

I will put the original motion, as how modified, to the vote of the House. The question is:

"That the Bill to provide for the levy of gift tax be referred to a Select Committee consisting of Shri Asoke K. Sen, Shri C. D. Pande, Shri Tribhuvan Narayan Singh, Shri Mahavir Tyagi, Shri S. Ahmad Mehdi, Shrimati Uma Nehru, Shri Shivram Rango Rane, Sardar Iqbal Singh, Dr. Y. S. Parmar, Shrimati Renuka Ray, Shri Liladhar Kotoki, Shri Jaganatha Rao, Shri Narendrabhai Nathwani, Shri Radheshayam Ramkumar Morarka, Shri Harish Chandra Mathur, Shri Radhelal Vyas, Shri Vidya Charan Shukla, Shri C. R. Pattabhi Raman, Shri N. G. Ranga, Shri M. Shankaraiya, Shri Satyandra Narayan Sinha, Shri George Thomas Kottukapally, Shri A. M. Tariq, Shri Kamalnayan Jammalal Bajaj, Shri B. R. Bhagat, Shri Mathura Prasad Mishra, Shri T. Sanganna, Shri S. R. Damani, Shri Rajeshwar Patel, Shri T. C. N. Menon, Shri Prabhat Kar, Shri R. K. Khadilkar, Shri Bimal Comar Ghose, Shri Arjun Singh Bhadauria, Shri M. R. Masani, H. H. Maharaja Sri Karni Singhji of Bikaner, Shri Premji R. Assar, Shri N. Siva Raj, H. H. Maharaja Pratap Keshari Deo, Shri Naushir Bharucha, Shri Thirumala Rao, Dr. A. Krishnaswami and Shri Morarji Desai with instructions to report by the 1st May, 1958."

The motion was adopted.

ESTATE DUTY (AMENDMENT) BILL

The Minister of Finance (Shri Morarji Desai): Sir, I beg to move:

"That the Bill further to amend the Estate Duty Act, 1953, be referred to a Select Committee consisting of—Shri Asoke K Sen, Shri C. D. Pande, Shri M. Thiru-

mala Rao, Shri Mahavir Tyagi, Shri S. Ahmad Mehdi, Shrimati Uma Nehru, Shri Shivram Rango Rane, Sardar Iqbal Singh, Dr. Y. S. Parmar Shrimati Renuka Ray, Shri Liladhar Kotoki, Shri Jaganatha Rao, Shri Narendrabhai Nathwani, Shri Radheshayam Ramkumar Morarka, Shri Harish Chandra Mathur, Shri Vidya Charan Shukla, Shri Radhelal Vyas, Shri C. R. Pattabhi Raman, Shri N. G. Ranga, Shri M. Shankaraiya, Shri Satyendra Narayan Sinha, Shri George Thomas Kottukapally, Shri A. M. Tariq, Shri Kamalnayan Jammalal Bajaj, Shri B. R. Bhagat Shri Mathura Prasad Mishra, Shri T. Sanganna, Shri S. R. Damani, Shri Rajeshwar Patel, Shri T. C. N. Menon, Shri Prabhat Kar, Shri R. K. Khadilkar, Shri Bimal Comar Ghose, Shri Arjun Singh Bhadauria, Shri M. R. Masani, H. H. Maharaja Sri Karni Singhji of Bikaner, Shri Premji R. Assar, Shri Tribhuvan Narayan Singh, Shri N. Siva Raj, H. H. Maharaja Pratap Keshari Deo, Shri Naushir Bharucha, Dr. A. Krishnaswami and Shri Morarji Desai with instructions to report by the 1st May, 1958."

It is intended that the Bill that I moved last and this Bill should be considered by the same Select Committee so that it may consider both of them together. So, the names in the Select Committee for this Bill are the same as that in that Bill.

The Estate Duty Act was enacted about five years ago and when the original Bill came before this House it was discussed at considerable length. About a thousand amendments were tabled and a third of them actually discussed. The anxiety of the House as well as of the Government was the same. We were introducing an Act based not on our own experience but on that of the U.K. Naturally, we adapted it to our own requirements but we had to be certain

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that in actual operation the Act did not become a source of harassment and did not create social evil rather than social good. Exemption limits were fixed at a high figure, generous exceptions were made from the scope of the duty and the rights of the assessee carefully protected. If I may say so, this was as it should have been and in matters of this kind it is perhaps wise to hasten slowly.

Almost five years are now passed and we can now review our experience of the operation of this Act. As far as I can judge from the references made and questions asked in this House there is a certain amount of disappointment at the poor yield from this duty. Although definite estimates were never made and, by the very nature of things, could not have been made of the actual yield of this duty, I believe both the House and the country expected that the actual yield would be much more than the meagre figure of about Rs. 2 crores per year that we have collected from this duty. I have not heard of any case of administrative harassment and it may interest the House to know that in the matter of valuation of assets there has been only one case so far in which a reference to Statutory Valuers from the value determined by the Department has been made and that on the question of law there have so far been only four references to the High Court.

In our country there are inherent difficulties to administer an estate duty. In most foreign countries no property can pass on death without obtaining a succession certificate or a letter of administration or a probate of a will so that estate duty can be collected almost as automatically as stamp duty. The danger of evasion is considerably less and the legal proceedings in connection with succession certificates etc., themselves give a clue to the value of the property passing on the death of a person. In India, on the other hand, the practice of obtaining succession certificates or leaving wills is by no means widespread. Among

families governed by the Mitakshara law, there is no question of succession and among those governed by Dayabagaha law, the shares in the property are in most cases so well defined that it is possible to have a partition deed, if at all necessary, without going into the expense and trouble of obtaining a succession certificate. For this reason, a mere scrutiny of the probate and succession certificate cases does not give us complete information. The Department has actually to keep a constant watch on mutations in municipal records, death certificates etc. We have also enlisted the co-operation of the State Governments and are now obtaining information about mutations in revenue records in all cases above Rs. 50,000. But even with these measures, we cannot be sure all the taxable cases are actually subjected to tax.

