

**The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai):** May I say that while the intantion of both the hon. members was not to create any ugly scene in this House, I agree entirely with my hon. friend Shri Nath Pai that such practices are not good and are reprehensible, and therefore they should never be tolerated by the House. I on my part immediately censured Mr. Patel because I could do, I could not do it to Mr. Banerjee.

**Mr. Speaker:** The point is this. Not only chappals but so many times in this House things are shown. Some papers can be placed on the Table of the House; some letters can be placed; I could understand; that can be handed over to the Speaker. But so many other articles, torn clothes and other things were shown here last year; I have seen that practice. We should give up that practice and set up healthy conventions so that the Assemblies may copy us; what we do here is done ten-fold in the assemblies and we will not be in a position to say anything against them. I am sure the whole House is one with me and Mr. Nath Pai when we say this. We adjourn now for lunch.

**Shri Morarji Desai:** Sir, the Finance Bill should be passed today.

**Mr. Speaker:** We have taken 4½ hours and we have half an hour more left. We shall take it up at 2 O'clock, immediately after lunch.

13.27 hours.

*The Lok Sabha then adjourned for lunch till Fourteen of the Clock.*

*The Lok Sabha re-assembled after lunch at five minutes past Fourteen of the Clock*

\*Amendment made with the recommendation of the President.

[**Mr. Deputy-Speaker in the Chair.**]

**FINANCE (NO. 2) BILL, 1967—Contd.**

**Mr. Deputy-Speaker:** We have finished clause 40. Out of 5 hours allotted for the clause-by-clause consideration, 4½ hours have been already spent and 30 minutes remain. We must finish this Bill before 3 o'clock with your cooperation. We have 55 minutes. There are no amendments to clauses 41 and 42.

**The question is:**

"That clause 41 and 42 stand part of the Bill".

*The motion was adopted.*

*Clauses 41 and 42 were added to the Bill.*

**Clause 43—**(Amendment of Act 6 of 1898).

*Amendment made: \**

Page 39, for lines 17 and 18, substitute—

"For a weight not exceeding sixty grams 2 paise;

For a weight exceeding sixty grame and not exceeding one hundred grams 5 paise"

(*Shri Morarji Desai.*)

**Mr. Deputy-Speaker:** 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.*

*Clauses 44 to 47 were added to the Bill.*

**The First Schedule**

**Mr. Deputy-Speaker:** There are a number of amendments. I will have to sort them out first and see which are to be moved. Mr. Masani is not

here. So, No. 8 is not moved. Mr. Salve is not here. So, amendments Nos. 9 and 10 are not moved.

**Shri Beni Shankar Sharma** (Banka): I beg to move: \*

Page 58,—

for lines 19 to 40, substitute  
“(A) (I) For all such companies,—

- (i) where the total income does not exceed Rs. 50,000 45 per cent of the total income;
- (ii) in the case of a company in which the public are substantially interested and where the total income exceeds 50,000 55 per cent of the total income;
- (2) where the company is not a company in which the public are substantially interested,—
  - (i) in the case of an industrial company—
    - (1) on so much of the total income as exceeds Rs. 50,000 but does not exceed Rs. 10,00,000. 55 per cent;
    - (2) on the balance, if any, of the total income 60 per cent;
  - (ii) in any other case 65 per cent of the total income; and”

**Shri N. Dandekar** (Jamnagar): I beg to move: \*

Page 42, line 20,—

for “Rs. 7,000” substitute  
“Rs. 8,000”. (45).

Page 42, line 30,—

for “Rs. 4,000” substitute  
“Rs. 6,000”. (46).

Page 42, line 41,—

for “Rs. 220” substitute “Rs. 250”. (47).

Page 43, line 1,—

for “Rs. 240” substitute  
“Rs. 300”. (48).

Page 43,—

omit lines 12 to 44. (49).

Page 44,—

omit lines 1 to 23. (50).

Page 45, line 3,—

for “Rs. 4,000” substitute  
“Rs. 6,000” (51).

Page 45, line 6,—

for “Rs. 4,000” substitute  
“Rs. 6,000”. (52).

Page 45,—

omit lines 7 to 21. (53).

Page 45,—

omit lines 35 to 37. (54).

Page 46,—

omit lines 1 to 17. (55).

Page 46,—

omit lines 22 to 34. (56).

Page 47, line 5,—

for “52.5 per cent.” substitute  
“50 per cent.”. (57).

Page 47, line 22,—

for “45 per cent.” substitute  
“40 per cent.”. (58).

Page 47, line 25,—

for “55 per cent.” substitute  
“45 per cent.”. (59).

Page 47, line 34,—

for “55 per cent.” substitute  
“45 per cent.”. (60).

Page 47, line 38,—

for “60 per cent.” substitute  
“50 per cent.”. (61).

Page 47, line 41,—

for “65 per cent.” substitute  
“55 per cent.”. (62).

Page 47,—

omit lines 41 to 46. (63).

Page 48,—

omit lines 1 to 19. (64).

Page 48,—

omit lines 31 to 46. (65).

Page 49,—

omit lines 1 to 21. (66).

Page 49, lines 29 and 30,—

omit “after the 31st day of  
March, 1961”. (67).

Page 49, lines 35 to 37,—

omit “after the 29th day of  
February, 1964”. (68).

\*Moved with the recommendation of the President.

[Shri N. Dendeker]

Page 49, line 41,—

for "70 per cent." substitute  
"60 per cent". (69).

Page 50, line 9,—

(i) for "12.5 per cent." substitute  
"5 per cent."

(ii) for "2.5 per cent." substitute  
"Nil". (70).

Page 50, line 10,—

for "any other income" substitute—  
"income by way of dividends or interest on security".  
(71).

Page 50,—

after line 11, insert—

"(iii) any other income....  
10 per cent. Nil". (72).

Page 50, line 13,—

omit "4 per cent.". (75).

Page 50, lines 14 and 15,—

omit "surcharge at 8 per cent.  
of the amount of the income".  
(74).

Page 50, line 25,—

omit "4 per cent.". (75).

Page 50, line 37,—

for "14 per cent." substitute—  
"12 per cent.". (79).

Page 50, line 41,—

for "28 per cent." substitute—  
"24 per cent.". (80).

Page 50, line 45,—

omit "after the 31st day of  
March, 1961". (81).

Page 51, line 8,—

omit "after the 29th day of  
February, 1964". (82).

Page 51, line 12,—

for "44 per cent." substitute—  
"24 per cent.". (83).

Page 51, line 13,—

for "70 per cent." substitute—  
"60 per cent.". (84).

Page 52, line 26,—

for "Rs. 7,000" substitute  
"Rs. 8,000". (85).

Page 52, line 36,—

for "Rs. 4,000" substitute  
"Rs. 6,000". (86).

Page 54,—

omit lines 7 to 39. (87).

Page 55,—

omit lines 1 to 25. (88).

Page 56, line 3,—

for "Rs. 4,000" substitute  
"Rs. 6,000". (89).

Page 56, line 6,—

for "Rs. 4,000" substitute  
"Rs. 6,000". (90).

Page 56,—

omit lines 7 to 21. (91).

Page 57,—

omit lines 1 to 20. (92).

Page 57,—

omit lines 25 to 37. (93).

Page 58, line 22,—

for "45 per cent." substitute—  
"40 per cent.". (94).

Page 58, line 25,—

for "55 per cent." substitute—  
"45 per cent.". (95).

Page 58, line 32,—

for "65 per cent." substitute—  
"45 per cent.". (96).

Page 58, line 36,—

for "60 per cent." substitute—  
"50 per cent.". (97).

Page 58, line 39,—

for "65 per cent." substitute—  
"55 per cent.". (98).

Page 58,—

omit lines 41 to 45. (99).

Page 59,—

omit lines 1 to 19. (100).

Page 59,—

omit lines 31 to 44. (101).

Page 60,—

omit lines 1 to 23. (102).

Page 60, lines 31 and 32,—

omit "after the 31st day of  
March, 1961". (103).

Page 60, lines 38 to 40,—

omit "after the 29th day of February, 1964". (104).

Page 60, line 44,—

for "70 per cent." substitute—

"60 per cent.". (105).

Page 50, line 11,—

omit "4 per cent.". (258).

Shri S. S. Kothari (Mandsaur): Sir, I beg to move:\*

Page 44,—

omit lines 17 to 23. (129).

Page 45,—

omit lines 16 to 21. (130).

Page 46,—

omit lines 11 to 17. (131).

Page 46,—

omit lines 29 to 34. (132).

Shri Himatsingka (Godda): Sir, I beg to move:\*

Page 47, line 18,—

after "domestic company", insert—

"45 per cent. of the total income". (133).

Page 47,—

omit lines 19 to 45. (134).

Page 48,—

omit lines 1 to 46. (135).

Page 58, for line 18, substitute.

"I. In the case of a domestic company.....45 per cent. of the total income.". (147).

The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai): I beg to move:\*

Page 50, for lines 8 and 9, substitute—

"(i) on income by way of interest other than "Interest on

Securities"...10 per cent. Nil'. (162).

Page 50, for lines 28 and 29, substitute—

'(i) on income by way of interest other than "Interest on Securities" .. 20 per cent. Nil'. (163).

Page 50, line 41,—

for "28 per cent.", substitute "24.5 per cent.". (164).

Shri Kanwarlal Gupta (Delhi Sadar): I beg to move:\*

Page 42, line 30,—

for "Rs. 4,000" substitute "Rs. 5,000". (189).

Dr. Ranen Sen (Barasat): I beg to move:\*

Page 45,—

for lines 25 and 26, substitute—

"(i) where the total income does not exceed Rs. 25,000. 3 per cent of the total income." (195)

Page 51,—

for lines 36 to 40 substitute—

"(1) where the total income does not exceed Rs. 6,000. 3 per cent of the total income :

(2) where the total income exceeds Rs. 6,000 but does not exceed Rs. 12,000. Rs. 250 plus 5 per cent of the amount by which total income exceeds Rs. 6,000." 208

Page 52,—

for lines 1 to 3 substitute—

"(3) where the total income exceeds Rs. 12,000 but does not exceed Rs. 15,000. Rs. 500 plus 10 per cent of the amount by which the total income exceeds Rs. 12,000;" 209

\*Moved with the recommendation of the President.



[Dr. Ranen Sen]

Page 52, line 36,—

for "Rs. 4,000" substitute—

"Rs. 5,000". (210).

Page 54, line 21,—

for "Rs. 30,000". substitute—

"Rs. 15,000". (211).

Page 54, line 26,—

for "Rs. 30,000" substitute—

"Rs. 15,000". (212).

**Mr. Deputy-Speaker:** I will have to regulate the time now because on the third reading also some hon. Members want to speak.

**Shri Shri Chand Goel** (Chandigarh): There are some amendments, Nos. 245 to 248, in my name also.

**Mr. Deputy-Speaker:** They are covered by other amendments. There is no independent amendment in your name which is not covered.

