशक मंडल के लोगों ने इस कारखाने को स्कूप के नाम पर बेच देने का फैसला किया।

हम सरकार से जानना चाहते हैं कि ऐसा करना कहां का न्याय था। क्या वह इसको न्यायसंगत मानती है? क्या यही तरीका है गरीबों की सेवा करने का? क्या यही तरीका है देश से गरीबी मिटाने का? क्या यही तरीका है देश में जनतंत्र को मजबूत करने का? क्या यही तरीका है सरकारी क्षेत्र के कारखानों को मजबूत करने का? नहीं। यह सरकार इस देश में पूंजीवाद को मजबूत कर रही है, इजारदारों की व्यवस्था को मजबूत कर रही है, सामन्ती तत्वों को मजबूत कर रही है, क्योंकि उसके बजट-प्रोजेक्ट और वित्त विधेयक में इसी तरह के प्रावधान किये गये हैं।

श्री मन्वर शर्मा (जबलपुर): उपाध्यक्ष महोदय, जब पिछले सत्र में बजट की बात हो रही थी तो विरोधी दल के कई नेताओं ने कहना शुरू किया था कि जब वास्तविक बजट आएगा तो करों का इतना बोझ लाद दिया जाएगा कि भारतवर्ष की जनता देखती रह जायगी। पिछले चुनाव में भी इस का खूब प्रचार किया गया था। लेकिन इस सदन ने देखा कि जब वित्त मंत्री महोदय बोल रहे थे तो ये विरोधी दल के हमारे संसद सदस्य कानाफूसी कर रहे थे। एक पर एक छूट दी जा रही थी। उन की समझ में यह बात नहीं आ रही थी और वे सोच रहे थे कि कब वह स्थान आएगा जहां करों का नाम लिया जाएगा। इस प्रकार वे एक दूसरे से बातचीत कर रहे थे। उस दिन उन के चेहरे देखते ही बन रहे थे। बाद में जब उन्हें कुछ नहीं मिला तो अब बाल की खाल नोचने के निमित्त नाना प्रकार की बातें कही जाने लगी हैं। पिछले वर्ष जो इन्होंने बजट प्रस्तुत किया था उस की प्रशंसा इनके द्वारा बहुत अधिक की गई थी लेकिन पिछले वर्ष हम ने यह देखा कि

आप के बजट के द्वारा प्राइस इंडेक्स 321 से बढ़ कर 340 पहुंच गया था। वास्तविकता यह है कि 12 जनवरी 1979 तक 2200 करोड़ अधिक रुपये का प्रसार हो गया था यानी 12 प्रतिशत बढ़ोत्तरी आप के बजट से अधिक हो गई थी। एकोनामिक सर्वे में पृष्ठ 56 पर यह लिखा था—

“If monetary expansion of this magnitude continues, it will be difficult to entertain the hope that it will have no impact on prices.”

1978-79 में नेट राष्ट्रीय उत्पादन 7.2 प्रतिशत था लेकिन 1979-80 में, आप लोगों ने जिस प्रकार का पिछला बजट प्रस्तुत किया था उस की वजह से वह घट कर 3.5 ही रह गया था। 1965 से लेकर 1976 तक पब्लिक कर्ज 8 हजार करोड़ से 20451 करोड़ हुआ था यानी दस वर्ष में केवल 12 हजार करोड़ बढ़ा था। लेकिन 1977 अप्रैल से लेकर 31 मार्च 1980 तक वह 22745 करोड़ से बढ़ कर 34116 करोड़ पब्लिक कर्ज हो गया, यानी तीन वर्षों में ही 11 हजार 500 करोड़ की बढ़ोत्तरी हो गई। इस प्रकार से केवल आलोचना के दृष्टिकोण से यहां बात करना कोई अच्छी चीज नहीं है। अपेक्षा तो आप से यह की जा रही थी कि वास्तव में जिस प्रकार का यह बजट प्रस्तुत किया गया है उस की आप प्रशंसा करेंगे और जहां आप के कुछ अच्छे सुझाव होंगे उन को आप बतलायेंगे। लेकिन इस प्रकार से सारे बजट की आलोचना करना— मैं इसे बाल की खाल नोचने की संज्ञा देना चाहता हूँ।

इस अवसर पर मैं कुछ और बातें भी कहना चाहता हूँ। वास्तव में कोई बजट एक वर्ष के खर्चों के लिए ही नहीं बनाया जाता है, बल्कि उस के साथ ही यह भी देखा जाता है कि देश की आर्थिक असमानता दूर हो और बेरोजगारी समाप्त हो। इन दोनों चीजों को दृष्टिगत रखते हुए ही कोई बजट बनाया जाता है। इस के लिए हमें वास्तव में उत्पादन बढ़ाने की ओर ध्यान देना होगा। हमें यह भी देखना होगा कि जहां जहां अपव्यय हो रहा है किस प्रकार से वहां मितव्ययिता लायी जाय, खर्च किस प्रकार से हम घटाएं।

[श्री मृन्दर शर्मा]

अभी शास्त्री जी जो कह रहे थे मैं भी उसका समर्थन करना चाहता हूँ कि नौकर-शाही द्वारा जिस प्रकार से प्रेट्रोल फूँका जाता है, जिस प्रकार से पैसे खर्च किए जाते हैं यदि उस तरफ हम ध्यान नहीं देंगे तो काम नहीं चल सकता। इनकम टैक्स सेल्स टैक्स, रेलवे, पुलिस आदि विभागों में जाने के लिए और आबकारी विभाग में जाने के लिए लोग लालायित रहते हैं। क्या कारण है कि पांच सात वर्षों में ही वे मालामाल हो जाते हैं? इधर भी हमें ध्यान देना चाहिए। वास्तव में हमारे करों की काफी चोरी होती है और जब तक हमें इन छिद्रों को बन्द नहीं करेंगे तब तक हमें कर लगाते ही जाना पड़ेगा। इस ओर हमें अधिक ध्यान देना चाहिए। इसी प्रकार से ओवर काम नहीं चल सकता। इनकम टैक्स, सेल्स टैक्स की बात है। उस में हमें यह सुनने का मिलता है, यहां तक कि राष्ट्रीय संस्थानों में काम करने वाले लोग भी ओवर टाइम बनाने के लिए अपनी ड्यूटी के टाइम में कम काम करते हैं। इधर भी हमें ध्यान देने की आवश्यकता है।

पिछले वित्त मंत्री श्री पटेल और प्रधान मंत्री, दोनों ने मिल कर एक ऐसा षडयंत्र किया था जिस से बीड़ी के तम्बाकू पर से एक्ससाइज टैक्स हटा दिया गया। एक गोर्दिया जोन में ही 1 करोड़ 5 लाख रुपए की वार्षिक क्षति उससे हुई है। पूरे देश में लगभग 1 अरब की क्षति का अनुमान है। केवल गुजरात के तम्बाकू वालों को लाभ पहुंचाने के लिए ऐसा किया गया था। मंत्री महोदय ने स्वीकार किया है कि इससे वास्तव में चोरी बढ़ रही है और जो ईमानदार व्यापारी हैं वे कराह रहे हैं, प्रतिस्पर्धा में वे पीछे पड़ जाते हैं। वे लोग तो कर की चोरी इनकम टैक्स में भी करते हैं और सेल्स टैक्स में भी करते हैं। इसलिए 60 लाख की मात्रा को घटाकर 30 लाख करने से ही हमारा काम नहीं चलेंगा—इसको बिल्कुल हटा देना चाहिए। पहले उन्होंने कहा कि यदि हम हटाते हैं तो कहा जायेगा कि पिछली सरकार ने जो किया था हमने उसको हटा दिया लेकिन मुझे आशा है कि बिना इस पर ध्यान दिए भविष्य में इस पर गौर किया जायेगा।

श्री श्रीधर चन्द्र जैन (बाड़मेर): उपाध्यक्ष महोदय, माननीय वित्त मंत्री ने जो वित्त विधेयक प्रस्तुत किया है उसका समर्थन करते हुए मैं यह कहना चाहता हूँ कि जो परिस्थितियाँ थीं उन परिस्थितियों में जो बजट पेश किया गया उससे अच्छा बजट प्रस्तुत नहीं किया जा सकता था। परन्तु यह भी सत्य है कि पिछले एक महीने में कीमतें बहुत बढ़ गई हैं। आपने राज्य सभा में जो बयान दिया उससे भी स्पष्ट है:

The wholesale price index rose by 4.96 per cent.