Even where it is possible to find cases the difficulties of determining the exact assets are enormous. In our country the practice of holding some property at least in the form of cash and jewellery is almost universal. It is difficult to detect these items as they are not apparent from any known transactions of the deceased persons. There is also a fairly widespread habit of holding properties in *benami* names. I need not enumerate all these difficulties in detail and would merely add that the administrative machinery is being geared to meet these difficulties. Moreover, the assessment of wealth for purposes of the Wealth Tax Act and also the proposed Gift Tax Act should help us in checking evasion. Even, however, if the administrative machinery is perfect, the revenue derived from this duty would continue to be small unless we take steps to reduce some of the concessions which were originally given but for which there does not appear to be any justification now.

A reference to the Statement of Objects and Reasons will show that it is the object of the present Bill to restrict some of the concessions which in

the light of our subsequent experience in working the Act do not appear to be justified. The other amendments have been proposed to clarify the assessment procedure, to facilitate collection of duty and also to change the present appellate procedure. The discussions that have taken place in this House and elsewhere since the introduction of this Bill have shown that there is a general agreement with the broad objectives of the Bill though a few criticisms have been made of some of the provisions made in the amendment Bill. Some hon. Members have pointed out that there was no justification for reducing the exemption limit from Rs. 1 lakh to Rs. 50,000, particularly when this reduction in the exemption limit will bring only an additional revenue of Rs. 50 lakhs. My colleague, Shri Bhagat, has already pointed out that other countries with much higher *per capita* incomes have even lower exemption limits. I must also point out that by reducing the exemption limit to Rs. 50,000 we are making the tax more broad-based which is an important consideration in revising the tax structure of the country. Our attempt is to spread the burden of taxation as widely as possible which will mean that those who can bear the burden should pay. The incidence of duty in the region of Rs. 50,000 to Rs. 1 lakh is reasonably low being only 6 per cent for the value above Rs. 50,000. Thus for an estate of Rs. 60,000 the duty is only Rs. 600 and for an estate of Rs. 75,000 only Rs. 1,500. Even from these amounts half the court fees paid for obtaining probate, etc. will be allowed as a deduction. Hence it cannot be said that any great hardship will be caused by this provision. It is true that in terms of actual revenue, the net gain resulting from the reduction in the exemption limit will be only Rs. 50 lakhs during the current year but this is because these amendments will, if approved, come into force from 1-4-1958. In other words, they will affect only deaths occurring on or after 1-4-1958. As six months time is allowed to the legal heirs to submit their accounts, the revenue effect of

the amended provisions will begin to be felt only after six months, i.e., from 1-10-1958. Thus so far as the current year is concerned, half the full year's revenue only should be taken and this is why we expect only a sum of Rs. 50 lakhs. From the next year onwards, we may expect our revenue from estate duty will increase by at least Rs. 1 crore, if not more.

One of the important changes that we have brought in the amending Bill is that on the death of a member of a Hindu Undivided family, his coparcenary interest in the family will be taxed at the rate applicable to the value of the estate of the branch of the family concerned. The amendment proposed does not for a moment seek to subject any portion of the property which would not have come to the deceased had there been a partition before his death. All that it says is that for calculating the rate of duty one has to take into account his share *per stirpes* in the family for rate purposes, the duty actually being leviable on and recovered from his own interest *per capita* in the property. I hope the House will agree that this is a better measure of the paying capacity of the deceased coparcener.

Sir, some doubts have been expressed about the desirability of the proposed amendment raising the period of chargeable gifts from two years to five years. It has been said that we are giving retrospective effect to legislation which is against all canons of law, equity and justice. To remove any possible doubt I may make it clear that our amendment extending the two-year period to five years will be applicable only to all deaths occurring after 1-4-1958. In respect of all deaths occurring before that date, only the two year period will be applicable. Even so, this provision can no doubt be said to be retrospective in a certain limited sense; but in a legislation of this kind such retrospective provision is inevitable. It was there even in the original Act, for though the Estate Duty Act came into force on 15-10-1953, all gifts made during the two year

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period prior to death became taxable, even though such period might fall before 15th October, 1953.

Under the existing provisions of law the entire court fee paid is allowed as a deduction from the estate duty payable. The result of this is that in certain States, practically the whole of the estate duty is wiped out in the case of estates upto 2½ lakhs. In effect, there is no collection of estate duty at all in these cases. Some limitation of the amount of this rebate would seem to be justified and with this view it is proposed to allow in respect of deaths occurring after 1-4-1958 only half of the probate duty paid. In this connection, I may mention that the Select Committee which had considered the original Estate Duty Bill had recommended that such rebate should be limited to one-sixth of the estate duty payable.

Sir, there is only one more point to which I wish to draw the attention of the House. It is about the appellate machinery provided in the amending Bill. It will be recalled that when the Estate Duty Bill was before Parliament, there was considerable opposition to the appellate machinery provided in the Act. The present system has no doubt worked well and succeeded in giving expeditious relief and minimising litigation, but with the increasing number of appeals it will be difficult for the Board to give the same attention to appellate work as it has hitherto. Moreover, as sufficient experience in the working of the Act has been gained by the Department as well as the Estate Duty advisers and practitioners, there does not seem to be sufficient justification in departing from the general principle of appellate procedure laid down in the Income-tax, Wealth-tax and Expenditure-tax Acts. Under the proposed amendment, the first appeal will lie to the Appellate Controller with a provision for a second appeal to the Appellate Tribunal. The question of valuation could be referred at the Tribunal stage to the arbitration of two valuers as in

the Wealth Tax Act. Any question of law will be referred to the High Court by the Tribunal instead of by the Board as at present.

With these remarks, Sir, I commend my motion for the acceptance of the House.

Mr. Deputy-Speaker: Motion moved.