**Shri Shri Chand Goel:** They are covered.

**Mr. Deputy-Speaker:** Therefore there is no question of your moving any amendment.

**Shri Indrajit Gupta** (Alipore): There is not much need for speeches, but we would like to know from the hon. Minister the reasons for not accepting the amendments.

**Mr. Deputy-Speaker:** Your suggestion is most welcome to the Chair.

**Shri Kanwar Lal Gupta:** We want to say a few words.

**Mr. Deputy-Speaker:** That is not possible. Yesterday I was quite liberal because certain points were raised. Now at the third reading stage again, there will be a request to make certain observations.

**Shri S. S. Kothari:** You can cut out speeches on the third reading but during the second reading you should allow them.

**Mr. Deputy-Speaker:** Already some hon. Members have expressed a desire

that at the third reading stage they must get an opportunity and I do not want to deprive them of that.

**Shri N. Dandekar:** I will cover my amendments in remarks extending over five minutes only.

**Mr. Deputy-Speaker:** That is all right.

**Shri S. S. Kothari:** I will also take only five minutes.

**Shri Kanwar Lal Gupta:** I will cover in three to five minutes.

**Mr. Deputy-Speaker:** Two or three minutes for each is all right. **Shri Dandekar.**

**Shri N. Dandekar:** All the amendments that I have tabled in respect of the First Schedule can be covered by observations in four categories.

In the first place, in so far as personal assessments are concerned, I am suggesting a higher tax free minimum. As against the figure of Rs. 7,000 for the Hindu undivided family I have suggested Rs. 8,000 and as against Rs. 4,000 for the individual I have suggested Rs. 6,000.

There is a second group of amendments.—I will not mention their numbers because it will take a long time to sort them out,—which are concerned with one basic suggestion. The suggestion is that the basic rate of company tax ought not to be more than 45 per cent and all the amendments that I have tabled in relation to the taxation structure in relation to companies is geared round this 45 per cent but accepts the differentials which have been suggested for various categories of companies including companies with small incomes, companies in which the public are not substantially interested but which engaged in manufacture of certain commodities, other companies in which public are not substantially interested and so on. The basic rate in the taxation structure in Part I relating

to companies is 55 per cent with differentials up and down. My proposal is that the basic rate should be 45 per cent with corresponding differentials up and down. In other words, the principle of differentiating between different types of companies I have maintained.

The third principle that I am trying to get through in these amendments—and this I also referred to in my general speech during the consideration of the Bill,—is to remove all surcharges. The total burden of direct taxation, basic rates plus surcharges, is in my judgment terribly excessive. It inhibits production activity, hard work, enterprise and risk taking. It inhibits savings. It is altogether bad. Therefore one way of reducing this burden, I submit, is to remove surcharges.

Fourthly, specifically under the head of surcharges I wish to draw attention to the surcharge on unearned income. I am unable to understand how there can be a surcharge on unearned income when we have, at the same time, a wealth-tax. A person who has got unearned income is penalised twice over. He has to pay wealth-tax on the wealth which yields the incomes and when the income comes in, it is dubbed as "unearned" income and he has to pay surcharge. I suggest that there is a special justification for the removal of this surcharge on unearned income. I am aware that the limit for imposing surcharge has been now raised considerably. But the principle is totally wrong. I suggest such double taxation of unearned income, once on the wealth and once again on unearned income, ought not to exist.

Finally, Sir the dividend distribution tax, I think, is a bad tax. If there is need to encourage ploughing back of profits, we should not go about it negatively by penalising distribution of profits. The right way to go about is to have a rebate of tax to the extent of profits not distributed. That makes sense. But the divi-

dend tax, as it exists to-day in the tax structure, penalising distribution of dividends ought not to exist. Nobody makes any investment in companies for the sake of his health. He does so because he gets dividend. To penalise this is a wrong way of getting around to the question of not distributing too much and of encouraging the ploughing back of profits.

Shri S. S. Kothari: I would like to emphasise that the exemption limit for low income group people should be raised to Rs. 6000. In view of the rise in prices, it is essential that the middle-class people whose income is so low should be given relief. It would also assist the authorities and will reduce the collection expenditure. Besides, the amount left in the hands of the people for consumption would indirectly help industry, which is suffering because of lack of purchasing power.

Secondly, about these surcharges, I would like to emphasise that the Government has raised the rate of taxation to such an extent that it has reached the stage of diminishing returns. In the last Budget, 10 per cent increase in taxation was made; it has resulted in actual decline in income-tax receipts from Rs. 148 crores in 1965-66 to Rs. 143 crores in 1966-67. This is a very pertinent point.

Then, with regard to corporate taxation, compared to the budgeted figures, there was also a shortfall of about Rs. 20 crores. That means the higher is the rate of taxation, the lesser is the return.

In view of the depreciation in the value of money, it is very important that the various slabs of personal income-tax should be revised. These were reconstituted three or four years ago. Since then, the price level has increased considerably and if these slabs are revised equitably, I think, it will help the assessee.

[Shri N. Dendeker]

In my opinion, all these points are very pertinent and the Finance Minister should consider them.

श्री कंवर लाल गुप्त : अध्यक्ष महोदय, फस्ट शिड्यूल के बारे में मेरी जितनी अमेंडमेंट्स हैं मोटे तौर से उनके तीन हिस्से हैं। एक तो यह कि जो एग्जम्पशन लिमिट 4 हजार है उसको बढ़ा करके पांच हजार कर दिया जाय और एच० यू० एफ० की जो लिमिट है 7 हजार उसको बढ़ा कर 8 हजार कर दिया जाय। सरचार्ज को खत्म कर दिया जाय। अध्यक्ष महोदय, मैं इस सिद्धान्त को मानता हूँ कि हर एक आदमी को चाहे वह छोटा आदमी क्यों न हो उस को भी कोई न कोई कांटीब्यूशन नेशन के लिए करना चाहिए और यह भी मैं मानता हूँ कि कई बार आप को परचेजिंग पावर लोगों की कम करनी पड़ती है ताकि कीमतें न बढ़ें। लेकिन जैसी स्थिति देश की अब है उसमें कीमतें इतनी ज्यादा बढ़ गई हैं और गैलप कर रही हैं कि किसी आदमी के लिए जिन्दा रहना, अपना एग्जिस्टेंस कायम रखना बड़ा मुश्किल हो गया है। इसकी वजह से मेरा यह सजेशन है कि यह परचेजिंग पावर पहले ही बहुत कम हो गई इसलिए अगर हम यह 5 हजार लिमिट कर देंगे तो 14 लाख के करीब असेसी हैं, उस में से 4 लाख असेसी निकल जायेंगे और केवल 10 लाख असेसी रह जायेंगे। उससे आपका जो खर्चा है वह बचेगा। चार लाख लोगों को टैक्स किसी को 10 किसी को 12 रु० लगता है लेकिन वकील की फीस, कोर्ट में आना जाना फिर मिलना इन सब में मिला कर, एक छोटे से आदमी को जिसकी तीन सौ ढाई सौ रुपये भी आमदनी होती है, उसी को बढ़ा करके वह 4 हजार के ऊपर कर देते हैं, नतीजा यह होता है कि दो सौ रुपये की पैनाल्टी साल में उस को लग जाती है। चार लाख लोगों को आसानी रहे और बाकी जो दस लाख हैं उन पर

अगर कंसेट्रेशन किया तो डेढ़ करोड़ का जो नुकसान होने वाला है चार लाख की वजह से मैं समझता हूँ कि वह नुकसान नहीं होगा।

दूसरी चीज मैं यह समझता हूँ, जो सरचार्ज के बारे में है कि यह जो हमारा टैक्स का रेट है वह बहुत ज्यादा है और इसी वास्ते इवेंशन भी होता है। तो उसको थोड़ा रिलीफ कर देंगे तो टैक्स के कलेक्शन में कमी नहीं आयेगी, टैक्स ज्यादा आयेगा। इसलिए मैं माननीय मंत्री जी से कहूंगा कि इन चीजों पर विचार करें।

**Dr. Ranen Sen:** Our amendments fall in three categories.

The first is with regard to registered firms. The total income upto Rs. 25,000 has been exempted from any tax. We have proposed 3% tax. After all, it comes to Rs. 750 a year. Such a firm whose total income does not exceed Rs. 25,000 a year should be able to pay this much.

In the second group of amendments, we have increased the tax exemption limit from Rs. 5,000 to Rs. 6,000 in the lower rung. We have sought to reduce the percentage of income-tax levied on them, which will, in fact, help the middle class people. What we have suggested is that upto Rs. 6,000, the tax should be at the lowest rung, 3%. A man drawing Rs. 500 a month will have a little bit of tax relief. If actually any tax relief is to be given today, it should be given to the middle class people and to the poorer sections of the people. That is why, in our amendment, we have sought to raise it from Rs. 5,000 to Rs. 6,000.

The third category of amendments is a little important. Here, in this Red Book, it is stated that at present unearned income exclusive of interest on securities and dividends of Unit Trust of India in the case of individuals and Hindu undivided families, upto Rs. 15,000, do not bear any unearned income surcharge. The Finance

Bill seeks to increase this limit from Rs. 15,000 to Rs. 30,000. My submission is that Rs. 15,000 are exclusive of interest on securities and dividends of Unit Trust of India, etc. Therefore, we have a strong objection to such raising of the limit. We have sought to retain this limit of Rs. 15,000, which we think is quite sensible and quite legitimate.

These are the three groups of amendments that we have moved.

**Shri Indrajit Gupta:** I want to clarify one point, so that there is no misunderstanding. The Red Book to which my hon. friend referred just now is not the one which contains the thoughts of Mao, but the one which contains the thoughts of Mr. Morarji Desai.

**Shri Beni Shanker Sharma:** My amendment is No. 11. What I mean to say is that the benefit of the smaller percentage of taxation, namely, 45p.c., should be extended to all the companies having an income between Rs. 25,000 and Rs. 50,000, irrespective of the fact whether they are public companies or private companies. The Finance Minister has given this benefit only to those companies which are public companies, i.e., the companies in which the public are substantially interested. Of course, he has tried in a small way a big experiment and I should congratulate him on this experiment. This is an experiment in the incentive system of taxation. I would only say that he has been a little miserly so far as this concession is concerned.

The loss one to it which he is anticipating comes to only Rs. 18 lakhs or so. I do not think it will be much higher if this benefit is extended to the private companies as well. Because according to the figures for 1962-63, which are available, there were 12,024 company assesseees with an income of Rs. 361 crores and a tax of Rs. 155 crores, out of which about 7,966 companies were having an income below Rs. 50,000 each will total income of Rs. 10 crores paying a tax of 4.86

crores. Therefore, the impact of this relief will be much more than the loss of revenue, and will go a long way in determining the success or otherwise of this experiment. I will submit that, according to the business principles, if you want to earn bigger profits, you have to increase your turnover with lesser margin of profit.