यह जो बढ़ोत्तरी हुई है वह आगे जाकर क्या रूप ले, इसके लिए हमें सोचना है। मैं जानता हूँ कि अच्छे मानसून होने के कारण आप बहुत प्रसन्न हैं, प्रसन्न होना भी चाहिए परन्तु केवल अच्छा मानसून हो जाने से अभी भविष्य का पता नहीं चलता है। आगे की वर्षा कैसी होगी, उस पर सब कुछ डीपेंड करेगा। हमारा अनुभव है हमारे रीगिस्तानी क्षेत्र में एक वर्षा हो जाए और फिर अगली वर्षा न हो तो सारी फसल चोपट हो जाती है। इसलिए आपको एग्रीकल्चर के लिए सिंचाई के ऊपर पूरी शक्ति लगानी पड़ेगी। सिंचाई के क्षेत्र में राजस्थान नहर के प्रति हमारी केन्द्रीय सरकार की उदासीन नीति रही है। 20 वर्षों से राजस्थान नहर कप्लीट नहीं हो सकी है। आपको राजस्थान नहर को कप्लीट करना होगा। सुरक्षा की दृष्टि से भी राजस्थान नहर बड़ी महत्वपूर्ण है, राजस्थान नहर इछांगल नहर का मुकाबला कर सकती है। छठी पंचवर्षीय योजना में राजस्थान गवर्नमेंट चाहे जितनी कोशिश करे, उसकी कैपेंसिटी में नहीं है कि वह इसको पूरा कर सके। अभी राजस्थान गवर्नमेंट ने 85 करोड़ रु. घाटे का बजट पेश किया है इसलिए राजस्थान कैनल को पूर्ण करना राजस्थान गवर्नमेंट की कैपेंसिटी में नहीं है। इसलिए केन्द्रीय सरकार को चाहिए कि इस राष्ट्रीय नहर को अपने हाथ में लेकर, इसका निर्माण करके उस क्षेत्र का विकास करे। वह रीगिस्तानी क्षेत्र सीमावर्ती क्षेत्र है। आप चाहते हैं कि उस क्षेत्र के लोगों का मनोबल उंचा रहे लेकिन केवल कह देने से ही मनोबल उंचा नहीं होगा। जब हिन्दूस्तान और पाकिस्तान का युद्ध होता है तब आप कहते हैं कि वे देश के प्रहरी हैं परन्तु प्रहारियों की

आर्थिक स्थिति भी मजबूत होनी चाहिए तभी बंधनबूती के साथ अपना काम कर सकेंगे। एग्रीकल्चर कमीशन ने राजस्थान कौन्सिल की लिफ्ट कौन्सिल को रेक्मंडेशन की थी लेकिन जनता पार्टी की सरकार ने उसको मान्यता नहीं दी। मैं कांग्रेस (आई) की सरकार से निवेदन कर रहा हूँ कि वह उसको मान्यता देकर नागौर, बाड़मेर, जैसलमेर के रीगिस्तानी क्षेत्रों की सिंचाई की व्यवस्था करे। मैं बताना चाहता हूँ कि बाड़मेर जिले में, जैसलमेर जिले में पीने के पानी की जो समस्या है वह बड़ी भयंकर है। अगर आपने राजस्थान नहर की तरफ ध्यान नहीं दिया तो बाड़मेर और जैसलमेर डिस्ट्रिक्ट में ट्यूबवैल के जरिए जो पानी की कुछ व्यवस्था थी, वह रुक जाएगी और हमारे क्षेत्र सूख जायेंगे और फिर बाद में एक समस्या पैदा हो जाएगी। डैजर्ट डेवलपमेंट के लिए भी हमारे क्षेत्र को विकसित करने की आवश्यकता है। पशुओं के पीने के पानी के लिए और बाड़मेर डिस्ट्रिक्ट में यदि पानी सिंचाई के लिए नहीं दे सकते हैं, तो घास के लिए, फारेस्ट्री के लिए, कुछ बगीचों के लिए कुछ व्यवस्था करके योजना बनाकर इन क्षेत्रों को आगे बढ़ाने की कोशिश करें।

अब मैं डैजर्ट डेवलपमेंट प्रोग्राम और ड्राउट प्रोन एरिया प्रोग्राम के बारे में कहना चाहता हूँ। एग्रीकल्चर कमीशन ने जो सजे-शन्स दिए थे और रिक्मंडेशन्स दी थी, उसके आधार पर सेंट्रली स्पॉन्सर्ड स्कीम चालू की गई थी और इन दोनों कार्यक्रमों को केंद्रीय सरकार पूरी मदद देती थी, लेकिन 1-4-1979 को सेंटर ने नेशनल डेवलपमेंट काउन्सिल की रिक्मंडेशन्स के मुताबिक यह निर्णय लिया कि 50 प्रतिशत केंद्र देगा और 50 प्रतिशत राज्य दे। हमारा राज्य 50 प्रतिशत देने की स्थिति में नहीं है और 50 प्रतिशत न देने की वजह से डैजर्ट डेवलपमेंट प्रोग्राम में कोई प्रगति नहीं हो रही है। हमारा ड्राउट प्रोन एरिया प्रोग्राम पेंपर्स में है, लेकिन उसका कोई लाभ नहीं हो रहा है। इसलिए मैं चाहता हूँ कि सेंट्रली स्पॉन्सर्ड स्कीम के मुताबिक सारा खर्चा सरकार को उठाना चाहिए, तभी ड्राउट प्रोन एरिया और डैजर्ट डेवलपमेंट प्रोग्राम सक्सस-फुल हो सकते हैं।

मैंने दुःख के साथ कहना पड़ता है कि जनता पार्टी ने 1979-80 में 59 करोड़ रु. ड्राउट प्रोन एरिया प्रोग्राम के लिए रखा था, लेकिन हमारी सरकार ने 1980-81 के लिए केवल 44 करोड़ रु. का प्रावधान किया है। इसी प्रकार डैजर्ट डेवलपमेंट प्रोग्राम के लिए 9 करोड़ रु. से घटा कर 8 करोड़ रु. का प्रावधान किया है। इस तरह से आप हमारे क्षेत्रों को कैसे विकसित कर सकेंगे और आप रिजनल इम्बेलेंस क्रिएट कर रहे हैं, एक असन्तुलन पैदा कर रहे हैं। हमारा क्षेत्र बहुत ही पिछड़ा हुआ क्षेत्र है, उसको आप आगे बढ़ने नहीं दे रहे हैं। यदि आप वास्तव में डैजर्ट डेवलपमेंट करना चाहते हैं, ड्राउट प्रोन एरिया प्रोग्राम को सक्ससफुल करना चाहते हैं, कोई अच्छा हल ढूँढना चाहते हैं और रीगिस्तानी क्षेत्रों को विकसित करना चाहते हैं, तो इसके लिए आप 50 करोड़ रु. का प्रावधान कीजिए और सारा खर्चा आप वहन कीजिए। आपने जो ड्राउट प्रोन एरिया प्रोग्राम के लिए 44 करोड़ रु. का प्रावधान किया है 1980-81 के लिए, उसको बढ़ाकर आपको 150 करोड़ रु. का प्रावधान करना चाहिए।

मैं यह भी कहना चाहता हूँ कि हमारे क्षेत्र बाड़मेर और जैसलमेर में खनिज जीवाणु की बहुत गुंजाइश है। जैसलमेर जिले के अन्दर हम पेट्रोल दे सकते हैं, गैस दे सकते हैं और 15 लाख रु. इस काम के लिए खर्च किया गया है। ओ.एन.जी.सी. के कर्मचारियों के लिए बिल्डिंग बनाई गई है, लेकिन आफिस जोधपुर में "रन" कर रहे हैं। इनके अफसर लोग...