"That the Bill further to amend the Estate Duty Act, 1953 be referred to a Select Committee consisting of:—

Shri Ashoke K. Sen, Shri C. D. Pande, Shri M. Thirumala Rao, Shri Mahavir Tyagi, Shri S. Ahmed Mehdi, Shrimati Uma Nehru, Shri Shivram Rango Range, Sardar Iqbal Singh, Dr. Y. S. Parmar, Shrimati Renuka Ray, Shri Liladhar Kotoki, Shri Jaganatha Rao, Shri Narendrabhai Nathwani, Shri Radheshyam Ramkumar Morarka, Shri Harish Chandra Mathur, Shri Vidya Charan Shukla, Shri Radhelal Vyas, Shri C. R. Pattabhi Raman, Shri N. G. Ranga, Shri M. Shankaraiya, Shri Styendra Narayan Sinha, Shri George Thomas Kottukapally, Shri A. M. Tariq, Shri Kamalnayan Jamunalal Bajaj, Shri B. R. Bhagat, Shri Mathura Prasad Mishra, Shri T. Sanganna, Shri S. R. Damani, Shri Rajeshwar Patel, Shri T. C. N. Menon, Shri Prabhat Kar, Shri R. K. Khadilkar, Shri Bimal Comar Ghose, Shri Arjun Singh Bhadauria, Shri M. R. Madani, H. H. Maharaja Sri Karni Singhji of Bikaner, Shri Premji R. Assar, Shri Tribhuvan Narayan Singh, Shri N. Siva Raj, H. H. Maharaja Pratap Keshari Deo, Shri Naushir Bharucha, Dr. A. Krishnaswami and Shri Morarji Desai.

With instructions to report by the 1st May, 1958".

Shri Naushir Bharucha (East Khandesh): Sir, before the matter is put for the consideration of the House, may I request the hon. Finance Minister to extend the time till 3rd May at least in the case of the second Bill. I may point out, Sir, that between

now and the time that we have to make a report—1st May—there will be hardly four working days available, and the Gift Tax Bill will take a considerably long time. And, even after the report is made on 1st May, after all, the two Bills are not going to be taken up simultaneously.

Mr. Deputy-Speaker: The Select Committee can sit on holidays also.

Shri Naushir Bharucha: Even if you sit on holidays there will only be five days.

Shri C. D. Pande (Naini Tal): And the same people are there in both the Committees.

Shri Naushir Bharucha: I would, therefore, request that the time limit for Estate Duty Bill may be extended up to 3rd May.

Shri Morarji Desai: The difficulty is of the Bills coming here, passed here and then going to Rajya Sabha also.

Shri Naushir Bharucha: We cannot take up the two Bills together.

Shri Naushir Bharucha: We cannot see that these legislations are passed before this Session is over.

Shri Braj Raj Singh (Firozabad): But two Bills won't be passed the same day.

Shri Morarji Desai: Therefore, more time is required.

Mr. Deputy-Speaker: He may consider over it. What the hon. Members want to impress upon the hon. Minister is that the Bills would be taken up one after the other and, therefore, the Select Committee can also have some more time for this Bill. He can consider it and then give us his reactions.

Shri V. P. Nayar (Quilon): Mr. Deputy-Speaker, Sir, I have gone through the amending Bill and also listened with interest to the speech which was read out by the hon. Minister. I have also had the good fortune, Sir, to

House when the original Bill was sent to the Select Committee.

I must, at the outset, repeat what Comrade H. N. Mukerjee had said while speaking on that occasion, that it is good only so far as it goes. This amending Bill no doubt, has certain welcome provisions, but I am sorry to say that Government did not take courage to come to the House and say that it is because of the defects, because of the disastrous failure in the working of the State Duty Act that these amendments are now sought for.

I remember, Sir, when we discussed the original Bill in the Select Committee in 1952-53, we tried our level best to get Government accept some of the amendments and I am very glad, indeed, today that most of those amendments, which were thrown out as they usually did in those days, have now been given shape in these amendments (*Interruption*). I am only submitting that it has taken for the Government, with all its machinery to find out the details of tax collection, five long years to find out the wisdom of our suggestions and the folly of their stand in those days. I shall have occasion to refer to our dissenting notes to the provisions later, but before doing so I may be permitted, Sir, to make a few general observations.

What has been the result of our Estate Duty Act? The hon. Minister rightly said that no precise estimates were made. But I vividly remember Shri C. D. Deshmukh telling us that it will fetch not an inconsiderable amount for the Plan. Various estimates were made; for example, Shri Raghuraj Saha who spoke then made an estimate of about Rs. 8 crores, and some Members went to the extent of even estimating Rs. 10 crores or Rs. 15 crores. At that time we suggested that, because the Act did not go to the extent we desired and because there were serious limitations on the provision, we could not except any mentionable contribution for the pur-

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enacted. Shri C. D. Deshmukh after having considered all the sides of the discussion had emphasised that he expected a mentionable contribution for the Five Year Plan. In our dissenting notes—and we were very categorical in that—we said that if the Bill was as it was framed there was possible no change of bringing any sizeable revenue as was expected by the then Finance Minister.

We find that what we said on that occasion has been proved, and proved much to the detriment of the Government's finances. What is the total collection of estate duty so far? I do not say that it has been worked properly, because we know that after the Estate Duty Bill was enacted into law in our country some very rich people known to be very rich have died. I remember having read paper reports—I don't know exactly whether it was in 1954—that Shri Jwalaprasad Srivastava who was known to be a millionaire died, but when he died hardly 25 naye paise were left. There was another multimillionaire, Jajodia, who died, but after his death not a pie could be collected as estate duty.

Mr. Deputy-Speaker: Were there naye paise at that time?

Shri V. P. Nayar: I was converting it to be modern. Then, Sir, I am also sorry that a definite allegation had been made against one of the Congress Chief Ministers—I do not want to mention names—that he started his career as a school master and he died leaving a very small sum of Rs. 90 lakhs.

An Hon. Member: Rs. 80 lakhs.

Shri V. P. Nayar: No. Only Rs. 90 lakhs. This allegation was not made by an ordinary person, it was made by a person of the calibre, and eminence of Dr. Ram Manohar Lohia. It was reported in the Press, but the Government have not chosen to contradict it.

Shri Morarji Desai: That defamation case is going on. On this matter,

my hon. friend may be better careful. He is very much protected here. I wish he tells it outside. Then he will be immediately prosecuted.

Mr. Deputy-Speaker: Even if he is protected here, he has to take all precaution to see that he does not make any remarks which may be wide of the mark.