**Shri Himatsingka:** My amendment seeks to suggest that the domestic companies should be charged at 45% and there should be no dividend tax. A certain amount of money should be left in the hands of the company for being ploughed back.

**Shri Morarji Desai:** All these amendments are for reduction of taxation. If they had been for increase of taxation I should have welcomed them.

**Shri N. Dandekar:** I do not think that that is constitutionally allowed.

**Shri Morarji Desai:** I know that it is not allowed, but I could have got permission for it if it had been asked for and there had been a suggestion to increase the taxation, and there would have been an agreement on this matter.

**Dr. Ranee Sen:** I have asked for an increase where the exemption has been given up to the limit of Rs. 25,000.

**Shri Morarji Desai:** It is true that in one case there has been a suggestion to increase it. But even my communist friends have asked me to raise the exemption limit. In that they and other friends opposite seem to have the same mind. They are of the same mind in opposing the Congress many a time. Therefore, I am not surprised at this. But this is a matter of a philosophy in which you believe in regard to the raising or lowering of the income-tax limit. If we do not want indirect taxes, then we should have direct taxes. If we want to have direct taxes, everybody

[Shri Morarji Desai]

ought to pay a direct tax. Otherwise, we would not be able to get any taxation. The largest increases incomes are in the group below Rs. 10,000. The largest number are occurring there. If they are not brought into the income-tax net, we shall not be able to increase the number of persons who pay taxes directly. If there is any case I think that the case is for reducing the level rather than for increasing it. At any rate, that is the philosophy that I believe in. I may be wrong, and my hon. friends may be right. But so far as I have got to believe in my judgment, I have got to accept only what I believe in. Therefore, it is not possible for me to raise the limit as asked for.

As regards the reduction of taxation on companies, there also I am unable to accept the suggestions for removing the surcharges because all this means reduction in the income or revenues of Government which I cannot afford. It is not a matter of what is logical and what is not logical, or whether it is double taxation or treble taxation. I see that there is treble taxation and even quadruple taxation in some ways but this cannot be avoided. We want to see that wealth must not be accumulated or collected to a large extent anywhere. If we want to ensure that then we shall have to see that wealth goes on lessening and not increasing; in that case, we shall have to go on taxing at different levels and in different ways so that wealth does not accumulate but goes on reducing. Otherwise, how are we going to get more tax from people who earn much more? There is no other way of doing it. It is because of that that it does become double taxation, but then how is one to avoid double taxation? Those who get dividends from companies are getting dividends after the companies pay income-tax. And still, dividends in the hands of the shareholder will be taxed as income if his income is

larger, and it will have to be taxed. Nobody can deny that. Therefore, this kind of double taxation will be there in any scheme of things, whatever may be the scheme of income-tax. Therefore, it is not possible for me to accept the propositions contained in these amendments.

There is one amendment which has been moved by my hon. friend Dr. Ranen Sen where he wants that the exemption limit which raised for unearned income from Rs. 15,000 to Rs. 30,000 should not be so raised but should be maintained at Rs. 15,000. I am a bit surprised that he does not want to say that it should be reduced completely. I would have understood it much more if he had said that. But if there is a case for exempting Rs. 15,000 I think there is a good case for exempting even up to Rs. 30,000 or even more. I am examining this matter to see what can be done, as I said before, to simplify the whole system of taxation both for individuals and for companies so that we can do with a much smaller rate and less evasion and less computation of various kinds of expenses and other things. This is what is being considered at present. If I succeed in finding out a method which is both realistic and practicable and is such as can be generally accepted, then many of the objections which are raised today perhaps will be met and then we shall have better methods of taxation, better returns and less evasion or minimum evasion. I cannot say that there will ever be complete stoppage of evasion. As long as human nature remains what it is, we will always find evasions of law, whatever the law be. But we have to see that it is the minimum. That is all we are required to see. This is the attempt I am making.

I am supporting only government amendments and opposing all other amendments.

**Mr. Deputy-Speaker:** First I will put the government amendments to vote.

**Mr. Deputy-Speaker:** I shall now put all these amendments of Dr. Ranen Sen to the vote of the House.

The question is:

*Amendments Nos. 208 to 212 were put and negatived.*

(i) Page 50, for lines 8 and 9, substitute—

**Mr. Deputy-Speaker:** I shall now put all the other amendments to the vote of the House.

'(i) on income by way of interest other than "Interest on Securities"....10 per cent Nil'. (1962)

*All the other amendments were also put and negatived.*

(ii) Page 50, for lines 28 and 29, substitute—

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

'(i) on income by way of interest other than "Interest on Securities"....20 per cent Nil'. (163)

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

*The motion was adopted.*

(iii) Page 50, line 41,—

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

for "28 per cent", substitute "24.5 per cent". (164)

*The Second Sechedule was added to the Bill.*

*The motion was adopted.*

### **The Third Schedule**

**Mr. Deputy-Speaker:** I will put all the other amendments together.

**Mr. Deputy-Speaker:** There are some amendments.

**Shri N. Dandekar:** Except Dr. Ranen Sen's amendments.

**Shri Beni Shanker Sharma:** I beg to move\*:

**Dr. Ranen Sen:** There are contradictory amendments also. My amendment are Nos. are 208, 209, 210, 211 and 212.

*Page 78, line 30,—*

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\*Moved with the recommendations of the President.

[Shri Beni Shanker Sharma]

for "religious community or caste"  
substitute—

"family, person or group of persons" (12)

Page 79, lines, 13 and 14—

for "does not include"

substitute "includes" (13)

Page 85, line 32,—

for "five hundred" substitute—  
"one thousand" (14)

Shri N. Dandekar: I beg to move\*:

Page 77, line 9,—

for "fifty per cent." substitute—  
"sixty per cent." (106)

Page 78, line 30,—

For "any particular religious community or caste"  
substitute—

"any relative or member of the Hindu undivided family of the assessee or of the founder of the institution or fund" (107)

Page 81, line 6,—

for "eight per cent." substitute—  
"ten per cent." (109)

Page 83, line 22,—

After "building" insert—

"not being rented premises"  
(110)

Page 85,—

for lines 30 to 43, substitute—

"80L. Where the gross total income of the assessee includes any income by way of dividends (other than dividends referred to in section 80K) paid or deemed to have been paid to him by an Indian Company or Indian Companies there shall be deducted, in computing the total income of the assessee, a sum of rupees one thousand or the whole of such income by way of such dividends whichever is less."  
(111)

Page 86,—

omit lines 37 to 43. (112)

Page 90—

omit lines 1 to 37. (113)

Page 92, line 33,—

for "sixty years" substitute—  
"fifty five years" (114)

Page 68, line 9,—

for "manufacture or production" substitute—

"manufacture, production or processing". (215)

Page 76, lines 26 and 27,—

omit "who is not a citizen of India." (217)

Page 89,—

after line 31, insert—

"80RR. Where the gross total income of an individual who is a citizen of India and is resident in India includes any remuneration received by him outside India for professional services rendered by him, whether within or outside India, as Chartered Accountant, Solicitor, Lawyer or Architect, or such other professional service as is notified by the Central Government for purposes of section 80E there shall be allowed a deduction from such remuneration an amount equal to fifty per cent. thereof in computing the total income of the individual." (224)

Shri Himatsingka: I beg to move\*:

Page 83, line 22,—

after "building", insert—

"not being a building taken on rent or lease." (153)

Shri S. S. Kothari: I beg to move\*:

Page 85,—

for lines 30 to 37, substitute—

"80L. (1) Where the gross total income of an assessee being

\*Moved with the recommendation of the President.

the holder of any share or shares in a company, includes any income by way of dividends, there shall, in accordance with and subject to the provisions of this section, be deducted in computing the total income of the assessee, a sum not exceeding one thousand rupees representing the income by way of dividends from an Indian Company or Indian companies, included in the gross total income." (154)

Page 90, line 14,—

for "forty" substitute "fifty". (155)

Page 90, line 18,—

for "sixty" substitute—

"seventy" (156)

Page 90, line 27,—

for "sixty" substitute—

"seventy" (157)

Page 90, line 35,—

for "sixty" substitute—

"seventy". (158)

Shri Morarji Desai: I beg to move\*:

Page 77, for lines 7 to 10, substitute—

"80G. Deduction in respect of donations to certain funds, charitable institutions, etc.—(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount equal to,—

(a) where the assessee is a company, fifty per cent., and

(b) in the case of any other assessee, fifty-five per cent.,

of the aggregate of the sums specified in sub-section (2)". (165)

Page 80, line 5,

for "fifty", substitute "forty".

(166)

Page 80, omit lines 16 to 20. (167)

Page 81, for lines 24 to 42, substitute—

"(reduced by the aggregate of the deductions, if any, admissible to the assessee under section 80H and section 80I) of so much of the amount thereof as does not exceed the amount calculated at the rate of six per cent., per annum on the capital employed in the industrial undertaking or ship or business of the hotel, as the case may be, computed in the prescribed manner in respect of the previous year relevant to the assessment year (the amount calculated as aforesaid being hereafter, in this section, referred to as the relevant amount of capital employed during the previous year).

(2) The deduction specified in sub-section (1) shall be allowed in computing the total income in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles 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 (such assessment year being hereafter, in this section, referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year:

Provided that in the case of an assessee, being a co-operative society, the provisions of this sub-section shall have effect as if for the words "four assessment years", the words "six assessment years" had been substituted.

\* Moved with the recommendation of the President.



[Shri Morarji Desai]

- (3) Where the amount of the profits and gains derived from the industrial undertaking or ship or business of the hotel, as the case may be, included in the total income (as computed without applying the provisions of section 64 and before making any deduction under Chapter VIA or section 280O in respect of the previous year relevant to an assessment year commencing on or after the 1st day of April, 1967 (not being an assessment year prior to the initial assessment year or subsequent to the fourth assessment year as reckoned from the end of the initial assessment year) falls short of the relevant amount of capital employed during the previous year, the amount of such short-fall, or, where there are no such profits and gains, an amount equal to the relevant amount of capital employed during the previous year (such amount, in either case, being hereafter, in this section, referred to as deficiency) shall be carried forward and set off against the profits and gains referred to in sub-section (1) [as computed after allowing the deductions, if any, admissible under section 80H, section 80 I and the said sub-section (1)] in respect of the previous year relevant to the next following assessment year and, if there are no such profits and gains for that assessment year, or where the deficiency exceeds such profits and gains, the whole or balance of the deficiency, as the case may be, shall be set off against such profits and gains for the next following assessment year and if and so far as such deficiency cannot be wholly so set off, it shall be set off against such profits

and gains assessable for the next following assessment year and so on:

Provided that—

- (i) in no case shall the deficiency or any part thereof be carried forward beyond the seventh assessment year as reckoned from the end of the initial assessment year;
- (ii) whether there is more than one deficiency and each such deficiency relates to a different assessment year, the deficiency which relates to an earlier assessment year shall be set off under this sub-section before setting off the deficiency in relation to a later assessment year:

Provided further that in the case of an assessee being a co-operative society, the provisions of this sub-section shall have effect as if for the words "fourth assessment year", the words "sixth assessment year" had been substituted.' (168)

Page 82, omit lines 1 to 41. (169)

Page 83, omit lines 1 to 16. (170)

Page 86, line 26, for "60 per cent.",

substitute "65 per cent." (171)

**Dr. Ranen Sen:** I beg to move\*:

Page 62,—

omit lines 13 to 27. (213)

Page 63,—

omit lines 27 to 38. (214)

**Shri N. Dandekar:** I beg to move\*.

Page 68, line 9,—

for "manufacture or production"

substitute "manufacture, production or processing". (215)

Page 68, lines 11 to 14,—

omit "or the business of any hotel where such business is carried on by an Indian company and the hotel is for the time being approved in this behalf by the Central Government". (216)

\* Moved with the recommendation of the President.