MR. DEPUTY-SPEAKER: You concentrated on Rajasthan Canal. That is a very important problem. With that you should have stopped.

SHRI NAWAL KISHORE SHARMA (Dausa): This being a backward State, he should be given more time.

MR. DEPUTY-SPEAKER: You have the sympathy of the House.

श्री बृद्धिचन्द्र जैन: हमारा क्षेत्र हरियाणा और केरल प्रान्त से बड़ा है।

MR. DEPUTY-SPEAKER: I am now calling Shri Raghunath Singh Verma.

श्री रघुनाथ वर्मा: इसलिए मैं आपसे अपने क्षेत्र के लिए निवेदन करना चाहता हूँ। 1956 में जैसलमेर में गैस का एक्सप्लोरेशन शुरू किया गया था, परन्तु 1965 में हिन्दुस्तान और पाकिस्तान के युद्ध के समय इसका बन्द कर दिया गया। मेरा आपसे आग्रह है कि इसको युद्ध स्तर पर फिर से शुरू किया जाना चाहिए। कॉशिश करके रॉगस्तानी क्षेत्रों में जैसे अरब कन्ट्रीज में पेट्रोल निकलता है, पेट्रोल और गैस निकाल करके इस क्षेत्र को भी विकसित करने की कॉशिश करें।

इन शब्दों के साथ मैं अपनी बात समाप्त करता हूँ और आपको धन्यवाद देता हूँ कि आपने मुझे इतना समय बोलने के लिए दिया।

श्री रघुनाथ सिंह वर्मा (मैनपुरी) : माननीय उपाध्यक्ष महोदय, मुझे आपने वित्त विधेयक पर बोलने का समय दिया, इस के लिये मैं आपको धन्यवाद देता हूँ। मैं वित्त विधेयक का विरोध करने के लिये खड़ा हुआ हूँ। माननीय वित्त मंत्री जी ने जब इस विधेयक को पेश किया था तो यह घोषणा की थी कि इस से किसानों, मजदूरों और गरीब वर्गों का राहत मिलेगी, लेकिन मुझे दुःख के साथ कहना पड़ता है कि इस से पूँजीपति, उद्योगपति और सरमायेंदारों को राहत मिली है, किसानों, मजदूरों, कारीगरों और गरीबों का इस से बहुत नुकसान हुआ है। इस के पेश करने से पहले ही आपने डीजल, मिट्टी का तेल और पेट्रोल की कीमतें बढ़ा दी थीं। जब इस बजट को आपने पेश किया था तो आप ने कहा था कि इस से कीमतें नहीं बढ़ेंगी, लेकिन हम देख रहे हैं कि मंहगाई दिन-प्रति-दिन बढ़ रही है और देश का गरीब वर्ग उस को बरदास्त नहीं कर पा रहा है। उदाहरण के लिये मैं बतलाना चाहता हूँ कि इस बजट के पेश करने के बाद इन्फ्लेशन (मुद्रास्फीति) 25-26 प्रतिशत तक बढ़ गई है। जिस आदमी की आमदनी 100 रुपये थी, वह 74 या 75 रुपये रह गई है—इस की तरफ आप को विशेष ध्यान देना चाहिये। आप को कीमतों

को रोकने के लिये विशेष व्यवस्था करनी चाहिए जिस से किसान, मजदूर, छोटे-छोटे कारीगर और देश का गरीब वर्ग अपने जीवन की गुजर-बसर कर सकें।

मान्यवर इस बजट में शिक्षित बेरोजगारी को कोई भत्ता देने की व्यवस्था नहीं है। हमारे देश में डेढ़ दो करोड़ लोग शिक्षित बेरोजगार हैं। मेरा माननीय मंत्री जी से अनुरोध है कि जब तक शिक्षित बेरोजगार नौकरी में न लगें, उन्हें माहवारी भत्ता दिया जाना चाहिये, जिस से वे अपना जीवनयापन कर सकें। जब तक देश में छोटे-छोटे उद्योग-धन्धों को नहीं चलाया जायगा, तब तक देश में रोजगार के चांसेज नहीं बनेंगे और हमारे गरीब मजदूरों और अन्य छोटे-भाइयों को काम करने का अवसर नहीं मिलेगा।

मेरा निवेदन यह भी है कि केन्द्रीय सेवाओं में पिछड़े वर्गों, माइनारिटीज के लिये कम से कम 30 प्रतिशत का रिजर्वेशन होना चाहिये। इस के लिये पिछली सरकार ने श्री विदेश्वरी प्रसाद मंडल की अध्यक्षता में एक केन्द्रीय पिछड़ा वर्ग आयोग बनाया था। उस का कार्यकाल सितम्बर में समाप्त होने वाला है, इस को तीन महीने के लिये और बढ़ाया जाय, जिस से वे देश का भ्रमण कर के पिछड़े वर्गों की आर्थिक और सामाजिक दशा का पूरा अध्ययन कर सकें और उनकी हालत का सही विवरण दे सकें जिस से देश के पिछड़े वर्गों का चाहे हिन्दू हो, मुसलमान हो या अन्य हों, उन की हालत सुधर सके, क्योंकि जब तक पिछड़े वर्गों के लोगों को नौकरियों में नहीं लिया जायगा, तब तक उन के हितों की रक्षा नहीं हो सकेगी, ऐसा पिछले चुनावों के पहले और चुनावों के बाद भी देखा गया है, इस के बिना काम नहीं चलेगा।

शेड्यूल्ड कास्ट्स के लिये जो कोटा रिजर्व्ड है, उस को पूरा करने के लिये माननीय वित्त मंत्री जी के पास कोई योजना नहीं है। शेड्यूल्ड कास्ट्स के लिये जो 18 परसेंट का कोटा चला आ रहा है, आज तक किसी भी डिपार्टमेंट में यह कोटा पूरा नहीं किया गया है, यहां तक कि स्वीपर्स को शामिल करने के बाद भी वह कोटा पूरा नहीं होता है।

मान्बड़, मैं उत्तर प्रदेश के मैनपुरी जिले से निर्वाचित हो कर बाया हूँ। देश में जिन 77 बोस्ट-बोकाड जिलों को चुना है, उन में 27 जिले उत्तर प्रदेश में हैं और उन 27 जिलों में मेरा जिला मैनपुरी भी है। आप इस वर्ष से कुछ बाद के कारखाने खोलने जा रहे हैं। मेरा वित्त मंत्री जी से अनुरोध है कि एक साद का कारखाना मैनपुरी में खोलने की व्यवस्था करें, जिस से वहाँ के गरीब बेरोजगार लोगों को काम मिल सके।

मेरा दूसरा निवेदन यह है कि उत्तर प्रदेश के सात जिले ऐसे हैं जो अपराध-शील जिले कहलाते हैं, एटा, मैनपुरी आगरा, फर्रुखाबाद, इटावा, हरदोई, और शाहजहांपुर। जहाँ न किसी को इज्जत सुरक्षित है और न जीवन ही सुरक्षित है। वहाँ रोजगार के कोई चांसेज नहीं हैं। यमुना और चम्बल की रेवाइन्स हैं जहाँ डाकूओं का बहुत जोर है। माधोसिंह और मोहर सिंह, जिन्होंने सरण्डर किया था, उसी क्षेत्र के डाकू थे और आज कल भी छविराम का दल बहुत हावी है। इस का मूल कारण यही है कि वहाँ रोजगार के अवसर नहीं हैं, लोगों की आर्थिक दशा बहुत खराब है। इन डाकू-पीड़ित क्षेत्रों की हालत को सुधारने के लिये जरूरी है कि वहाँ पर कई कारखाने खोले जायें जिन से वहाँ की जनता का रोजगार मिल सके। जब तक वहाँ पर कारखाने नहीं खोले जाएंगे, तब तक वहाँ के लोग परेशान रहेंगे।