Shri V. P. Nayar: I have been a very humble student of criminal law. I have done cases on defamation myself. I know the implications and I know what is *sub judice*. Therefore it is that I said that very serious allegation had been made I do not want to enter into the details at all, but what I was pointing out was that it was not contradicted. There may be cases, and there is a defamation case, I know, I am not going into the case at all. My contention was that when the press reports came and long after that defamation case was launched,—it is after all only a civil case—in the interval, the Government did not choose to contradict.

Shri Morarji Desai: May I tell the hon. Member that this was gone into very carefully, and the matter has been decided only recently? How can we contradict anything without going into everything completely?

Shri V. P. Nayar: I am thankful for that information, but by point was that in the country there has been a feeling that the working of the Estate Duty Act was so defective, that the machinery was not operating properly at all and that during the last five years properties were bequeathed in such a way that rich people have died as paupers. I would not be wonderstruck if some of our millionaires, multimillionaires and *crore-paths* die in future as paupers and not merely as paupers but as huge debtors, because at the time when the Estate Duty Bill was in the anvil of this House, we suggested that having once given a declaration of the intention of Government to bring forward an estate duty law, and if we wanted to take advantage of that, the Govern-

ment should not merely have a period of two years but must have a retrospective effect from the first date on which the firm announcement was made by the Government that they are going to levy an estate duty. We have very clearly expressed it in the Dissenting Minute. In that case, in 1946, when the Government of India made a categorical statement that they were coming out with the Estate Duty Bill, from that date if all further transfers were made subject to taxability, nothing of the kind would have happened. This is what we said then.

I am sorry that I have to read from my own Dissenting Minute. In that Committee, there were 35 Members. Fortunately, 16 are back in this House. Only Shri Kamal Kumar Basu and myself raised this point. The Government were not prepared to accept five years originally. We suggested that the duty should be computed from the first date of the declaration of Government's intention to levy an estate duty, but not being able to convince my hon. Friends over there who were in a huge majority, we agreed to arrive at a compromise of five years in order to reduce at least the mischief that would have resulted.

This is what we said. I read from the Dissenting Minute:

"The period fixed for *bona fide* disposition of property to be out of reach of this law is two years. The corresponding period in the United Kingdom at present is five years. The intention is to have some legislation on estate duty having been declared as early as in 1946. Those who may consider themselves specially liable for taxation have had sufficient notice, but thanks to the policy of procrastination, such taxable sections have had sufficient time to make adequate provisions to evade the law as far as possible. The period should in fairness to public interest have covered the period from now up to the first official declaration about this legislation".

But even the suggestion to fix a period of five years was not accepted. They were in the Government, we were not. We knew they were in the Government and they did not know this would happen. The Minister who was then piloting the Bill had experience as administrator for over 30 years, and he was connected with the finances of this country. Even a person of that calibre, of the calibre of Shri Chintaman Deshmukh, when he threw out a suggestion that unless you extend the period from two years to five years at least, if not from 1946 onwards, it would not be correct, even he did not accept it. And what is worse, the very able Select Committee which had as its distinguished Chairman our present Speaker, who later on made a very interesting speech on the Bill also and who made substantial contribution towards the discussion, did not even care to consider our suggestion, because you will find in the report of the Select Committee that the particular clause referring to the period being changed from two years to five years has not been mentioned at all. It was not mentioned.

I am glad that Government have now accepted that the two years rule which they had was a mistake. Although they may not come openly and submit to this House that because of the two years there has been a loss, I am glad that in two or three sections the "two" years are now being changed to "five" years. But the hon. Minister has disappointed me by saying that these five years will take effect only for deaths which occur after the 1st April, 1958.

I should very much like the Select Committee to consider—having the very regrettable experience we have had in the matter of collections—why it is not possible for us to take the date back. This is a House which has power enough to pass retrospective legislation. I want to know who said that we do not have power to pass retrospective legislation in such matters. We have done it and we can do

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so. If this is the argument, this is an argument not intended for finding additional resources for our treasury but only an argument which is given in order that a certain section, the richer section coming under the taxable slab, may take advantage of this rule.

Therefore, I once again want to reiterate that Government should in future, having regard to the experience they have had in working out this legislation and throwing out a very valuable suggestion because it came from the Communist Party, at least take the lesson that hereafter they will pay more respect to our suggestions, because we know how the tax-evaders can escape. We know for certain that in this country the tax officials and the tax-dodgers are on a keen race, and always you find, as we said in the Dissenting Minute, the dice is very heavily loaded against the interests of the Government. In such a race, we very often find that because of the defective machinery, because of the corrupt administration, the tax dodgers always have an advantage over the Government. Therefore, my submission is that the Government should not think that it is desirable only to have two years extended to five years with effect from the 1st April.

I have heard it said, and it has come out in the Press especially and emphatically too in papers like the *Eastern Economist*, that here in India the tax has become an unbearable burden to the people more than in any other country. We have revised the incidence of duty also, and it is argued that apart from the High incidence of income-tax and other taxes, if we increase the rate of estate duty as we seek to do in this amending Bill, it will very materially affect the prosperity of the country.

I want to give those critics who often talk of the tax burden in this country some comparative figures which will

convincingly show that it is not the highest possible rate of duty in our country but it is something very much less. The hon. Minister said that our annual collection is only around Rs. 2 crores. I have got the figures prepared from the Ministry. It is not Rs. 2 crores. It is even less, because, since 1953-54, from when we could have collected the estate duty up to February, 1958, the total collection amounts only to about Rs. 863 lakhs. In 1954-55, it was Rs. 85.16 lakhs; 1955-56, Rs. 172 lakhs; 1956-57, Rs. 210.87 lakhs; 1957-58, the estimate is Rs. 250 lakhs, and the collection is Rs. 242 lakhs. So, when we expected this to be a windfall, when we expected the estate duty machinery to function in such a way as to bring in a sizable revenue for the Five Year Plan, and when we were in the doldrums with our finance, what we found now is that the Act was defective, because our suggestion was not implemented and because it could not be worked by an efficient machinery. What labour was done, as the proverbial mountain did, produced only a little mouse in the matter of collection. I want the hon. Minister to realise this, because today in the context of our financial difficulties it is more difficult to get our resources; I wish to submit to the House the figures which I have here. I would like to give those figures to those spokesmen who very often cry in and out that our tax-structure is such that it bends them, breaks their spine and it makes it impossible for them to get up. I have made some calculations on the basis of our present slab as you find in this Bill as also under the current rates of estate duty as you get in the United Kingdom. In the matter of the collection from U.K., as I could not get the latest book, I got the figures only for 1955 from the "Government Finance and Fiscal Policy" by A. R. Hiersic. By my calculation I will give you some examples to show how the higher slabs of taxable persons in our country are at a positive advantage as compared to the higher slabs in other countries. I do

not have the figures for the United States of America, but they are also very much similar to U.K. and higher than in India.