**Shri Indrajit Gupta:** I beg to move\*:  
Page 78, line 30,—

after "caste" insert—

"family, person, or group of persons". (219)

**Shri Sequiera** (Goa, Daman and Diu): I beg to move\*:

Page 62, lines 17 and 18,—

for "Indian company and used by such company" substitute—

"assessee being a citizen of India, partnership in which all the partners are citizens of India, or Indian company, and used by the owner". (259)

Page 62, lines 18 and 19,—

omit "and such hotel is for the time being approved in this behalf by the Central Government". (260)

Page 63, line 29,—

omit "being an Indian company" (261)

Page 63, lines 30 and 31,—

omit "and such hotel is for the time being approved in this behalf by the Central Government". (262)

Page 80, line 5,—

for "fifty" substitute "ten". (263)

Page 84, line 23,—

for "a company" substitute "an assessee". (273)

Page 84,—

omit lines 27 and 28. (274)

Page 84,—

omit lines 29 and 30. (275)

**Shri S. S. Kothari** rose—

**Mr. Deputy-Speaker:** I do not think I can permit speeches now. I am afraid I have to finish this bill before 3 O' clock.

**Shri S. S. Kothari:** Just one minute.

**Mr. Deputy-Speaker:** As I said earlier, many hon. members have requested

that they be permitted to make some observations at the end.

**Shri S. S. Kothari:** What is one minute?

**Mr. Deputy-Speaker:** It is not possible now.

**Shri N. Dandekar:** There is just one point I want to make. The amendment to the long-term capital gains tax is the most important thing that I have got here.

**Mr. Deputy-Speaker:** I request the Finance Minister to make some observations. No more speeches.

**Shri Morarji Desai:** In the matter of capital gains, there is some difficulty at certain brackets, but whatever is done, the difficulties come in. In spite of that, I am prepared to raise the percentage of deduction from 40 to 45, and from 60 to 65, if the hon. members are willing about it, but I am not prepared to raise it to 50 and 70, respectively. Otherwise it would mean a lot of amendments to several sections which have already been passed.

**Shri N. Dandekar:** "Simplification" acts as a terrible inequity in this matter, but what he says I must accept.

**Shri S. S. Kothari** rose—

**Mr. Deputy-Speaker:** You have had enough opportunities.

**Shri Morarji Desai:** I beg to move\*:

Page 90, line 14, for "forty" substitute "forty-five"; (277)

Page 90, line 18, for "sixty" substitute "sixty-five"; (278)

Page 90, line 27, for "sixty" substitute "sixty-five"; (279)

Page 90, line 35, for "sixty" substitute "sixty-five". (280)

**Shri S. S. Kothari:** Simplification should not lead to an increase in tax liabilities. That is all that I wanted to say.

**Shri Morarji Desai:** It leads to increase and to decrease also.

\* Moved with the recommendation of the President.

श्री कंबर लाल गुप्त : उपाध्यक्ष महोदय, मैं एक चीज कहना चाहता हूँ कि जो शेयर इनकम 500 रुपये की रखी गई है उस को बढ़ा दिया जाय। जैसे यूनिट ट्रस्ट में 1,000 रु० हैं वैसे ही इसमें भी 1,000 रु० कर दिया जाये।

**Mr. Deputy-Speaker:** I shall put government amendments to the vote of the House—Nos. 165, 166, 167, 168, 169, 170, 171 and the last one just moved. The question is:

(i) Page 77, for lines 7 to 10, substitute—

*"80G. Deduction in respect of donations to certain funds, charitable institutions, etc.—(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount equal to,—*

(a) where the assessee is a company, fifty per cent., and

(b) in the case of any other assessee, fifty-five per cent., of the aggregate of the sums specified in sub-section (2)."  
(165)

(ii) Page 80, line 5, for fifty", substitute "forty". (166)

(iii) Page 80, omit lines 16 to 20. (167)

(iv) Page 81, for lines 24 to 42, substitute—

*"(reduced by the aggregate of the deductions, if any, admissible to the assessee under section 80H and section 80 I) of so much of the amount thereof as does not exceed the amount calculated at the rate of six per cent. per annum on the capital employed in the industrial undertaking or ship or business of the hotel, as the case may be, computed*

*in the prescribed manner in respect of the previous year relevant to the assessment year (the amount calculated as aforesaid being hereafter, in this section, referred to as the relevant amount of capital employed during the previous year).*

(2) The deduction specified in sub-section (1) shall be allowed in computing the total income in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles 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 (such assessment year being hereafter, in this section, referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year:

Provided that in the case of an assessee, being a cooperative society, the provisions of the sub-section shall have effect as if for the words "four assessment years", the words "six assessment years" had been substituted.

(3) Where the amount of the profits and gains derived from the industrial undertaking or ship or business of the hotel, as the case may be, included in the total income (as computed without applying the provisions of section 64 and before making any deduction under Chapter VI A or section 280 O) in respect of the previous year relevant to an assessment year commencing on or after the 1st day of April, 1967 (not being an assessment year prior to the initial assessment year or subsequent to the fourth assessment year as reckoned from

the end of the initial assessment year) falls short of the relevant amount of capital employed during the previous year, the amount of such short-fall, or, where there are no such profits and gains, an amount equal to the relevant amount of capital employed during the previous year (such amount, in either case, being hereafter, in this section, referred to as deficiency) shall be carried forward and set off against the profits and gains referred to in sub-section (1) [as computed after allowing the deductions, if any, admissible under section 80H, section 80I and the said sub-section (1)] in respect of the previous year relevant to the next following assessment year and, if there are no such profits and gains for that assessment year, or where the deficiency exceeds such profits and gains, the whole or balance of the deficiency, as the case may be, shall be set off against such profits and gains for the next following assessment year and if and so far as such deficiency cannot be wholly so set off, it shall be set off against such profits and gains assessable for the next following assessment year and so on:

Provided that—

- (i) in no case shall the deficiency or any part thereof be carried forward beyond the seventh assessment year as reckoned from the end of the initial assessment year;
- (ii) where there is more than one deficiency and each such deficiency relates to a different assessment year, the deficiency which relates to an earlier assessment year shall be set off under this sub-section before setting off the deficiency in relation to a later assessment year:

Provided further that in the case of an assessee being a co-operative society, the provisions of this sub-section shall have effect as if for the words "fourth assessment year", the words "sixth assessment year" had been substituted. (168)

(v) Page 82, omit lines 1 to 41. (169)

(vi) Page 83, omit lines 1 to 16. (170)

(vii) Page 86, line 26, for "60 per cent.", substitute "65 per cent.". (171)

(viii) Page 90, line 14,—

for "forty" substitute "forty-five" (277)

(ix) Page 90, line 18,—

for "sixty" substitute "sixty-five" (278)

(x) Page 90, line 27,—

for "sixty" substitute "sixty-five". (279)

(xi) Page 90, line 35,—

for "sixty" substitute "sixty-five" (280)

*The motion was adopted.*

**Mr. Deputy-Speaker:** Is there any contradiction between the other amendments or shall I put them all together? (*Interruptions.*) Now, it is time.

**Shri Indrajit Gupta:** I want to know why he objects.

**Mr. Deputy-Speaker:** He has already replied that taking into consideration all the amendments he has made some arrangements.

**Shri Indrajit Gupta:** When he is specifically ruling out donations for charitable institutions and funds which are to the benefit of a particular religious community or caste, does he want donations to be given to any institution or fund which is for some particular family or a person or an individual? That is my amendment. I want that to be included.

**Shri Morarji Desai:** It is not allowed.

**Shri Indrajit Gupta:** Why is it not allowed.

**Shri Himatsingka:** My amendment No. 153. The principle had already been accepted yesterday.

**Shri Morarji Desai:** I had accepted one amendment yesterday. Corresponding to that another will have to be accepted here. As the principle had been accepted, I will have to move an amendment in the third reading to say that it has no retrospective effect. Yesterday I accepted it immediately. The implication was lost sight of I do not want it should be like that. This amendment is acceptable with brackets at both ends."

**Mr. Deputy-Speaker:** So, 153 is accepted. I put it to the vote of the House. The question is:

Page 83, line 22,—

after "building", insert—

"(not being a building taken on rent or lease)". (153).

*The motion was adopted.*

**Shri Indrajit Gupta:** He says he will move an amendment at the third reading stage. Now is the stage. How can it be brought at the third reading stage?

**Shri Morarji Desai:** It can be brought only in the third reading stage because in the second reading stage, it had already been passed.

**Mr. Deputy-Speaker:** I shall put all the other amendments to the vote of the House.

*All the other amendments were put and negatived.*

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

"That the Third schedule, as amended, stand part of the Bill."

*The motion was adopted.*

*The Third schedule, as amended, was added to the Bill.*

**Mr. Deputy-Speaker:** There is one amendment to clause 1 by Shri Dandeker. Is he moving it?

**Shri N. Dandeker:** I move:

Page 1,—

after line 8, insert—

"Provided that all the provisions in this Act relating to or concerning amalgamation, amalgamating company or companies and amalgamated company or companies shall be deemed always to have been in force." (17)

The admirable provisions relating to amalgamation and so on should be deemed to have been in effect always. The purpose is this. Many people who had been sensible enough to do these things earlier, before this law was changed, with otherwise be penalised, assuming this law was intended to benefit such people also. In my opinion the various proposals embodied herein are merely clarificatory. If the Finance Minister agrees with that, and if he says that the general attitude of the department will be to proceed on those lines even in regard to the amalgamations that have taken place a year before or two years ago. I shall gladly withdraw this amendment.

**Shri Morarji Desai:** This amendment cannot be accepted because no retrospective effect can be given to them.

**Mr. Deputy-Speaker:** I shall put the amendment to the voice.

*Amendment No. 17 was put and negatived.*

**Mr. Deputy-Speaker:** 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 Morarji Desai:** I beg to move:\*

"That the Bill, as amended, be passed", with an amendment which I propose under rule 93(3).  
that—

In clause 24(b) (iv)—

(a) for "inserted and shall be deemed always to have been inserted" substitute  
"inserted at the end";

(b) after "condition" insert  
"in clause";

(c) omit "or hotel". (276).