एक बात मैं यह और कहना चाहता हूँ कि उत्तर प्रदेश में बिजली की बहुत कमी है। इसलिए वहाँ पर ज्यादा पावर जेनरेट की जाए, जिस से किसानों को, छोटे उद्योग-धन्धे करने वाले लोगों को बिजली दी जा सके। हमारा उत्तर प्रदेश इतना बड़ा सूबा है कि वह अपने यहाँ खेती की ज्यादा पैदावार बढ़ा कर पूरे देश के लोगों को खिला सकता है परन्तु वहाँ पर पानी की कमी है और बिजली की कमी है। बिजली न मिलने के कारण इस वर्ष वहाँ पर बहुत से खेतों को पानी नहीं दिया जा सका है और वहाँ पर किसान गहूँ और दूसरी कोई पैदावार नहीं कर सके हैं। इसलिए मैं वित्त मंत्री जी से यही अनुरोध करूँगा कि वहाँ पर बिजली

की व्यवस्था ठीक होनी चाहिए और लोगों को बिजली मिलनी चाहिए और कारखाने स्थापित किये जाने चाहिए जिन से वहाँ पर खेती की तरक्की हो सके और लोगों को रोजगार मिल सके।

इन शब्दों के साथ मैं समाप्त करता हूँ।

SHRI M. RAM GOPAL REDDY (Nizamabad): There is only one point which I wish to make. Repeatedly many hon. Members have expressed their feelings to the hon. Finance Minister that the export duty on turmeric should be removed. Last year turmeric was sold at Rs. 9, now it has come to Rs. 2 and the tax for one k.g. is Rs. 2/50, that is more than the cost itself. If this is continued I think a time will come when, as in the case of sugar, turmeric production will also become extinct. The Minister is afraid that if this tax is removed middlemen will make money. What I suggest is that, to avoid middlemen this may be exported through the STC. This is what I wish to submit to the attention of the hon. Finance Minister.

Secondly, I wish to submit that Rajasthan Canal is not a State problem only, but it is a national problem. Sand is advancing and fertile land area is getting engulfed. The whole area is becoming desert. I request that this canal may be taken up as a national project and completed early.

PROF. N. G. RANGA (Guntur): I wish to congratulate the hon. Prime Minister for having picked up Mr. Venkataraman from amongst her partymen to be in charge of this important Finance Ministry. Generally a Finance Minister is a bugbear for everybody but here the Finance Minister has become popular with all sections of the House, as can be seen in the course of the debates which we have had in the House just now. He came as Secretary of the Congress party; he was Labour Expert in the Tamil Nadu Congress Committee. Mr. Kamaraj Nadar, the good old leader

[Prof. N. G. Ranga]

of Tamil Nadu, chose him as an expert on labour problems. I congratulate him, because at that time, we in the congress, did not have good enough people to work for labour. Mr. Venkataraman had great success as a labour champion there. After that he has become one of the biggest industrialists, not himself individually, but on behalf of the Tamil Nadu Government. He set up a chain of district industrial centres there. He laid the foundations for agro-industries there in the South. If today Tamil Nadu competes equally with Punjab State it is because of these foundations which Mr. Venkataraman laid in those days. Industrial Development, Labour, Industrial entrepreneurship—these are the aspects which Mr. Venkataraman was able to handle with success. So he has been able to display these aspects in the present Finance Bill. Yesterday he was hard put to it to assure the House that the prices are not going up; in any case they are not likely to go up beyond 10 per cent. Some of the opposition members were worried about the price rise. But I hold different views. I am not afraid of the price rise. So many people warn us about inflation as if it has no silver lining. We also have been declaiming deficit financing which leads to inflation. Let us look at it from another angle. Deficit financing does not only lead to inflation but it also leads to a large extent to liquidating huge accretions of so-called black-money and profits of millionaires. The rupee value today has come down to 19 paise. This is one of the ways in which we can bring down the wealth of the millionaires and holders of black money. And it is being brought down. There are two schools of thought amongst the economists, all over the world. I belong to that school which is not afraid of inflation and deficit financing which may result in price rise. These things are not as bad as they are supposed to be in the capitalist part of the world because they

have a role to play. The poorer people suffer less from deficit financing and inflation. Contrary to general impression, they suffer less from this kind of an evil than the richer people. The middle-class suffer just a little bit.

Now, we all know that the salaries of the employees have been raised. My hon. friend Prof. Madhu Dandavate was very happy in giving some monetary benefit to the railway employees. So also the P&T employees are also getting some monetary benefits. The whole Central Government employees are also very happy for getting more D.A. and other perquisites. Not only that. The number of employees in Government service is increasing and there are millions of employees who are working in State Governments/public sector undertakings. All of them are getting more and more salaries and perquisites. On the other hand, agricultural wages are not rising. Agriculturists are not getting higher prices for their produce. The prices for their produce are not rising to the same extent, not even half of their levels. The impact of inflation upon them is not as much as upon the richer people who are the holders of black money. Therefore, why should not the Government give some concessions to them also? This is my plea.

The old idea of economic does not hold good now. It is no longer economics or econometrics, but it is political economy and welfare economy, that is, the socialist economy which we have got to adopt. If you look at the Budget and finance proposals, in that way I do not think that the Finance Minister need be apologetic about his deficit financing. Indeed he has shown extraordinary courage. If I had been in his place, I would certainly have gone in for another Rs. 1000 crores of deficit financing and in that way find money for all these things. Our friends have been asking for various developmental works in diffe-

rent States. Where is the money to come from? It has got to come from the richer people.

There are two ways. One is taxation and another is to collect it through this invisible manner. This is what is being done. The only thing is that it is not for the Finance Minister to say all this. It is for me who holds no ministerial responsibility to say this so boldly. It is for the socialists by themselves, Communists and Congressmen among them to appreciate this aspect and welcome it. I make this bold appeal because I have been a consistent socialist and an agrarian socialist. No wonder last year there was a deficit financing. My hon. friend, instead of ordinarily fighting shy of it, must have said to himself "all right, I would continue this process of deficit financing and provide funds for all these developmental projects". I am glad he was going in for deficit financing as much as last year I do not expect him to give any reply. I am only trying to appeal to my fellow socialists—some of them consider themselves as Congressmen, some as Communists—to cooperate with him and make his plan a success. So, let us not unnecessarily feel shy of this deficit financing. There is one way in which my hon. friend, Shri Venkataraman can help the poorer people; many people have already presented that solution before the Government. My friend, Shri Pranab Mukherjee has already accepted the idea and Shri Venkataraman the other day has presented a sensible and effective reply to those people who were declaiming the rise in price of sugar and asked why the upper middle class and middle class and other people who are rich in rural and urban areas should not have to pay the market rate for sugar. When, on the other hand, it is being supplied to the poorer people at a lower price. The same principle has got to be adopted for the distribution of essential commodities for poorer people

in our country. For that the Government has to develop its machinery. Earlier, our friend, who came from Poona—unfortunately he was defeated, while so many of our friends in the opposition, I am glad, have come back again, I wish he had come back also—was very keen when he was functioning in the Government of Shrimati Indira Gandhi, to develop this public distribution system. Later, when he was a Minister in their wonderful Government, they did not allow him to implement this. Now, our hon. friend, Shri Venkataraman, would, I hope, be able to find sufficient personnel, efficient personnel, honest personnel and public-spirited personnel to help the Government to develop this public distribution system in cooperation with the co-operatives all over India so that the poorer people are able to get whatever they want, the most essential things, basic things, at prices which would be within their reach. He is wedded, as the Government is wedded, all along to the idea of mixed economy. Therefore, for the middle class also let there be general free trade, but in order to control traders let there be public distribution centres, where they would be making available various essential commodities at prices, market prices, reasonable prices, prices which would leave reasonable profit for all those people producing them, whether they are being produced by public enterprises or private enterprises. In that way, let there be competition between public trading and private trading so that the middle class people are also protected.