16 hrs.

In India an estate worth Rs. 20 lakhs, according to the hon. Minister's new Schedule, will have to pay only Rs. 3.79 lakhs, that is, 19 per cent. Here I do not go into the relative value of the rupee and the pound. If you calculate the estate in England worth Rs. 20 lakhs of Indian rupees in the rough and ready calculation, I have taken one pound as equivalent to about Rs. 14; we need not go into the fractions—the corresponding value of it in pounds will be £1.46 lakhs. Such an estate in the United Kingdom will pay 50 per cent. as against 19 per cent. which we pay in India. Here in an estate worth Rs. 30 lakhs it will be Rs. 6 lakhs to Rs. 7 lakhs, that is, 22 per cent. while an estate worth £2.13 lakhs in U.K. which is equivalent to about Rs. 30 lakhs, will have to pay 60 per cent. Again, an estate worth Rs. 50 lakhs in India will have to pay Rs. 13.79 lakhs or 27 per cent. while in U.K. an estate of the corresponding value of Rs. 50 lakhs, that is, £3.5 lakhs will have to pay 60 per cent. as estate duty. So, what I submit is that the higher and higher you go, the greater is the benefit derived by people even at the present slab, which is certainly a better slab than the one we had. If you take the biggest estate in our country, say worth Rs. 1 crore, it will have to pay Rs. 33.8 lakhs. So, the percentage is roughly 34 per cent. of the value of the estate. Now, take the case of Britain. There an estate worth Rs. 1 crore in terms of pounds will be worth £7.5 lakhs. It will have to pay estate duty at the rate of 70 per cent. of the value. In India an estate worth Rs. 1 crores will pay only 35 per cent. whereas the corresponding figure for U.K. is £5.38 lakhs or 80 per cent. of the value.

So, this is the difference despite the improvements which we have made. Then, as you know, Sir, an estate

worth Rs. 1 crore here and an estate of the corresponding rupee value in the United Kingdom do not mean the same thing. Here they can afford to pay more, because the gap is wider. That is why I say that the Government's improvements do not meet the requirements of our finances and Government ought to revise their schedule so that as it goes to the higher and higher slabs, there is a proportionately higher taxability. We should not leave the rich people to choose to die rich or to pay less tax than what they would have had to pay, had they been in the United Kingdom.

In the United States of America, the tax structure is different. There are two types of estate duty there, because the country has a federal pattern of death duty. The estate tax is divided into two parts—basic and additional—and they come to about 77 per cent. I have not been able to work out detailed calculations. But it is not necessary, because, I think, I have been able to prove that the incidence of estate duty, as found by the revised Schedule, will not be commensurate, will not be equal to the incidence of the estate duty, as it works out in England, from where we have copied our law, even if you calculate the pound in terms of the rupee, let alone the question of difference in income-values.

So I would very earnestly urge upon the Select Committee to reconsider the Schedule. There may be some technical objections for that; I do not know. The slab should be so fixed and the rate should be so pegged down that we are able to mop up a sizable portion of the estate when it is levied and our tax officials must be in a position to reach them.

There is another point also. I am sorry, the hon. Minister has not chosen to revise or amend some of the other sections which are not at all desirable in an Act like this. Mr. N. C. Chatterjee, who endorsed the dissenting minute of Mr. Tulsidas Kilachand, said,—a lawyer of the eminence of Shri N. C. Chatterjee said—that cer-

[Shri V. P. Nayar]

tain sections do not make either head or tail for him. One such section is section 23. I have been a lawyer in a small way, Sir, and I have read it over again in the Select Committee and elsewhere. I am not able to make anything out of it. I do not know why Government have not to amend those sections in a language even if it is in English, in an understandable way. I will read out one sentence from that particular section so that those who have not had the misfortune to read it before may very well try to understand what I mean by this. Section 24, as it stands today, reads:

‘Where by a disposition of any property an interest is conferred on any person, other than the disposer, for the life of such person or determinable on his death, the remainder being conferred upon disposer absolutely and such person enters into possession of the interest and thence forward retains possession of it then, on the death of such person, the property shall not be deemed to pass by reason only of its reverter to the disposer in his life time.’

This is the kind of language that is used in the Estate Duty Act. Then, as you know, our tax-dodgers are very much more crafty than our tax collectors. The slightest loophole will certainly give them an advantage. In our country, unfortunately, some in the cream of our lawyers are prepared to help the tax-dodgers.

An Hon. Member: No, no.

Shri V. P. Nayar: I very much wish it was so, as the Hon'ble interrupter says.

Mr. Deputy-Speaker: Is the hon. Member included in the cream?

Shri V. P. Nayar: So, Sir, I would submit that if it is possible in the Select Committee they should reconsider some of the provisions, as you found in this case, and think whether it is not time when we want to have more money to have a law which is

very clear and contains unambiguous provisions.

Mr. Deputy-Speaker: The hon. Member must conclude.

Shri V. P. Nayar: I shall not take much time of the House, because, I hope to get another chance also when this Bill comes back. The hon. Minister talked about another clause about appeals. We anticipated that. We anticipated the trouble by the machinery which was proposed then and we very clearly told them in the Select Committee, in the House and also in the dissenting minute. You, Sir, having guided several Select Committees, know that it is not possible for the members who attend the Select Committees to give expression to whatever they think or whichever opinions they may hold in the dissenting minute. We can only stress the more important points, and that was one of the most important points that we had stressed. The hon. Finance Minister very often says that he is new and, therefore, he should not be expected to have known all that. So, I would very earnestly request him to devote some time to read this very illuminating account of the Select Committee and also the dissenting minutes so that next time when he comes he can meet some of our criticisms. There we have stated:

‘In providing for appeals from the decisions of the Controller, the creation of an independent appellate tribunal in the place of a board was suggested. This we thought very necessary in view of our accumulated experience of the working of non-independent Governmental institutions.’