**Shri H. N. Mukerjee** (Calcutta North East): Mr. Deputy-Speaker, Sir, we are at the last stage of the budget discussions, a dingdong, *status quo* budget, presented by the Finance Minister. I am ready to grant that the Finance Minister is a capable book-keeper but the Government of which he is a Member is inept and divided and unimaginative, and the result is the kind of budget which we see from year to year, particularly in the year which is now under review.

I have been trying to get a representative picture of our economy and it is such a dismal effort. I wish to recall certain things which I imagine the Finance Minister should bring back to his mind. We have talked about a self-reliant economy, but I see in the budget no indication of any effort that is likely to be made in the direction of a self-reliant economy. Food is the biggest headache; I find from a question asked and answered in this House on the 25th of July that during the five months immediately before devaluation, the expenditure on cost and freight of imported foodgrains was about Rs. 159.73 crores, and during the five months after devaluation approximately Rs. 260.14 crores, about Rs. 420 crores for 10 months' purchase of

foodgrains. And in this House we discovered in the case of the Nagarjunasagar dam and the demand for its completion that if Rs. 20 crores to Rs. 23 crores are spent as a high priority measure, then an additional production of six lakh tonnes of foodgrains can be obtained in the very near future and yet the Government has to think hard before it can proceed with firm determination in regard to that kind of matter.

The Finance Minister is burdening us with all kinds of imposts, but he is not in a position, he can never be in a position, to explain how it is that today the total income-tax arrears at the end of 1966-67 stand at Rs. 528.11 crores. And this kind of arrears accumulating is symptomatic personal *cum* political corruption because only the other day, a question over Biju Patnaik brought out the fact that the total amount levied on Biju Patnaik and his group was Rs. 1,11,93,787, of which only a little over Rs. 19 lakhs have been realised so far. From Mr. Mundhra, we got arrears recoverable, more than Rs. 3 crores. From Mr. Ram Ratan Gupta of Kanpur, a very well-known personality, we wrote off Rs. 30.41 lakhs, and then of course the Government is proceeding against him; it is not as if the Government is very innocent in regard to this matter, and never knew the doings of Ram Ratan Gupta and the like.

Demonetisation could be done, for instance. I find that hundreded rupee notes circulate to the extent of 40.9 per cent of the total circulation. Why is not demonetisation being done? Why is not some kind of austerity practised in our country? Why is the Government not setting an example? Why are the Members of Parliament not being asked to do so? In answer to Unstarred Question 6950 dated 27th July, I find that the average annual expenditure on the decoration, supply of furniture and other maintenance works in respect of the Ministers, residence is about

\*Amendment moved with the re-commendation of the President.

[Shri H. N. Mukerjee]

Rs. 19,000 and for MPs. it is Rs. 1500 a year. Why, in God's good earth, do we need to have to spend in this kind of way? Why don't we set a different kind of example? Why do we merely talk about austerity? Our people live in such miserable conditions, according to Government's own computation. I am quoting from a paper supplied to us in the Consultative Committee attached to the Ministry of Finance on 19th November, 1966. On the basis of Government's calculation, a daily per capita income of 26 paise works out for the bottom 4.3 million households of our country. 6.5 per cent of all rural households have an income of 26 paise.

What are we going to do about it? Why are we not trying to get a self-reliant economy? What has happened to the Mudaliar Committee's report in regard to the sphere in which foreign capital would operate? What has happened to the enquiry promised in regard to collaboration agreements? I say, therefore, this budget gives no indication of the effort that this country could make. We have to take a great leap forward. That expression might be anathema to the people over there, because China has used it. But there is an abyss before us and we have to make an effort to jump over it. We cannot do it in two leaps. We cannot always believe in the inevitability of the kind of gradualness in which the Finance Minister believes. We have to make up our mind. He talks about *Sampkalpa Shakti*, as Dr. Lohia said; Let us have this *Sampkalpa Shakti* in regard to the leap over the abyss, not in two jumps, because that would be a disaster, but in one jump. For that purpose, we have to build our country. To that matter, this budget makes no contribution whatever. There is no indication for the future. The only indication that it gives is a dismal and depressing indication, which is why I am entirely sorry that this

House is being constrained to have to pass this Bill.

**Shri Mohamed Imam** (Chitradurga): Sir, I am opposing this Finance Bill because it contains proposals which are harmful and injurious to the country and to the people. The Finance Minister has been pleased to announce some tax reductions in the taxes on some items and he wants us to feel that this is a magnanimous gesture. I am reminded of the story of a robber who looted everything from a peasant leaving him penniless and on the verge of starvation. The next day, perhaps his conscience pricked him and he went to the peasant and paid him a rupee asking him to have some coffee. Similarly, by announcing these small reductions on some items, the Finance Minister seems to have conferred a great favour on the nation. Nearly Rs. 100 crores of extra burden will have to be borne by the people. Formerly he announced taxes to the extent of Rs. 113 crores. Now he has reduced it by Rs. 13 crores. Still, the people have to pay through their nose another Rs. 100 crores. This is the first year of the plan. For more years are still there. We do not know what the future has in store for us.

The Finance Minister is very particular to hold the price-line. He says, he wants to bring down inflation. But the immediate effect of his taxes is this. Firstly, it will cause an oppressive burden on the people; secondly, it will increase taxation which is already sapping the blood of the people; thirdly, it will lead to economic stagnation and fourthly, perhaps it will breed corruption.

15 hrs.

Sir, this inflation, which has been admitted, has become enemy No. 1 of the people. It is sapping the blood of the people. Still all these financial measures will aim at nothing but increasing inflation. It is admitted that the main causes of inflation

are four: more taxation, more expenditure, more borrowings and deficit financing. These, coupled with the taxation measures are bound to increase inflation so that the people will have a hard time to face.

I submit, Sir, the Finance Minister has got a great responsibility. He owes a responsibility not only to the Government, but he owes a responsibility to the people also. He must see that their interests are adequately protected. He must see that they lead a decent life. He must ensure a minimum standard of comfortable life to them. On the other hand, if in the name of the plan or by indulging in reckless expenditure he goes on taxing the people every year to this extent, then I must say that the future is very gloomy. He has got a great responsibility and that responsibility must be discharged. Sir, Finance Ministers have come and Finance Ministers have gone. There have been nearly a dozen Finance Ministers. What have been their functions. Their function has been nothing but to indulge in levying extra taxes. They have no other solution for the country's problem. They have no other solution to manage the financial affairs of the country. That is their annual function, to tax and to tax, which function can be carried on not by Shri Morarji De who is a great statesman but by any ordinary man. I submit, Sir, the time has come when the Finance Minister has to exercise his discretion. We are in a tangle, we are in a quandary, we are in a vacuum. The country is facing a grave situation. He alone can take the country out of it. He is a great statesman, a man of courage and determination. He knows how to extricate the country, how to extricate the people from this plight.

In the first place, he must exercise the utmost economy. He has said, as the Chairman of the Administrative Reforms Commission, that

there is need to effect economy. He has admitted that our government departments are over-staffed. Each Ministry has got an army of officials. Each Ministry, each department has got thousands and thousands of officers. There are many superfluous men, many superfluous departments, who have become tax consumers as against tax-payers. He must exercise the utmost economy and let him commence his economy by reducing the number of ministers by at least fifty per cent.

These are grave times. The country is passing through very hard times. The Prime Minister and the Finance Minister must devote their entire attention to solve this problem instead of devoting their time and energy for party work and organisational work. They must find out how to extricate and relieve the people from this position, instead of being engaged in finding out how to stabilise the Congress Ministry or how to remove or topple down a non-Congress Ministry. Finally, I submit, they must place the country above the party and not the party above the country.

**Mr. Deputy-Speaker:** Shri Kanwar Lal Gupta.

**Shri K. Narayana Rao (Bobbili):** On a point of order, Sir.

**Mr. Deputy-Speaker:** On what?

**Shri K. Narayana Rao:** About the business. We have omitted to put to vote the declaration occurring immediately after clause 47 on page 41 of the Bill. After putting clause 47 to the vote we have immediately jumped to the First Schedule and have missed the declaration. It is a very important declaration and its omission has a lot of legal consequences.

**Shri Kanwar Lal Gupta:** How can you take it up now?



**Mr. Deputy-Speaker:** It is not a part of the Act.

**Shri K. Narayana Rao:** I will explain it. The declaration reads:

"It is hereby declared that it is expedient in the public interest that the provisions of clauses 38, 40 and 41 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931."

These relate to the customs and excise duties. The implication of this is . . .

**Mr. Deputy-Speaker:** You are making mistake. This declaration appears before the First Schedule. It is not part of the Bill. It is a declaration; therefore,, it was not put to vote.

**Shri K. Narayana Rao:** It is a part of the Bill and unless it becomes a part of the Act it cannot become effective. Under the 1931 Act a provision is made that a declaration shall be entered into the Bill. What is the meaning of this declaration which is immediately after the introduction of the Bill? It means that clauses 38, 40 and 41 will be deemed to be law from the 26th May. The Bill was introduced on the 25th May. The impact and the significance of this declaration is that these excise duty provisions will be deemed to be law from the 26th May and they will have a temporary effect. That is the reason why it is called provisional. Their validity is confined unless you carry them through this Bill into the Act and they will cease to be ineffective after 75 days. It automatically ceases to operate after 75 days. That is why a declaration is to be inserted in the Bill. That is very clear from the Act. So, my submission is that it forms part of the Bill and must be adopted by the House; otherwise there will be some legal consequences. I hope this matter will be looked into.

**Shri Morarji Desai:** It is to be adopted.

**Mr. Deputy-Speaker:** It does not form part of a clause. It is just a declaration.

**Shri Morarji Desai:** It is below clause 47; it is a part of clause 47.

**Mr. Deputy-Speaker:** No; it is not a part of clause 47.

**Shri Morarji Desai:** Then it has to be passed.

**Shri Shri Chand Goel:** It is a part of the Bill in so far as it deals with clauses 38, 40 and 41. The declaration is not a part of the Schedule.

**Mr. Deputy-Speaker:** If it is a part of clause 47, it was put to vote. His contention is that it ought to have been put to vote separately. I have put clause 47 to vote and it was carried.

**Shri K. Narayana Rao:** It has relevancy to the commencement of the effect of the provision. Normally every provision is prospective, that is, after it receives the assent of the President it comes into effect. Clause 2 which relates to direct taxes will be given effect to from 1st April, 1967, that is, with retrospective effect. Similarly, in the case of indirect taxes the operative date is 26th May, 1967. That is the reason why it must form part of the Bill and it must be adopted. Not only on this basis it should be adopted but even if this particular Act of 1931 may be examined . . .

**Mr. Deputy-Speaker:** I have noted it and at a later stage the Finance Minister will clarify the position. I will put it along with the other amendment that is there. I thought, it was covered by clause 47. But your contention is that it is a separate declaration. It is not numbered at all. We will put it to vote.