It is in this direction that my hon. friend, I hope, will try to use his extraordinary acumen and business capacity and also love for the poorest of the poor in our country, in order to serve different classes of our people.

I have nothing more to say. I wish all the best for Shri Venkataraman

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and the Government and also all the socialists who are here and let us try and cooperate with him in order to make this a success.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI P. VENKATASUBBAIAH): Sir, I suggest that the House may sit beyond 6.00 O'clock to pass the Finance Bill. I have requested my friends on the other side also and they have agreed. I request that the House may sit till the Finance Bill is passed.

MR. DEPUTY-SPEAKER: Is it the pleasure of the House to agree to this proposal?

SOME HON. MEMBERS: Yes.

MR. DEPUTY-SPEAKER: The time is extended.

18 hrs.

SHRI C. T. DHANDAPANI (Pol-iachi): Mr. Deputy-Speaker, Sir, I am very happy that I have been given an opportunity to take part in the third reading of the Finance Bill. Many suggestions have been made in this House, particularly in regard to the supply of essential commodities, containing black money and controlling the price rise. These are the main subjects that have been discussed in detail.

In monetary matters, the Central Government evolves some policy with regard to fiscal and monetary things. On that basis—sometimes it may not be so—all the other follow-up actions are taken by the State Governments, particularly in the matter of distribution of essential commodities to the public.

It has been stated earlier also that many State Governments have failed to cope with the demand of the public. In Tamil Nadu particularly, price rise

ranges between 30 per cent and 100 per cent. It is so, not only now but right from the days of the Lok Dal Government. There was a price rise ranging between 30 per cent and 100 per cent in Madras City. In some places, commodities are not at all available. As stated here, villagers in Tamil Nadu are getting only 1 kg. of sugar. When the President's rule was there in Tamil Nadu, the Consultative Committee consisting of MPs. demanded that at least 3 Kgs. should be given to people in the villages and semi-urban areas. It was accepted by the Governor then. It was not implemented. President's rule was over soon thereafter. But the very same condition exists even now.

The Tamil Nadu Government does not come forward with any proposal to the Central Government asking either for money or for commodities. I can understand it when some State Governments express their difficulties openly. For example, our Mr. Bosu's Government has stated its difficulties openly. It has been published in today's "Economic Times". The report says:

"WEST BENGAL SUPPLY SYSTEM ON VERGE OF COLLAPSE.

The entire public distribution system in West Bengal would totally collapse in the coming weeks when the lean season which is already on, will further worsen and off-take in the public distribution system will be maximum."

The Minister for Food has stated this. His name is Mr. Sudhjn Kumar. He also said:

"The Central Government has all along been allocating foodgrains on the basis of requirements as estimated by the State Government."

This is the position. Even though the Central Government makes the required allocations, State Governments were not in a position to supply essential commodities to the public. I want the Government to find out some way—as

to how the Central Government, with the cooperation of State Governments, could supply essential commodities to the common people in the States.

Right from the beginning, i.e. for the last 3 years, the Tamil Nadu Government has been saying that it was going to open 16,000 fair price shops in the villages. This promise has not been implemented. This scheme is in the doldrums I request the Finance Minister to see that these fair price shops are opened in Tamil Nadu.

As far as inflation and other things are concerned, I don't want to go into details. Inflation, price rise and other undesirable economic activities are nowadays becoming a world-wide phenomenon. We have seen price rise everywhere in the world both in the socialist and capitalist countries.

We have accepted a particular system, viz., the democratic system. In a democratic country, it may be difficult for a Government to take stern action against a particular section of people. We have to formulate some laws. We have to enact some legislation. So, this type of government may find it difficult to guard against bad economic activities even though these activities are there. I must thank our hon. Finance Minister that he said yesterday that the government will take stern action against hoarders as well as blackmarketeers. He sought the permission and the support of the House to take action against those people. Certainly, not only this House but the entire country will stand by his side for taking stern action against the hoarders and the black-marketeers.

Another important thing has been mentioned about the bank rate. There are different ideas and views on the bank rate. One idea is that if the bank rate is increased, the price will fall down. Another idea is that if the bank rate increases beyond 1 per cent or 2 per cent, the price rise will also go up. This type of views have been expressed at different places. I want to have some clarification from the hon. Minister, whether the present bank

rate increase will increase the price rise or not. Secondly, regarding government expenditure, it has already been stated here, during the year 1974 the same government, Mrs. Gandhi's government took a strong step in the matter of anti-package inflation. The announcement made by Mrs. Gandhi in 1974 was to curb spiralling prices. At the same time, she tried to cut expenditure in the Government Departments. They succeeded in such a matter, and expenditure to the tune of Rs. 400 crores was saved. If the expenditure was reduced, the inflation was also reduced. Some economist says, we can reduce expenditure to the tune of Rs. 2000 crores in the matter of government expenditure. On that basis, the Janata Party constituted a committee under the Chairmanship of Mr. S. N. Mishra. It was found that they wanted to go into three items, namely, economy in public expenditure, strict implementation of the laws against economic offences and credit rationing. These things were formulated by them. But, everybody knows that nothing has come out. However, the present government should also think on those lines and try to cut the expenditure in the Government Departments.

With these words, I support the move of the Finance Minister and I also congratulate him for giving a better Budget to the country.

श्री बंजुल बस्तर (गाजीपुर):^१ उपाध्यक्ष महोदय, मैं वित्त विधेयक का समर्थन करने के लिए खड़ा हुआ हूँ। माननीय वित्त मंत्री ने एक बहुत अच्छा बजट पेश किया है, जिसका सारे देश में बड़ा जोरदार स्वागत किया गया है। लेकिन जिस तरह से कीमतें बढ़ रही हैं, उससे लोगों को कुछ मायूसी होने लगी है। मैं वित्त मंत्री जी से अनुरोध करना चाहता हूँ कि अगर वह बजट की सफलता चाहते हैं--उन्होंने इस बारे में एक नया तर्जुबा किया है-- तो उनको कीमतों पर काबू पाना होगा। जब तक वह कीमतों पर काबू नहीं पायेंगे, तब तक यह बजट एक सफल बजट नहीं कहा जा सकता है।

[श्री बंनू बवार]

हमारे देश में बेरोजगारी तेजी के साथ बढ़ रही है। इस बेरोजगारी को भी काबू में लाना होगा। शिक्षित और अशिक्षित लोगों की बेरोजगारी, सब तरह की बेरोजगारी, बढ़ रही है, और उस पर काबू पाने का सब से अच्छा तरीका यही है कि छोटे और घरेलू उद्योगों को बढ़ावा दिया जाये। घरेलू उद्योग और छोटे उद्योग ही ऐसी संस्थाएँ हैं जिन से कि बेकारी खत्म की जा सकती है और बेकारी पर काबू पाया जा सकता है। हमारे देश की यह समस्या नहीं है कि कैसे कम लोगों के जरिए ज्यादा उत्पादन किया जाय। हमारे देश की सब से बड़ी समस्या यह है कि कैसे ज्यादा से ज्यादा लोगों को रोजगार दिया जाय। रोजगार घरेलू उद्योग धन्धों और छोटे उद्योग धन्धों से ही दिया जा सकता है। इस के ऊपर जितना बल दिया जाना चाहिए उतना बल नहीं दिया जा रहा है। मैं एक सुझाव आप के माध्यम से प्रधान मंत्री को देना चाहता हूँ। इस समय छोटे उद्योग धन्धे कई मंत्रालयों में बंटे हुए हैं। कुछ का सम्बन्ध उद्योग मंत्रालय से है, कुछ का कामर्स मंत्रालय से है और कुछ का सम्बन्ध पेट्रोलियम एंड केमिकल्स मंत्रालय से है खास कर छोटे छोटे कारखाने जो दवाइयों के बने हुए हैं। इस प्रकार आज अलग अलग मंत्रालयों से ये छोटे और घरेलू उद्योग धन्धे सम्बन्धित हैं। मैं प्रधान मंत्री जी से यह अनुरोध करना चाहता हूँ कि छोटे और घरेलू उद्योग धन्धों के लिए एक अलग मंत्रालय की स्थापना की जानी चाहिए। इस से उन के प्रसार में और उनकी तरक्की में काफी बल मिलेगा।