Why is it that Government did not change it then? Now after five years of working they have netted only Rs. 8 crores, against Rs. 40 crores to Rs. 50 crores which was expected at the rate of Rs. 8 crores a year, which they estimated then. Now we have gained experience after five years of working. Instead of netting Rs. 8

crores per year, we have netted only Rs. 2 crores. Therefore, I submit that in matters like this, Government should not claim any monopoly of wisdom. It has been proved in this case that they have been unwise when we have been very wise. If only they had taken advantage of the views of other members who were also chosen to serve in the Select Committee by the same House, this contingency would not have arisen. In the Select Committee we fought inch by inch to get these views accepted by Government and all our efforts were in vain. So, I beg to submit that Government should take a completely different view in the matter of estate duty. Provided we rectify the lacuna pointed out by members and provided further we do not allow such escapes, I am sure that our expectations about the possibility of the revenue returns under this Act will be more than satisfied.

I would request the hon. Minister and also the Select Committee to consider it dispassionately and analyse the causes of our failure to find out the defects in the administrative set up and the machinery and try to evolve an Act which will be very much different from what we have now and which will incorporate all the necessary provisions and also enable our Government to get more and more finance and which will not leave those persons, who choose to die, whether owing to patriotic urges to fill up the coffers of our Government or otherwise. Let them have that feeling. One estate, I know, will be able to yield Rs. 300 to Rs. 400 crores if it was properly plugged. I mean the estate which today is that of the Nizam of Hyderabad. Not that I want him to die—let him take his own time, I do not mind—or let him exercise his option in favour of the country; I do not mind that either. The point is that he was estimated in 1950-51 by a neutral source to be worth Rs. 500 crores. Normally, if we take the estate duty at the rates applicable in England....

Mr. Deputy-Speaker: It is not fair. Why should we count estate duty on that just at present? Let that man live.

Shri V. P. Nayar: I was only submitting why it is not possible because at the time when you gave the declaration of the intention of the Government to levy estate duty, from then on till now all manners of transfers have been resorted to.

Shri Narayanankutty Menon (Muk-anapuram): We can have the wealth tax.

Shri V. P. Nayar: Even the wealth tax cannot be had in the measure really due.

Sir, my submission was only that death is inevitable, none of us can escape it, and estate duty has come to stay. If not in this year at some other future date all these rich people shall die and at that time you will find that people, who were worth Rs. 500 crores, have left absolutely nothing, or rather they owe money to some people. It is therefore that I suggest that Government should be more serious in this matter which is certain to bring in additional revenue, even beyond the expectation of the Government, provided they do not repeat their mistake of not having accepted save advice, which was very well meant and which did not have any intention of harming the interests of Government. That advice was given in all good faith. I thank you.

Mr. Deputy Speaker: There is no other hon. Member who wishes to speak. Then I would put it to the House.

Shri V. P. Nayar: Then I would have spoken for another half-an-hour.

Mr. Deputy-Speaker: I would call the hon. Minister to reply.

An Hon. Member: Shri Heda is there to speak.

Mr. Deputy-Speaker: Shri Heda wants to speak. Yes, he might.

Shri V. P. Nayar: Even then, I could have well continued for another half-an-hour to deal with some of the many points I have left out.

Mr. Deputy-Speaker: I came to his rescue.

Shri Heda (Nizamabad): Mr. Deputy-Speaker, Sir, no doubt the Estate Duty Bill was quite new to our country and therefore the experience that we have gained in the course of the last few years has stood us well. In one way the Government has not come too early to this House for the necessary changes. But the point is that after all this experience in what direction the proposed changes are reflecting? Shri V. P. Nayar was elaborately dilating on one point, i.e., that very big estates are escaping one after another. He quoted certain cases and examples which were not in good taste and I would not like to refer to any one of them.....

Shri V. P. Nayar: I have the best of cases always.

Shri Heda:... though I may be having a little closer knowledge than he has of a particular case to which he has referred. The fact remains that there was an impression, and I do not think that impression even now is wrong, that there were many estates which were large enough but the devices that were adopted were so many and the escape methods were available in such a number that transfers of the property took place one after the other and we have

found out that the tax that we could collect was rather negligible.

The hon. Finance Minister was good enough to state that Government never gave any estimate. That is very much true, but all the same those of us who were in the Select Committee, did try to get some rough idea. Shri N. V. Gadgil, who was here in the last Parliament, with the figures that were made available to him by the Finance Ministry, I remember, gave his calculation that roughly he expects about Rs. 9 crores every year as tax collection. No doubt the tax collection is lately increasing. The last figure is higher than the previous one. It is Rs. 2,50,00,000|-. Even then the expected amount has not come and the reason for it is that we have to find out to what extent are the escape measures adopted by the owners of big properties. If that is so, the amendment should have come in such a way as to plug those loopholes and try to net them, thereby increasing the revenues. Instead, I find that the hon. Finance Minister's first, or rather the most important, amendment is to bring down the exemption limit from Rs. 1 lakh to Rs. 50,000|-. The dodgers or the avoiders of the tax are the big people and instead of roping them in or instead of meeting the challenge that they have given the hon. Finance Minister comes forward and tries to rope in the smaller fries. I think it is not a happy decision. Rs. 50,000|- worth of property in today's context is not very much.