भी कंबर लाल गुप्ता : उपाध्यक्ष महोदय, मुझे केवल एक ही पायंट के बारे में कहना है। शायद पिछले साल श्री मोरारजी देसाई ने स्वयं ही कहा था कि जो हमारा बजट है, उसमें कम से कम दस परसेंट की कटौती एक-दम हो सकती है। जब आप फाइनेंस मिनिस्टर नहीं थे और जो कांग्रेस के सामने प्रोजेक्ट रखा था उस समय यह कहा था। तो मेरा कहना यह है कि देश की डेवलपमेंट की जो स्पीड है वह हमारी सब से कम है और जब तक हम एकोनोमी नहीं करेंगे तब तक यह देश आगे नहीं जा सकता। अध्यक्ष महोदय, जो आंकड़े हैं यूनाइटेड नेशंस के पब्लिकेशंस के 1951, 1954, 1961 और 1963 तक के उसमें हमारे देश के डेवलपमेंट का रेट 3.3 परसेंट है, पाकिस्तान का भी हम से ज्यादा है। उसका रेट 4.4 परसेंट है कोरिया का 4.4 परसेंट है, मलेशिया का 5 परसेंट है, बर्मा का 5 परसेंट है। थाईलैंड 6 परसेंट है और ताइवान 7 परसेंट है। केवल एक देश है जिसके डेवलपमेंट का रेट हम से कम है और वह है इन्डोनेशिया। तो मेरा कहना यह है कि 20 साल के बाद अगर यह हालत है तो इसके बारे में गम्भीरता से सोचना चाहिए। केवल कहने से या कागज पर लिखने से कुछ नहीं होगा। एक उदाहरण मैं देता हूँ अध्यक्ष महोदय। विदेशों में नेहरू एग्जीबीशन पिछले दो तीन साल से हो रही है। मुझे कोई नेहरू जी के नाम से चिड़ नहीं है। मैं उनका बहुत आदर और सम्मान करता हूँ एक व्यक्ति की हैसियत से। उनकी नीति से मतभेद हो सकता है। लेकिन अध्यक्ष महोदय, उनकी कुछ तस्वीरें हैं जो बाहर दिखायी जा रही हैं और आप को आश्चर्य होगा कि करीब 30 लाख रुपये उस पर खर्च हुए और जो आंकड़े सरकार ने दिये हैं उसके मुताबिक केवल 10 लाख आदमियों ने उसको देखा। यानी एक आदमी के उस तस्वीर को देखने के ऊपर 30 लाख रुपये खर्च हुए और उस 30 लाख

रुपये में लगभग 20 लाख रुपये फारेन एक्सचेंज का था जिसका एक एक पैसा आप बचाना चाहते हैं। इस तरह का वेस्टेज, इस तरह की लज्जती स्कीम देश के लिए लाभदायक नहीं है। नेहरू जी का नाम तब बढ़ेगा जब हमारे देश के लोगों को खाने को मिलेगा और जब एक अच्छा भारत खड़ा होकर दुनिया के सामने आयेगा। उससे नेहरू जी का नाम बढ़ेगा। इस तरह की लज्जती स्कीमों से और वेस्टेज से नेहरू जी का नाम नहीं बढ़ेगा। तो मैं मंत्री जी से प्रार्थना करूंगा कि इस प्रकार की जो वेस्टेज है वह खत्म होनी चाहिए।

एक चीज, सिम्पलीफिकेशन के बारे में जो मंत्री महोदय ने कही, मैं उसका स्वागत करता हूँ लेकिन क्योंकि जो इनकम टैक्स एक्ट है वह तो एक जर्नल है ला का और हर साल उसमें इतनी अमेन्डमेंट्स होती जाती हैं कि मालूम नहीं कि वह क्या बनता जाता है, तो मैं चाहूंगा कि जो एक कमेटी आप ने बनायी है, मेरी इन्फार्मेशन के मुताबिक जो उस कमेटी के इन्चार्ज हैं उनको कोई इनकम टैक्स एक्ट के बारे में मालूम नहीं है न उनको कोई इनकम टैक्स का एक्सपीरियेंस है, तो कोई अच्छे एक्सपर्ट लोग, चाहे वह पब्लिक के हों या सरकारी कर्मचारी हों उन लोगों को इसमें बिठाइए जिन को प्रेक्टिकल एक्सपीरियंस इस चीज का हो जो एक एक चीज को देख कर के बतायें कि किस तरह से यह एक्ट सिम्पलीफाई हो सकता है। इस काम को वह करें। जब तक यह सिम्पली सिम्पलीफाई नहीं होगा, उसमें बहुत सारी लेबर वेस्ट जा रही है, वकीलों की भी, जनता की भी और सरकार की भी। इसलिए इसकी ओर ज्यादा ध्यान देना चाहिए। उस कमेटी में ऐसे लोग होने चाहिए जिनको इसका अनुभव हो।

एक आखिरी सज्जन देकर मैं समाप्त करता हूँ कि पब्लिक सेक्टर में जो आप क

[श्री कंवर लाल गुप्त]

स्टाफ काम करता है, वहां क्या हो रहा है कि एक सेक्टर में अगर 12 सौ मिलते हैं तो दूसरे सेक्टर में 2 हजार रुपये पर चला जाता है। इस तरह के ट्रांसफर बन्द होने चाहिए। और पब्लिक सेक्टर में आप तब बर्खास्त कितनी भी दीजिए मुझे उसकी चिन्ता नहीं। लेकिन कोई संस्था ऐसी बनानी चाहिए कि जिससे कोई भी अफसर किस कम्पीटेंस का है, योग्य है या नहीं, इस चीज को देखा जा सके, वह संस्था इस चीज को देखे और फिर उस आदमी को वहां रखना चाहिए। इससे फेरिटिज्म और पोलिटिकल कंसिडरेशन कम होगा। पब्लिक सेक्टर में जो नुकसान हो रहा है उसका सब से बड़ा कारण यह है कि जो वहां अफसर रखे जाते हैं वह पोलिटिकल कंसिडरेशन पर रखे जाते हैं। मैं मंत्री महोदय से इतन ही कह कर समाप्त करूंगा कि जैसे बाकी जगह के लिए यू० पी० एस० सी० एक संस्था आप ने बना रखी है उसी प्रकार की कोई संस्था आप बनाइए और उसके नियम बनाइए। उसके मुताबिक उनका रेक्यूटमेंट होना चाहिए।

श्री रवि राय (पुरी) : अध्यक्ष महोदय, मेरा कोई भावण देने का इरादा नहीं है। असल में जिस बजट पर हम बहस कर रहे हैं इस सिलसिले में हमारा कहना है कि हम लोगों की ओर से, विरोधियों की ओर से यह कहा जाता है कि देश की आर्थिक स्थिति बहुत खराब है। हम तो इसके समर्थन में दलील भी देते हैं। लेकिन अध्यक्ष महोदय, वह चीज साबित हो चुकी है सरकार की ओर से जो तीन कमेटियां इस सिलसिले में आर्थिक ढांचे के सिलसिले में, देश की आर्थिक आय के सिलसिले में बनाई गई थीं एक तो महालोनबीस कमेटी की रिपोर्ट है, एक मानोपली एन्वयरी कमेटी की रिपोर्ट है और तीसरी हजारे कमीशन की रिपोर्ट है, इन तीनों से साबित हो चुका है कि देश की

आर्थिक स्थिति खराब है। इसके साथ साथ हम कहना चाहते हैं कि हिन्दुस्तान जो विदेशी राष्ट्रों से कर्जा लेता है, आप जानते हैं कांग्रेस के एक माननीय नेता ने भी बताया, महावीर त्यागी जी ने कि हिन्दुस्तान के फी आदमी के ऊपर 80 रुपये आप का विदेशी कर्जा आता है। इस सिलसिले में मैं माननीय हीरेन्द्र मुखर्जी साहब को धन्यवाद दे देता हूं कि बीजू पटनायक के बारे में सवाल उन्होंने यहां पर उठाया। हम लोगों ने भी उस बारे में सवाल यहां सदन में उठाये थे जब यहां पर बहस चल रही थी, 300 करोड़ रुपये के ईंवेज्शन की बात कही जाती है। जो हम लोगों ने जो बीजू पटनायक और राम रतन गुप्ता के बारे में सवाल पूछे थे उसके बारे में कहा गया कि वह व्यक्तिगत सवाल है और सवाल जो था उसका जवाब नहीं आया। लेकिन हम आप को बताना चाहते हैं कि बीजू पटनायक पर जो बकाया है सरकार की ओर से इनकम टैक्स का और दूसरा वह उनकी जायदाद से भी ज्यादा है। यह बात साबित हो चुकी है। लेकिन इस आदमी ने कैसे इस चीज को किया इस सिलसिले में मैं बड़ी दिलचस्प बात आप को सुनाना चाहता हूं। वह यह कहने लगे, कि हम को तो उड़ीसा की जनता ने यह चन्दा दिलवाया। लेकिन असल में जब इनकम टैक्स के अफसर, मोरारजी भाई के अफसर लोग वहां पर जांच करने के लिए गये तो पता चला कि उड़ीसा के भिन्न भिन्न जगहों से जो गरीब लोग हैं कोई छोटा दूकानदार था, कोई कुछ था, किसी ने दस हजार रुपया दिया, किसी ने एक लाख दिया। इनकम टैक्स अफसर जब वहां जांच करने के लिए गये तो पता चला कि उन लोगों के पास रुपया नहीं था, यह सिर्फ इस तरह से झूठ दिखा कर के इनकम टैक्स का रुपया दबाने के लिये यह किया गया था।

असल में इस बजट के सिलसिले में मेरा कहना है कि इस सदन में परसें बहस

हो चुकी थी हैड लूम और पावर लूम के सिलसिले में। इस सदन में एक माननीय सदस्य ने इस सवाल को उठाया था और एक दिलचस्प बात यह है कि करीब-करीब 7-8 करोड़ इसके ऊपर टैक्स आने की बात है। मैं समझता हूँ उससे ज्यादा ही सरकार के पास आ जाना है। यह साबित हो चुका है कि करीब-करीब तीन चार गुना आने को है। तो मोरार जी भाई ने जो आश्वासन दिया है कि इसके लिए वह जांच कर रहे हैं हम को खुशी है कि वह वादा किये हैं इस सिलसिले में जांच करेंगे। लेकिन अध्यक्ष महोदय, आपके जरिये मैं मोरार जी भाई से अनुरोध करता हूँ इसकी जरूर जांच करानी चाहिए और सदन को मालूमात कराना चाहिए क्योंकि इसके ऊपर अगर जांच नहीं होती है तो फिर बजट का कोई मतलब नहीं रहता है और इस बजट को इसी लिहाज से हम पास करने जा रहे हैं कि मोरारजी भाई इसकी जरूर जांच करेंगे और हकीकत लेकर के सदन के सामने आयेंगे।