हमारे वित्त मंत्री जी ने रूरल एम्प्लायमेंट प्रोग्राम दिया है जिस का बड़ा जोरदार स्वागत किया गया है। इस से न केवल गांवों के लाखों लोगों को अधिक रोजगार मिलेगा बल्कि उस प्रोग्राम के जरिए गांवों का विकास भी अच्छी तरह से हो सकता है, गांवों की तरक्की भी हो सकती है। लेकिन इस की भी देखभाल अगर कृषि मंत्रालय के जरिए होगी तो मुझे दुःख है कि इस का भी वही अंजाम होगा जो आजकल काम के बदले अनाज योजना का हो रहा है। काम के बदले अनाज की इतनी अच्छी योजना आज ठीक

प्रकार से काम नहीं कर रही है। यही वजह है कि आज फूड लोगों को नहीं मिल रहा है फूड कारपोरेशन आफ इंडिया के गोदामों से विशेषकर हमारे उत्तर प्रदेश में। और प्रदेशों के साथियों ने भी बताया, उड़ीसा के एक मित्र बता रहे थे कि कई सूबों में काम के बदले अनाज की योजना उतनी तेजी के साथ नहीं चलायी जा रही है जितनी तेजी के साथ उसे चलाया जाना चाहिए था। इसलिए मैं आप के माध्यम से सरकार और प्रधान मंत्री जी से यह भी अनुरोध करना चाहता हूँ कि हमारा देश गांवों का देश है, गांवों के विकास को प्राथमिकता देने के लिए हम बचनबद्ध हैं, इसलिए रूरल रिकॉन्स्ट्रक्शन के लिए और रूरल एम्प्लायमेंट के लिए भी एक अलग मंत्रालय की स्थापना की जानी चाहिए। इस से रूरल रिकॉन्स्ट्रक्शन में और गांवों के विकास में भी तथा गांवों में रोजगार दिलाने की योजनाओं को काफी बल मिलेगा। ये काम बड़े आवश्यक हैं। अगर ये दो मंत्रालय अलग अलग हों तो इस से छोटे छोटे उद्योग धन्धों के लिए तथा आप के गांवों में एम्प्लायमेंट के लिए जो योजनाएँ बनायी जायेंगी उन के लिए और गांवों में विकास के लिए काफी मदद मिलेगी।

आजकल दवाओं की बहुत कमी है। डाक्टर का नुस्खा ले कर हम दूकान दूकान घूमते हैं और हम को दवायें नहीं मिलती। हमारी समझ में नहीं आता कि दवायें क्यों नहीं मिल रही हैं। क्या इन दवाओं का उत्पादन नहीं हो रहा है? क्या कारण है कि आज हमारे स्वास्थ्य से इस प्रकार से खिलवाड़ किया जा रहा है कि हम दवाओं की पचीं ले कर दूकान दूकान पर जाब और दवायें हमें न मिलें। 27 करोड़ रुपये की दवायें विदेशों से भी मंगायी गई हैं लेकिन फिर भी दवाओं की कमी है। आखिर ऐसा क्यों है? क्या यहां दवाओं का उत्पादन नहीं हो सकता या ऐसा तो नहीं है कि दवा की कंपनियां उत्पादन करना चाहती हैं, उन को उत्पादन के लिए आगे बढ़ने नहीं दिया जाता है? क्या कारण है इस का, यह मैं सरकार से और वित्त मंत्री जी से पूछना चाहता हूँ। हां, अगर हमारी जो पब्लिक सेक्टर की दवा की कंपनियां हैं वे सारी दवाइयां बना सकते हैं तो

स्वागत है उन का। सारे की सारी दवाइयां वे बनाएं, अच्छी बनाएं और चीप बनाएं और विदेशी कम्पनियों को यहां से निकाल दिया जाय, वे चली जायें यहां से, लेकिन जब आप में क्षमता नहीं है आप दवाओं नहीं बना सकते हैं तो आप उनको परमीशन दीजिए, उनको आज्ञा दीजिए, उनको अधिक से अधिक दवायें बनाने दीजिए। आप बाहर से मल्टीनेशनल्स से, अमरीका और यूरोप से दवायें मंगा रहे हैं लेकिन इस देश में जो दवाओं के कारखाने हैं उनको वृद्धि करने का मौका नहीं दे रहे हैं। मैं समझता हूँ यह जनता के स्वास्थ्य के साथ अन्याय है। इसकी तरह आपको ध्यान देना चाहिए।

एक बात मैं और कहना चाहता हूँ और वह है शिक्षा के संबंध में। शिक्षा मंत्रालय के सम्बन्ध में यहां पर बहस नहीं हो सकी है। आज हमारे देश की अधिकांश यूनिवर्सिटीज शेड्यूल से पीछे हैं। उनकी परीक्षाएँ जैसी कि होनी चाहिए यानी जन में एकेडेमिक टर्म समाप्त हो जाए और जल्द से दूसरा एकेडेमिक टर्म शुरू हो जाए—वह नहीं हो रहा है। इसके कारण विद्यार्थियों को बड़ी परेशानी का सामना करना पड़ रहा है। जो विद्यार्थी एक यूनिवर्सिटी से दूसरी यूनिवर्सिटी में एडमिशन लेना चाहते हैं या एक यूनिवर्सिटी से निकल कर कोई स्पेशलाइज्ड कोर्स अलग अलग कालेजों में करना चाहते हैं उनके लिए बड़ी परेशानी है। इसलिए मैं आपके माध्यम से सरकार से अनुरोध करना चाहता हूँ कि किसी न किसी प्रकार से ऐसी व्यवस्था होनी चाहिए कि यूनिवर्सिटीज के जो एकेडेमिक सेक्न्स हैं वह समय से आरम्भ हों और समय से समाप्त हों। ऐसा न होने से आज विद्यार्थियों में बड़ी बेचैनी और परेशानी है। इसके कारण कई विद्यार्थियों के कैरियर बा तो पीछे हो जाते हैं या समाप्त ही हो जाते हैं।

एक और बात कहकर मैं समाप्त करूँगा। आज आसाम की जो हालत है, मनीपर के चीफ मिनिस्टर ने आसाम के लोगों से ज्या बात कही है . . .

MR. DEPUTY-SPEAKER: Do not make any mention of that problem.

SHRI ZAINUL BASHER: It is under the Home Ministry. That is why I am saying.

MR. DEPUTY-SPEAKER: It is better to avoid it. It is taking a very happy turn.

श्री जैनूल बशर: आसाम की सिच्वुएशन से आज देश में कंप्यूजन पैदा हो रहा है। आखिर क्या बातचीत हो रही है, क्या तय हो रहा है, कहीं वहां से माइनारिटीज को निकालने की बात तो नहीं हो रही है? कहीं ऐसा तो नहीं हो रहा है कि कट-आफ इयर 1961 रख रहे हों? कहीं सरकार 71 से पीछे 61 पर तो नहीं चली गई—इस प्रकार का कंप्यूजन देश में है। मैं सरकार को चेतावनी देना चाहता हूँ कि आसाम के मामले में सरकार को नरम नीति नहीं अपनानी चाहिए क्योंकि इसके बड़े दूरगामी परिणाम होंगे। अगर सरकार ने नरम नीति अपनाई और वहां के उपद्रवियों की बात मान ली या उनको अधिक कंसेशन दिया तो देश के प्रत्येक भाग में इसके बड़े दूरगामी परिणाम होंगे। सरकार को इस बात की तरह पूरी तवज्जह देनी चाहिए, काफी समझ बूझ कर आसाम के मामले को सुलभाने के लिए आगे बढ़ना चाहिए।

इन बातों के साथ मैं अपनी बात समाप्त करता हूँ और आप को धन्यवाद भी देता हूँ।

MR. DEPUTY-SPEAKER: Shri Jyotirmoy Bosu. He is the last speaker.