Take the case of a house in cities like Bombay, Delhi or Calcutta. After all when somebody dies he will leave a house to his widow or to his children. If you just take a moderate house—I am not talking of palaces; the days of palaces have gone—in the world of today the idea of amenities has changed and quite a few amenities are now available. Therefore, a house worth Rs. 50,000|- is nothing. It is a very moderate house. So, if you just look at a man who would leave a very modest type of property—I am

not talking of big persons—I think this exemption of Rs. 50,000/- will hit hard those whom he probably does not want to hit. At that time also it was thought that a house worth Rs. 1 lakh is not very much. But then it was thought that it would be quite adequate. Prices have not gone down or nothing has happened. Therefore, we do not think that a smaller category of people need unnecessarily be charged and they may be roped in the orbit of this Bill. Therefore I would very much request the non-Finance Minister to reconsider this exemption limit. True, he says that the balance of Rs. 50,000/- that would result after this amendment is accepted, would be charged only at the rate of 6 per cent. But the very spirit in which a concession was given would be defeated. The spirit was to allow a man to own a house and a little property so that not only he spends his old age well but he allows his widow or in case of children, who are either minor or who are not earning properly—and many times it happens that the father was earning very well but the children have not come up to that extent—to live well. He would naturally like to leave some property behind so that they may live a life of comfort.

Another amendment that he has brought is to change the two years to five years. He stated that deaths that take place after the first of April would be governed by this amendment. As Shri V. P. Nayar pointed out, it would have had some meaning had this been brought earlier. But, since the Act was already there, to change this limit from two years to five years will not make any important change. Again, I fear that it will hit only the smaller people, particularly people who do not come within the orbit of the Act so far. The hon. Minister was good enough to say that it will have no retrospective effect. But, if he means only thereby that it would apply only to deaths that would occur after the 1st of April, 1958 it would be not very fair or it would not be very justified.

Genuine transfers and other deals that have taken place before 1st April, 1958 in the course of the last five years, would come within the orbit of the present amendment. Therefore, to say that it will have no retrospective effect is not justified. It will have retrospective effect. According to the present enactment, only transfers within two years are governed. Now we will be going back to a further period of three years, and those transfers and those deals would also be governed by this new amendment. Therefore, I think it will not be justified to give such retrospective effect particularly when he is not expecting much of revenue. I think, the additional revenue that he is expecting is about Rs. 50 lakhs.

The psychology that is created by this is that there is a sort of uncertainty in life. The other day, I had a very funny experience. You know, in Delhi or elsewhere, those who ply vehicles for hire—that class—is very intelligent. They come into contact with so many people. They look at them and I may say that in a way, they are good judges of men and matters. The other day, when I was going in a tonga, the tongawala told me these days, three things have become very cheap. He said that one of these three things was *kanoon*. Of course as a matter of alliteration, he brought the other words also ending with *noon*. He said, *noon*, *khun* and *kanoon* are very cheap. He said that salt is cheap and we get 8 seers for a rupee. Of course, he said that the method of justice is such that if one murders, with the help of a lawyer he can escape quite easily and we find that big people are escaping the law.

Mr. Deputy-Speaker: Murders with the help of a lawyer or escapes with the help of a lawyer?

Shri Heda: His contention was that one can even murder somebody and escape from the consequences if he has got money.

Shri V. P. Nayar: That is what the tongawala said.

Shri Heda: With money, he employs the services of prominent lawyers. The third thing which he said—and that is relevant—is *kanoon*. He said, you people in Parliament do nothing but change the laws; therefore, it has become very cheap to see that today one *kanoon* is coming, tomorrow another law and on the third day, another law is coming. This creates a sort of insecurity in life. People feel that whatever the present enactment is, you cannot rely upon it. Therefore, we have to depend upon shrewd commonsense and it is just possible tomorrow some other enactment may come, and retrospective effect will take away what they wanted to save.

The Finance Minister was also good enough to refer to certain facts in our economic life when he referred to Mr. Kaldor. He said that rich people in our country keep a sizeable cash, ornaments or other wealth which is a sort of hidden wealth, which cannot be assessed, which can be hidden. But, if we adopt these methods of giving retrospective effect, what will be the feeling? We will be strengthening the feeling of insecurity and the tendency to keep as much cash as possible in their own hands or keep wealth hidden. Speaking on hidden wealth, he referred to *benami* holdings. So far as *benami* holdings are concerned, Government can come up and they can be a little harsh also. I have no doubt about that. The point to which I was referring was that amending laws are quite necessary in the light of the experience we again. But, the amending laws should not have retrospective effect. If they have retrospective effect, they create a sort of insecurity in life.

The Finance Minister said that there was a sort of disappointment so far as the yield was concerned. I do not think that this Bill is going to remove that disappointment. From

Rs. 2 crores to Rs. 2½ crores will not be an yield that would attract the people or make them feel that something is being done. I still feel that the loopholes are somewhere else and we have to plug them. We have to find out ways and methods by which big properties are not hidden. Many times, the difficulty is that unless somebody lodges a sort of complaint or brings a matter to the notice of the Government, they do not take any note of it. I have no idea in this respect with regard to our Income-tax department. At least so far as the working of the department is concerned, it is an integrated one. Different taxes are collected through one machinery. I do not know whether they have their own intelligence. Various deals take place in the stock exchanges and we hear on good authority that so and so has made lakhs of rupees in speculation. Does the department bother to find out whether the rumour that was going about in the market, which was confirmed by those who were there actually in the market, is true, and whether the incomes or transactions are entered in the name of the particular party or not? If that is not done, it means that they are evading the tax that naturally belongs to the country. The point is that this Intelligence we must keep in such a way that these big estates or deals in which one has made sizeable amounts do not escape.

Instead of trying to plug the loopholes and instead of trying to bother over the big estates, we are trying to rope in a much smaller category of people, thereby creating a sort of heart-burning. So, I feel that the Ministry should give more thought towards this matter at the right place and face the problems squarely and come forward with the amendments which would substantially increase their revenues, not by decreasing the exemption limit or increasing the rates but by plugging the loopholes and not allowing the big estates to escape from the orbit of this Act.

With these words, I support the Bill.