श्री डा० ना० तिवारी (गोपालगंज) : उपाध्यक्ष महोदय, मैं बड़ी-बड़ी बातें तो नहीं करना चाहता। दो खास विषयों की ओर वित्त मंत्री का ध्यान आकर्षित करना चाहता हूँ। एक है गंडक प्रोजेक्ट जिसमें हजारों बीघा ले लिया गया है और वह काम पूरा नहीं हो रहा है। खेती भी बरबाद हो गई। अन्न भी कम पैदा होने लगा और सिंचाई का प्रबन्ध भी नहीं हो सका। अगर गंडक प्रोजेक्ट बन जाता तो कम से कम 2 मिलियन टन एक्स्ट्रा फूडग्रेन वहां होता और जो सिरदई बिहार के लिए हमारे खाद्य मंत्री को और वित्त मंत्री को है वह दूर हो जाता। साथ ही जो फूड पर सन्निधि हम देते हैं उसकी भी कटौती हो जाती और जो बचत होती उस से आप को फायदा होता। तो ऐसा व्यापार जिसमें तत्क्षण आप को फायदा हो जाय, वहां का फूड प्रोडक्शन बढ़ जाए, वहां की तकलीफें दूर हो जायें, उसको करने में हम समझते हैं कि

कुछ तकलीफ भी हो, कुछ दूसरे मद से काटना भी हो तो भी उसको करना चाहिए।

तीसरी बात मैं उस सम्बन्ध में यह कहना चाहता हूँ कि आप देख चुके हैं कि बिहार में सूखे से कितनी तकलीफ हो रही है और कितनी आप को चिन्ता हो रही है। आप ने रिलीफ के लिए 60 करोड़ रुपये से अधिक वहां पर दिया है। अगर गंडक प्रोजेक्ट हो जाता है तो नार्थ बिहार की ही नहीं बल्कि सारे बिहार की अन्न समस्या हल होने की बात हो जायगी। इस तरह से यह सब रुपया जो अभी खर्च हो रहा है वह भी बच जायगा और लोगों में विश्वास पैदा हो जायगा। लोग आज निस्तराह्य हैं बेभासरा हैं। वह समझते हैं कि हम कुछ कर नहीं सकते हैं इसलिए उनको आत्मसम्मान से आत्म-निर्भरता देने के लिए भी यह जरूरी है कि इस गंडक प्रोजेक्ट को सेंट्रल गवर्नमेंट अपने हाथ में लेकर जल्द से जल्द इस का एंजोवियेशन करा दे।

(The bell was rung)

Non-Congress Members have been given so much time. We should not be discriminated against.

Mr. Deputy-Speaker: I am only saying that he should be brief because we have got to finish it quickly.

श्री डा० ना० तिवारी : दूसरी बात मैं आप के सामने जो रखना चाहता हूँ वह एजुकेटेड अनइम्प्लायमेंट के बारे में है। एजुकेटेड लोग हर प्रदेश में युनिवर्सिटी कालिज और स्कूल से मैट्रिकुलेशन पास करके या आर्ट्स व साइंस से बी० एस० सी० एम० एस० सी० या बी० ए० व एम० ए० कर के हर साल हजारों की संख्या में बाहर निकलते हैं। इनका इम्प्लायमेंट कहाँ हो? अभी लाइव रजिस्टर पर 30 लाख एजुकेटेड अनइम्प्लायड पड़े हुए हैं। यही ही नहीं कि केवल आर्ट्स वाले अनइम्प्लायड हैं बल्कि साइंस वाले भी अनइम्प्लायड हैं। हर साल करीब 21 हजार लड़के इंजीनियरिंग पास करके निकलते हैं जिनमें से केवल 9000 का

[श्री डा० ना० तिवारी]

इम्प्लायमेंट होता है 12 000 इंजीनियर्स हर साल अनइम्प्लाएड रहते हैं। 2 वर्ष के माने हुए 24 000 इंजीनियर्स कटेगरी में लोग अनइम्प्लाएड हैं। बी० एम० सी० और एम० एस० सी० हजारों की संख्या में कहीं भी नौकरी के लिए इच्छुक रहते हैं आर्ट्स ग्रेजुएट्स और मैट्रिकुलेट्स की तो बात ही छोड़ दीजिये। फाट्ट डिबीजनस को तो कहीं न कहीं नौकरी मिल भी जाती है बाकी सैकंड डिबीजन और थर्ड डिबीजन में पास होने वालों को कहीं भी नौकरी नहीं मिलती है। अब वे एजुकेटेड लोग क्या करें? डिस्पेंशन में होता यह है कि हमारे बं शिक्षित नौजवान मुकामी साउव के कैम्प में चले जाते हैं फीलो ट्रेवलर हो जाते हैं और हो भी क्यों नहीं? बंगारों को खाने के लाले पड़ रहते हैं। ऐसा नहीं है कि उनको इनके प्रोग्राम में कोई कनविकसन या श्रद्धा है लेकिन जैसा मैंने कहा वे शिक्षित युवक डिस्पेंशन में उधर चले जा रहे हैं। इसलिए कम से कम देश को बचाने के लिए यह जरूरी है कि कोई ऐसी योजना आप बनायें जिसमें जो लड़के युनिवर्सिटीज कालिजों या स्कूलों से निकलते हैं उनको कहीं पर काम मिल सके कोई नौकरी मिल सके। मैं यह नहीं कहता कि उनको केवल टेबुल कुर्सी का ही काम दिया जाय कोई और दूसरा काम दिया जाय जिससे वह अपनी रोजी-रोटी चला सके नहीं तो इतनी बड़ी फीज अनइम्प्लाएड लोगों की खड़ी हो गयी है और उसमें वृद्धि होती जा रही है। वे एजुकेटेड लोग हैं जोकि देश का इतिहास वगैरह जानते हैं अखबार प्रादि पढ़ते हैं और देश विदेश की सब बातों की जानकारी रखते हैं वह आप के काबू के बाहर हो जायेंगे और देश में एनाकी फैल जायगी। इसलिए इस ओर भी आप का ध्यान जाना चाहिए।

नार्य बिहार की तरफ मंत्री महोदय का खास तौर से ध्यान जाना चाहिये क्योंकि

वहां की इनकम करीब 110 रुपये प्रति व्यक्ति प्रति साल है। उसमें ऐसे लोग भी हैं जिनकी कि ग्रामदनी 40-50 रुपये साल से भी कम होगी। मैं यह बात कई बार इस सदन में पेश कर चुका हूं कि यह मोस्ट बेकवर्ड ऐरिया है। आजकल जो सूबे की स्थिति है आप यह सुन कर तप्पजुब करेंगे कि वहां के छोटे छोटे घरों में लड़के स्टेशनों पर जाते हैं और देखते रहते हैं कि अगर कोई पैमेंजर जुटा खाना फेंक दे तो उसको उठा कर वह खा लें। ऐसी विषम स्थिति वहां पर है...

श्री मुरारजी देसाई : मजदूरी करने क्यों नहीं जाते ?

श्री डा० ना० तिवारी : मजदूरी मिलती नहीं है। आप ने गंडक प्रोजेक्ट बंद कर दिया दूसरा काम कोई है नहीं। नार्य बिहार में कोई फैक्टरी नहीं है कोई मिल नहीं है केवल पुरानी 5-7-10 शूगर फैक्टरीज हैं। कोई कारखाना मुरारजी भाई नार्य बिहार में नहीं है न मारन में है न दरभंगा में है न चम्पारन में है और न मुजफ्फरनगर में है जिसमें कि लोग जाकर कुर्सी का काम कर सकें, मजदूरी वगैरह ही कर सकें। गंडक प्रोजेक्ट में, 10-20 हजार काम करते वह भी बन्द कर दिया गया। वह जायं तो कहां जायं? कुदाली भी वह लोग चला सकते हैं लेकिन कोई काम हो तो। मैं मानता हूं कि केवल लिखने पढ़ने के काम के पीछे ही उन्हें नहीं जाना चाहिए और उनको लिख पढ़ कर मजदूरी भी करना चाहिए लेकिन जैसा मैंने कहा वह मजदूरी भी करने को तैयार हैं लेकिन कोई काम तो उन्हें मिले। कोई काम मिले तब तो वह उसे करें। अगर वह मजदूरी प्रादि काम करने के लिए न जायं और मँज कुर्सी का ही काम चाहें तो उन का दोष हो सकता है लेकिन वह तो है नहीं। मैं इन्हीं बातों की ओर इस समय वित्त मंत्री महोदय का ध्यान आकर्षित करना चाहता था।

Shri Morarji Desai: I would first deal with the objection raised in re-

gard to the declaration not being passed. My hon. friend had pointed out that this declaration had to be passed and if it was not passed it would be a great omission. This declaration is meant to apply so long as the Bill is not enacted into law. The declaration only says:

"It is hereby declared that it is expedient in the public interest that the provisions of clauses 38, 40 and 41 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931."

It is for that purpose that this declaration is made. The declaration ceases to be of any use the moment this Bill becomes an Act, because then this Bill would come into effect, and it is said in clause 1 (2) that:

Save as otherwise provided in this Act, sections 2 to 36 and 44 to 46 shall be deemed to have come into force on the 1st day of April, 1967."

Therefore, it is not necessary to put this declaration to vote. This is what is done every year and I would beg of my hon. friend to see that this is the meaning of this declaration. It was meant to be applicable so long as the Bill is not passed, that is for the first 75 days which remain until the Bill becomes an Act.

Hon. Members have expressed dissatisfaction with the pace of progress in the country. I am also dissatisfied, equally if not more. I should like to see this country full of milk and honey as soon as it is possible to do so, even tomorrow, nay even this very moment. If wishes were horses, everybody would have ridden them. But unfortunately, they do not become horses.

Then they will say 'this is not our responsibility'. I would request my hon. friends to take the Budget and give me an agreed solution that this will be the revenue and this will be the expenditure. I will accept it

without any hesitation. It is not possible to come to any agreement in all these matters. That is natural because different views are held, different ideologies are adhered to and different perceptions are there. To make a suggestion is very easy, but to find a solution is very difficult. But we have got to find a solution. I do agree. We have got to see that we progress at a much greater rate than what we are doing. All this I agree to.

It is certainly true that this particular budget does give any immediate solution for raising the development rate. There I agree. But when one is in a difficult condition, it is necessary for one to even stand still rather than fall down. We have got to save ourselves from that position. I think that is the purpose which this Bill is serving today so that we can leap forward. Before you get up, how can you leap forward? You cannot leap forward lying down. That is where the whole condition becomes difficult.

**An Hon. Member:** After 20 years this position?

**Shri Morarji Desai:** 20 years is not a long period in a nation which was going down for centuries. It was a very difficult condition which we inherited from the Britishers. That is forgotten by my hon. friend. It can happen. I have seen many other countries. I have no doubt that compared to the progress Russia has made in 50 years we will in the next 30 years make far more progress—I have no doubt in my mind about that. But the first few years which go into foundation are always difficult. One does not see the progress actually made when the foundation is laid.