SHRI RAMAVATAR SHASTRI: I wanted to . . .

MR. DEPUTY-SPEAKER: Your party has taken more time. Shri Jyotirmoy Bosu is the last speaker.

SHRI RAMAVATAR SHASTRI: Do not say that my party has taken more time as in the Third Reading that thing is not kept in view.

SHRI JYOTIRMOY BOSU (Diamond Harbour): In a poor country such as ours, we have a Budget of about

[Shri Jyotirmoy Bosu]

Rs. 3,500 crores on Defence. What a fantastic amount! It is not all. We have to take into consideration the money that is already there, the interest on the sum and the appreciation is to be taken into account. The whole amount may come to Rs. 7,500 crores. I am very sorry that this has become a honey comb for merchandise adventure of Delhi. Let us come one by one. There is a very very adventurous British Jew.

MR. DEPUTY-SPEAKER: The time factor is applicable to you also.

SHRI JYOTIRMOY BOSU: The British Jew, W. R. M. Michale, who I understand is a CIA agent and a suspect of Interpol—he is a supplier of arms to South Africa. Now, of course, he is in Delhi in Claridge's Hotel. He has got guns for Ethiopia through a man in Calcutta—Sham Beriwalla. 90 old Centurion tanks were sold to him for a song. Who did the bidding? Did he present himself as a buyer? Spain. But you go and enquire in Spain. No; it has got actually shifted to South Africa, to the best of my knowledge. An enquiry can be instituted. I am told you are selling again 200 Centurion tanks at the rate of 28,000 dollars each—it is nothing—in the name of Ferro Import I.t.d., London, of which this man Michale is the Secretary. He has met many VVIPs and high officials of the Defence Ministry and he is getting his job done. Michale is the go-between Marshal and D'ssault for Mirage, the aircraft that we are talking about. What about the Dornier German aircraft and other military hardware? We want to know about all these things. He is selling his contact. He goes round Europe and America, telling people, "I have got extensive, effective contract in Delhi. I can get everything done for a price." What about Tow Missiles from USA, 4000 of them? Our own production has been scuttled. Imports must be made. Unless imports are made, slush money does not come and slush money is always very safe

if it is paid in foreign exchange, because the numbered accounts can always take charge of that money. I know; you go to Berne, Brussels and Zurich and spend a fortnight there. You will see men in raincoats and hats; you cannot see their faces. I tried myself to find out. It is very difficult. Nothing can be found out. What moral right have we got to condemn Pakistan when they are buying American arms, when we are also buying the same thing? Mr. Venkataraman, you are guided by double standards—heads, I win; tails, you lose. If they buy, it is wrong; if we buy, it is right! Michale is there to look after all of us. Then, Mr. Quatroki, agent for Snam Progetti—you remember the Barauni pipeline scandal; his name was there. He is a close friend of an Italian lady VVIP. I would not go further. When the Barauni Pipeline scandal enquiry, Nayak & Co. and all that came out, this is the firm. Indispensable for you all, because the Swiss account is in his custody! Order was given for seven urea plants, payment for which was made in Swiss francs. Mr. Venkataraman, I am putting it to you: That order for seven urea plants, where payment was made Swiss francs, was given ignoring our scientists, who erected nine plants. This Danish/Italian 'Topso' was rejected by a technical committee. (Interruptions). I ask the Finance Minister: What role did you play in this? Did you object and is it a fact that your objection was over-ruled?

I come to another sphere.

Now, I come to another sphere: How is it that the whole country has been pushed into the lap of multinationals? Let us come to the areas where small men's goods are required like soap. Hindustan Lever has finished the entire cottage, small and medium scale industries. Today, there is a famine of bread because the Britannia Biscuit Company says that the production of bread is not so profitable as the production of biscuit. What is the economics of biscuit produc-

tion?—Rs. 1.90 flour, a little saccharin, a little sugar and a little flavouring matter and biscuit is sold at Rs. 15/- a kilo. They had a paid-up capital of Rs. 5 lakh. Do you know the value of their assets? It is like this: As on 31st March, 1975—Rs. 4,51,68,400/-. From five lakhs they are eating on the Indian blood in a few years. Profits: 1973-74—Rs. 4,40,388 and 1975-76—Rs. 20,30,758. They are smuggling in extra machinery....

MR. DEPUTY-SPEAKER: You must conclude. This is the third reading of the Bill, you must know. You are a senior parliamentarian. How much time you will take?

SHRI JYOTIRMOY BOSU: Their licenced capacity in the Madras factory is 1200 tonnes. Against this capacity, their production was:

1974	6694 tonnes
1975	6979 tonnes
1976	7486 tonnes

and thereby putting off the circulation the Indian products. Now, biscuit means Britannia, soap means Hindustan Lever, beverages means something of Coca Cola's illegitimate child or something like that and for shoes Bata. How slowly we are getting into the hands of multinationals!

Remittances by the Britannia Company.

1974	Rs. 4,40,388
1975	Rs. 17,88,796
1976	Rs. 20,30,758

This is the position. Loot is going on. This Company has been hauled up.

MR. DEPUTY-SPEAKER: Loot of the time is also going on.

SHRI JYOTIRMOY BOSU: The MRTP Commission has instituted inquiries against this Company. One is restrictive trade practices enquiry under Section 10(a) (iv) of the MRTP

Act alleging that they are destroying the Indian entrepreneurs and the Indian companies.

MR. DEPUTY-SPEAKER: Please conclude.

SHRI JYOTIRMOY BOSU: I have got one or two more items and then I will conclude.

Purchase of submarines: the decision with regard to the selection of submarines for SSK role in the Indian Navy was hurriedly recommended and decided by the Cabinet Committee in favour of a German Ship yard. We want details about this new purchase of submarines because there is something very fishy. We want to know; why under the grab of State secret shady deals are taking place? Sky is the limit in bribery and corruption that go on in defence purchases.

Now, I would like to ask the Finance Minister a few questions: How is it that the date of issue of licence in favour of Thomas Megout & Co. for importation of aircraft and the date of bill of lading granted at New Orleans (USA) is the same—7th January, 1977? of 1.

MR. DEPUTY-SPEAKER: I will allow you to mention only new items which you have not mentioned so far.

SHRI JYOTIRMOY BOSU: Under what rules, are you trying to beat me?

MR. DEPUTY-SPEAKER: Under residuary rules. I am responsible for the conduct of the business of the House. I have to complete it within the allotted time. When every Member has taken ten minutes, how can you take more? Will not Members say that I am partial? (Interruptions) I will take care of it.

SHRI JYOTIRMOY BOSU: I would like the Finance Minister to clarify what adjustments are made in the office of the Chief Controller of Imports and Exports to make the licence non-transferable. You have said that

[Shri Jyotirmoy Bosu]

Rs. 60,000 has been charged. What is the basis of this calculation? When the DGCA has given permit in 1978 to an aircraft to fly, how can it continue after a lapse of more than 2 years?

SHRI R. VENKATARAMAN: Mr. Deputy-Speaker, we have come to the journey's end. After a long and detailed debate, we have now reached the end of the passing of the Finance Bill. When I look back, I am deeply touched by the kindness and cordiality which has been shown to me by all sections of the House.

SHRI JYOTIRMOY BOSU: I am wanted by the hon. Speaker. So, I have to go to his chamber.

SHRI R. VENKATARAMAN: We have dealt with a variety of subjects, affecting the life and the fortunes of the country, and we have tried to find solutions in a spirit of mutual accommodation.

As far as the budget is concerned, it has made a modest endeavour to meet the financial and economic crisis in a different way from the way in which it has been met in the past. I am happy to say that there has been a fairly widespread response to the approach, though naturally many Members have expressed anxiety about certain disturbing features in our economy. Naturally, the question of inflation, the price spiral and all these things have worried the members, whether they were sitting on this side or the other. I have attempted to find some answers to the best of my ability, and I have tried to instil a spirit of confidence, both in the House and outside. I am hopeful that if the measures taken in the budget are implemented, our economy will take a turn for the better, and that we will take a course which will make the country go forward, both in economic development as well as in the upliftment of the weaker sections of the society.