My hon. friend wants Gandak. I want Gandak. I want all the irrigation schemes. But how am I to find the money? That is the question before me. The moment I try to find the money, everybody finds difficulty. Even my hon. friend will find the difficulty.

**Shri H. N. Mukerjee:** If you could pay Rs. 1100 per tonne for foreign imported foodgrains, could you not go ahead with the Nagarjunasagar dam and do with our own foodgrains produced in the country at much lesser cost?

**Shri Morarji Desai:** But immediately I have got to import.

**Shri H. N. Mukerjee:** Give it first priority.

**Shri Morarji Desai:** Nagarjunasagar will produce when it is completed. If I give the money, it can be completed before next year. But what am I to do for this year?

**Shri H. N. Mukerjee:** Start the job.

**Shri Morarji Desai:** It is started. Nagarjunasagar Plan was for Rs. 75 crores. That was how it was first introduced. But it is raised to Rs. 173 crores or something like that. But we have paid even much more: upto now we have spent much more than Rs. 75 crores.

श्री कंबर लाज मुख्तार : आप ता. ताइवान, बर्मा और पाकिस्तान से भी पोछे हैं ।

**Shri Morarji Desai:** As regards Pakistan, reference was made the other day to how much money they got from outside. Even Taiwan has got money poured into it. I do not want development at that rate. I am one with my hon. friends when they say that we should be independent in these things as soon as we can. But we have got to work for it. If we have got to work for it, may I request my hon. friends not to make people expect that they should earn more salaries with less work? This is what is being done everyday.

**Shri H. N. Mukerjee:** Remove the disparities, do it.

**Shri Bal Raj Madhok:** You have created a climate in this country of talk and no work. This climate has been created by the ruling party.

**Shri Morarji Desai:** It is not done by the ruling party. It is created more by some of the opposition parties, who are also supported by my hon. friend. It is not that they are not to blame in this way. We are all to blame in this way. I do not say I have no blame. I have certainly some blame, but there is blame everywhere, you cannot say that there is no blame everywhere. If we accept that and consider that, and pool our brains and our energies together, we will certainly have a leap forward even better than what my hon. friend says.

**Mr. Deputy-Speaker:** A point of order was raised by Mr. Narayana Rao, but after the Finance Minister's explanation, I hold that it was not necessary to put it to vote, because it was declaration for the period till it is passed.

**Shri Narayana Rao:** I do not want to enter an argument, but I am not satisfied.

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

In clause 24(b) (iv)—

(a) for "inserted and shall be deemed always to have been inserted" substitute

"inserted at the end";

(b) after "condition" insert "in clause";

(c) omit "or hotel". (276)

*The motion was adopted.*

श्री सुरज बंस जाधव (बारामती)  
मैं बड़े गैडिंग पर बोलने के लिये खड़ा हुआ  
लेकिन आप देखते ही नहीं ।

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

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

*Lok Sabha divided:*

## AYES

## Division No. 13]

[15.37 hrs

Ahmed, Shri F. A.	Karan Singh, Dr.
Babunath Singh, Shri	Katham, Shri B. N.
Barua, Shri Bedabrata	Kedaria, Shri C. M.
Barupal, Shri P. L.	Khanna, Shri P. K.
Bhandare, Shri R. D.	Kotoki, Shri Liladhar
Bhargava, Shri B. N.	Krishna, Shri M. R.
Bhattacharyya, Shri	Kureel, Shri B. N.
C. K.	Lakshmikanthamma,
Bhola Nath, Shri	Shrimati
Bist, Shri J. B. S.	Laskar, Shri N. R.
Bohra, Shri Onkarlal	Mahadeva Prasad, Dr.
Chanda, Shri Anil K.	Mahida, Shri Narendra
Chandrika Prasad, Shri	Singh
Chatterji, Shri Krishna	Malhotra, Shri Inder J.
Kumar	Mandal, Shri Yamuna
Chaturvedi, Shri R. L.	Prasad
Chavan, Shri D. R.	Masuria Din, Shri
Chavan, Shri Y. B.	Menon, Shri Govinda
Choudhury, Shri J. K.	Mirza, Shri Bakar Ali
Desai, Shri Morarji	Mrityunjay Prasad, Shri
Deshmukh, Shri K. G.	Mudrika Singh, Shri
Deshmukh, Shri Shivaji-	Nageshwar, Shri
rao S.	Pahadia, Shri
Dhuleshwar Meena, Shri	Panigrahi, Shri Chinta-
Dinesh Singh, Shri	mani
Ering, Shri D.	Pant, Shri K. C.
Gandhi, Shrimati Indira	Paokai Haokip, Shri
Ganesh, Shri K. R.	Parmar, Shri Bhaljibhai
Ganga Devi, Shrimati	Patel, Shri N. N.
Gavit, Shri Tukaram	Patil, Shri S. D.
Ghosh, Shri Parimal	Pramanik, Shri J. N.
Girja Kumari, Shrimati	Prasad, Shri Y. A.
Govind Das, Dr.	Qureshi, Shri Shafi
Hari Krishna, Shri	Radhabai, Shrimati B.
Hazarika, Shri J. N.	Raj Deo Singh, Shri
Hem Raj, Shri	Ram, Shri T.
Himatsingka, Shri	Ram Dhan, Shri
Iqbal Singh, Shri	Ram Dhan Des, Shri
Jadhav, Shri Tulshidas	Ram Kishan, Shri
Jaggiwan Ram, Shri	Ram Sewak, Shri
Jamir, Shri S. C.	Ram Subhag Singh, Dr.
Kamala Kumari, Kumar	Rameshkhhar Prasad
	Singh, Shri



Rana, Shri M. B.  
 Randhir Singh, Shri  
 Rane, Shri  
 Rao, Shri K. Narayana  
 Rao, Shri J. Ramapathi  
 Rao, Shri Thirumala  
 Rohatgi, Shrimati  
 Sushila  
 Roy, Shri Bishwanath  
 Sadhu Ram, Shri  
 Saha, Dr. S. K.  
 Saigal, Shri A. S.  
 Saleem, Shri M. Y.  
 Sambasivam, Shri  
 Sanghi, Shri N. K.  
 Sankata Prasad, Dr.  
 Sen, Shri Dwaipayana  
 Sethuramae, Shri N.  
 Shah, Shrimati Jayaben  
 Shambhu Nath, Shri  
 Sharma, Shri M. R.

Sheo Narain, Shri  
 Sher Singh, Shri  
 Shinde, Shri Annasahib  
 Shiv Chandika Prasad,  
 Shri  
 Siddayya, Shri  
 Singh, Shri D. N.  
 Sinha, Shri Satya Nara-  
 yan  
 Solanki, Shri S. M.  
 Sonar, Dr. A. G.  
 Supakar, Shri Sradha-  
 kar  
 Surendra Pal Singh,  
 Shri  
 Swaran Singh, Shri  
 Tamaskar, Shri  
 Tiwary, Shri D. N.  
 Ulaka, Shri Ramachan-  
 dra  
 Verma, Shri Balgovind  
 Yadab, Shri N. P.

# NOES

Abraham, Shri K. M.  
 Adichan, Shri P. C.  
 Amin, Shri R. K.  
 Amin, Shri Ramchan-  
 dra J.  
 Anbazhagan, Shri  
 Anbuezhian, Shri  
 Banerjee, Shri S. M.  
 Bhadoria, Shri Arjun  
 Singh  
 Bhagaban Das, Shri  
 Chakrapani, Shri C. K.  
 Chatterjee, Shri H. P.  
 Chatterjee, Shri N. C.  
 Dandeker, Shri N.  
 Dar, Shri Abdul Ghani  
 Deiveekan, Shri  
 Deo, Shri P. K.  
 Devgun, Shri Hardayal  
 Goel, Shri Shri Chand  
 Gopalan, Shri A. K.  
 Gopalan, Shrimati Su-  
 seela

Gowder, Shri Nanga  
 Gupta, Shri Indrajit  
 Gupta, Shri Kanwar  
 Lal  
 Halдар, Shri K.  
 Janardhanan, Shri C.  
 Jha, Shri Shiva Chan-  
 dra  
 Joshi, Shri S. M.  
 Kalita, Shri Dhireswar  
 Kandappan, Shri S.  
 Khan, Shri Ghayoor Ali  
 Khan, Shri Latafat Ali  
 Khan, Shri Zulfiqar  
 Ali  
 Kothari, Shri S. S.  
 Koushik, Shri K. M.  
 Krishnamoorthi, Shri V.  
 Kundu, Shri S.  
 Madhok, Shri Bal Raj  
 Majhi, Shri M.  
 Mangalathumadom, Shri

**Report**

Mayavan, Shri  
Meghachandra, Shri M.  
Menon, Shri Vishwanatha  
Mohamed Imam, Shri  
Molahu Prasad, Shri  
Mukerjee, Shri H. N.  
Muthusami, Shri C.  
Naik, Shri R. V.  
Nair, Shri Vasudevan  
Nayar, Shri K. K.  
Patel, Shri J. H.  
Patil, Shri N. R.  
Rajaram, Shri  
Ramamoorthy, Shri P.  
Ramamurti, Shri P.  
Ranga, Shri  
Ray, Shri Rabi  
Satya Narain Singh, Shri  
Sen, Dr. Ranen

Sequeira, Shri  
Sharda Nand, Shri  
Sharma, Shri Beni Shanker  
Sharma, Shri N. S.  
Sharma, Shri Yogendra  
Shastri, Shri Ramavatar  
Shastri, Shri Raghuvir Singh  
Shastri, Shri Shiv Kumar  
Shivappa, Shri N.  
Somani, Shri N. K.  
Somasundaram, Shri S. D.  
Sreedharan, Shri A.  
Thakur, Shri P. R.  
Umanath, Shri  
Vajpayee, Shri A. B.  
Viswambharan, Shri P.

**Mr. Deputy-Speaker:** The result of the division is:

Ayes: 114; Noes\* 75.

*The motion was adopted.*

15.39 hrs.

**COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS  
TENTH REPORT**

**Mr. Deputy-Speaker:** We take Private member's business.

श्री हरबयाल देबगुण (पूर्व दिल्ली) :  
उपाध्यक्ष महोदय मैं प्रस्ताव करता हूँ :

“कि यह सभा गैर-सरकारी सदस्यों के विषयकों तथा संकल्पों सम्बन्धी समिति के दसवें प्रतिबदन से जो 25 जुलाई को सभा में पेश किया गया था सहमत है ।”

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

“That this House agrees with the Tenth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 25th July, 1967.”

*The motion was adopted.*

15.40 hrs.

**RESOLUTION RE. WAGE FREEZE POLICY**

**Mr. Deputy-Speaker:** Shri K. Ramani may now move his resolution.

**Shri C. K. Chakrapani (Ponnani):**  
Sir, I am moving it.

\*Noes: The name of one Member could not be recorded.