Naturally, some members have raised questions with regard to the extent to which the concessions have been given. Some members wanted that the tax concessions should have been a little more and a little larger. Some Members were critical of the concessions we have given to the industry and a certain section of the society. As I have said earlier, I have attempted to balance between the needs of the country and the constraints facing the country. Only history will show whether the measures we have taken were right. But anybody can criticise it with hindsight. As it is, I do not see any alternative to the way or to the line that we have taken. Therefore, I appeal to the House almost on the very last occasion on which it will be dealing with the Budget as such, for continued co-operation and assistance in the implementation of these schemes.

I should also like to thank the hon. Members—individually it would be invidious, but I should like to mention one or two others who have contributed very effectively to the debate. On the Opposition side Mr. Dandavate is there and also Mr. Satish Agarwal with all his experience. A number of Members have contributed to the framing of the tax laws. In fact, they have pointed out the doubts and anxieties even in the language used in the several clauses of the Finance Bill. There also I have tried to assuage the feelings, trying to show that our intentions are good and honest and if there is any failure or any lacuna in it we are always prepared to amend and rectify.

Sir, I was happy to hear Prof. Ranga again after a long time. Many people do not know that Prof. Ranga is a Master degree-holder of the Oxford University in Economics, and in the days of the British rule in India he was one of the stalwart champions on the opposition side fighting for our cause of liberation and also fighting for our rights.

MR. DEPUTY-SPEAKER: Mr. Venkataraman, he was professor to late Anna.

SHRI RAMAVATAR SHASTRI: He was President of the All-India Kisan Sabha also.

SHRI R. VENKATARAMAN: He was really the father of the Kisan movement as such. So, when he said today as a socialist that one need not be afraid of deficit Budget, I got a lot of courage from him.

During the debate a few points were raised which I thought I should mention now. Firstly, in the course of the general debate on the Finance Bill, the question of our borrowing from the IMF and the World Bank was raised. I thought we need not deal with it elaborately since I have dealt with it also in the reply to the debate. Again today also it was raised by Shri Niren Ghosh. I thought I may put the record straight.

So far as the Questionnaire which was issued by the World Bank is concerned, it is a common stereotyped Questionnaire which has been issued not this year, but several years. This is a Questionnaire in which they ask for information with regard to various things which normally any lender would like to know with regard to the borrower. At the same time, I may inform the House that so far as India is concerned, we are one of the honoured borrowers unlike others who have to go behind the institution. The reason is, if a bank has not got good, reliable and viable borrowers, the bank will have to close down. People do not realise that a credit-worthy borrower is a greater asset to a bank than the bank's own assets. If they do not earn interest, if they do not invest and get a return, a bank will have nothing to work upon. There are very few countries, developing countries, in the world which have a record equal to that of India either in the repayment of interest and instalments or in hon-

ouring commitments. Therefore, one need not at all be afraid or worried that any international institutions would be able to do anything which is derogatory to the sovereignty, integrity and dignity of India.

As far as the IMF loan is concerned, we are entitled to it. The IMF Trust Fund was created out of the sale of gold which we, as a member of the IMF, contributed, among other countries. The profit of the sale has been created into a trust for the purpose of helping the developing countries to meet their balance of trade. In that position we are entitled to it and we have got this. It was not charity.

The second thing that I also want to make clear is that this IMF Trust loan is different from the ordinary borrowings from the IMF. In the ordinary borrowings from the IMF we purchase foreign exchange with our rupees. So, to that extent there is an outflow from our rupees in return for the foreign exchange we get from the IMF. So far as this Trust loan is concerned, it is a net addition of Rs. 540 crores to India. It is like any aid given by any other country or institution which is in addition to the resources. Therefore, I have taken it into account as additional resources for the Budget.

There were a number of other points which were raised about the Rajasthan Canal and all that. I shall certainly take note of all these things during the course of administration. As I have already stated, there are a large number of national schemes which have been lagging behind because of the inability of States to fund or to execute them. Some way should be found now to see that projects like the Thein dam or the Rajasthan canal or even the Narmada Scheme are taken up. It will have to be taken up at the national level. Some method will have to be found. The National Development Council is meeting, and possibly they will consider this aspect.

[Shri R. Venkataraman]

There was a point raised about the bank rate and its effect on the country. I have explained earlier that the bank rate as such will not lead to an increase in prices. The bank rate will only restrict the credit available to those who are borrowing from those institutions so that they may exercise considerable restraint in using them for purpose like larger inventories etc. or some extravagant expenditure. It will not have a direct impact on prices. If people want to raise prices, they can always find excuses, and they may find this an excuse, but really it will have very little impact on prices.

My hon. friend referred to turmeric. I want to tell him that if Government reduces the export duty, the benefit will go only to the middleman and those who are now exporting it. I therefore do not want this benefit to go to the middlemen. For the benefit of the turmeric growers as well as the States interested, I suggest that they arrange the exports through NAFED and any other body like that, and then Government will consider giving them whatever concession is necessary. But merely to benefit some middlemen, this cannot be done.

I do not want to take more time of the House. In the course of my Budget speech, I mentioned that the concessions to agriculturists in respect of small and marginal farmers in the drought affected areas will be continued. Some people have written to me saying that they are not clear about it. I am just making a clarificatory statement.

The hon. Members have expressed apprehension that the scheme of subsidy on fertilisers for small farmers and marginal farmers in the drought affected areas will come to an end on the 30th September, 1980. It may be recalled that last year subsidy on fertilisers, seeds, micro-nutrients and pesticides was given to small and marginal farmers including share-croppers and tenants in the drought af-

ected areas the rates applicable to the special programme areas i.e., 25 per cent for small farmers, 33-1/3 per cent for marginal farmers and 50 per cent for Scheduled Tribes. The Central Government has decided to extend the subsidy as at present up to 31st March, 1981 for the drought affected areas.

Lastly, I wish to mention that I shall attempt to codify and simplify the Income-Tax Act. It will be a herculean task, but I propose to undertake it. The difficulty which I have found is that, whenever there is a concession given, our people are so clever that they abuse it to such an extent that amendments after amendments become necessary. If you look at the Indian Income Tax Act, 1961, most of the amendments have been introduced only for the purpose of plugging the holes, and loopholes in the Act. It is a hard fact of life. Therefore, I cannot presume that the law can be made very simple so long as attempt is being made to get round the Act and to get round the laws. It is my belief that given reasonable rates of taxes, the attempt to get round the laws may slowly decrease. If that is possible, I shall attempt both the remedies and I shall try to see that the codification and simplification of the income Tax Act is taken up immediately and brought up as early as possible.

I do not propose to reply to any of the points made by Mr. Jyotirmoy Bosu because it is totally irrelevant to the debate. Nevertheless, I thank him for providing entertainment to the House.

I want to end on a note of cheer.

PROF. MADHU DANDAVATE (Rajapur): What about the theory that deficit financing brings out black-money?

SHRI R. VENKATARAMAN: You were not here when I answered that. I mentioned about Prof. Ranga's

theory and I said that I have been greatly heartened by the support from a person, who has taken a master's degree in Economics from Oxford University as early as 1930.

I thank the House once again for the extreme cordiality and kindness shown to me.

MR. DEPUTY-SPEAKER: The question is:

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

The motion was adopted

MR. DEPUTY-SPEAKER: The Bill, as amended, is passed.

**BUSINESS ADVISORY COMMITTEE
SEVENTH REPORT**

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI P. VENKATASUBBAIAH): Sir, I beg to present the Seventh Report of the Business Advisory Committee.

MR. DEPUTY-SPEAKER: The House stands adjourned to re-assemble tomorrow at 11 A.M.

18.51 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 1, 1980/Sravana 10, 1902 (Saka).