श्री कवराज सिंह : उपाध्यक्ष महोदय, एस्टेट ड्यूटी (प्रमेंडमेंट) बिल के सिद्धान्त का मैं स्वागत करते हुए कहना चाहता हूँ कि इस तरह के साहसिक कदम के उठाये जाने की आवश्यकता है। आज के इस विकास के युग में और अपनी योजना को सफल बनाने के लिये इस तरह का साहसिक कदम उठाने के लिये सरकार तैयार नहीं है।

यह सही काम किया गया कि एक लाख से घटाकर एस्टेट ड्यूटी की सीमा ५० हजार की गई। लेकिन और दूसरी बातें हैं जिनकी ओर सरकार का ध्यान नहीं जा रहा है। बीमा के नाम पर हम लाखों रुपया एस्टेट ड्यूटी से छोड़ देते हैं। कुछ लोग अभी से अपनी बीबी के नाम पर और बच्चों के नाम पर बीमा पालिसियां ले रहे हैं ताकि जब वह इस दुनियां से चले जायेंगे उस वक्त एस्टेट ड्यूटी में कम पैसा देना पड़ेगा। मैं एक उदाहरण आपके सामने रखना चाहता हूँ। मॅरिड विमेंस प्रापर्टी एक्ट सन् १८७४ के अनुसार हमारे यहां बीमा चल रहे हैं और पिछले ६ महीने से यह चीज बहुत ओर पर है। कहा जा रहा है कि इसमें एल० आई० सी० की बिजनेस बढ़ रही है और उसके पाम रुपया इकट्ठा हो रहा है। लेकिन आप देखें कि लोग क्या कर रहे हैं। आप ऐसा उदाहरण लीजिये कि किसी व्यक्ति के तीन लड़के, तीन लड़कियां और एक बीबी है। वह सब के नाम डेढ़ डेढ़ लाख रुपयों की पालिसी ले लेगा। कुछ लोग ऐसे हैं। कम से कम कुछ को मैं जानता हूँ जहां पर मैं रहता हूँ वह एक छोटा सा कस्बा है। वहां पर पिछले साल ८ लाख के बीमा का बिजनेस हुआ। उसमें से पांच लाख ऐसे लोगों का बिजनेस है जिन्होंने बड़ी बड़ी पालिसियां ली हैं। किस लिये? ये पालिसियां इस लिये ली जा रही हैं कि ऐसा करने से इस वक्त तो गिफ्ट टैक्स को बचायेंगे। अगर कोई आदमी बीमा की पालिसी ले तो प्रति व्यक्ति बस हजार तक तो उस पर टैक्स नहीं लगेगा। मान लीजिये कि कोई डेढ़ लाख की पालिसी

लेता है तो साल में उस का दस हजार प्रीमियम पड़ेगा। तो इस तरह से वह आदमी पचास हजार रुपया साल पर तो टैक्स अभी बचायेगा और जब तक वह पालिसियां चलेंगी तब तक यह टैक्स बचता रहेगा और इसका अन्त में यह नतीजा होगा कि यह जो प्रापर्टी बनेगी वह उस आदमी की नहीं होगी जिसकी मृत्यु हो रही है, बल्कि वह दूसरे व्यक्तियों की होगी, लड़कों की होगी, लड़कियों की होगी, बीबी की होगी और उम पर एस्टेट ड्यूटी नहीं लगेगी। तो इस प्रकार वह व्यक्ति अपने बच्चों और बीबी के लिये दस ११ लाख की प्रापर्टी बना रहा है जिस पर उसकी मृत्यु के बाद एस्टेट ड्यूटी नहीं देनी पड़ेगी। आप कहते हैं कि एस्टेट ड्यूटी की सीमा घटाने में ५० लाख की आदमी हो सकेगी। लेकिन आप इस ओर मच्चे दिल से कदम नहीं उठा रहे हैं। इसके अनुसार तो जो लोग टैक्स दे सकते हैं पर देना नहीं चाहते वे इस प्रकार टैक्स में बचने का प्रयत्न कर रहे हैं।

अगर यहां पर कोई टैक्स का प्रस्ताव आता है तो पहले से यह देखने की लोग कोशिश करते हैं कि इससे किस तरह से बचा जा सकता है और इस टैक्स की किस तरह से चोरी की जा सकती है और इस काम के लिये बड़ी बड़ी फीस देकर वकीलों को रखा जाता है ताकि वह बता सकें कि किस तरह से उम टैक्स की चोरी को जा सकता है। इसका मैंने आपको एक उदाहरण दिया है कि किस तरह से एक व्यक्ति अभी तो गिफ्ट टैक्स को बचा सकता है और किस तरह से दस ग्यारह लाख की प्रापर्टी को टैक्स से मुक्त रख सकता है जिस पर कि एस्टेट ड्यूटी नहीं देनी पड़ेगी।

बार बार यह कहा जाता है कि इससे लोगों में इन्सेंटिव कम हो जायेगा। इससे लोगों में उत्साह कम हो जायेगा और वह ज्यादा पैदा नहीं करेंगे। इस तरह से आप एक तरफ तो इन्सेंटिव देखते हैं दस बीस तीस हजार आदमियों का और दूसरी तरफ सवाल

[श्री बजराम सिंह]

है हिन्दुस्तान के ३८ करोड़ लोगों के उत्साह का। उनकी तरफ भी ध्यान देना चाहिये कि उनको हम इंसेंटिव दे रहे हैं या नहीं। यदि इन करोड़ों लोगों को इंसेंटिव नहीं दिया जाता और केवल इन कुछ हजार व्यक्तियों को ही इंसेंटिव दिया जाता है तो देश का काम नहीं चल सकता। ५० हजार की सीमा बांधने के बारे में कहा गया है कि कुछ लोग ऐसे भी हो सकते हैं कि जिनका शहर में ५० हजार का मकान हो। मैं पूछना चाहता हूँ कि साधारण भ्रामदमी ऐसे कितने हैं जिनके दिल्ली, बम्बई, कलकत्ता, कानपुर जैसे शहरों में ५० हजार के मकान हों। भ्राम भ्रामदमी के इस तरह के इतनी कीमत के मकान नहीं हो सकते। अगर किसी भ्रामसर को एक हजार, १५०० या दो हजार रुपये मासिक भी मिलते हैं तो उसके भी ऐसे मकान नहीं हो सकते क्योंकि वह इतना रुपया नहीं बचा सकता। हाँ लड़ाई के युग में हमारे मुल्क में ऐसा होता था कि लोग किन्हीं तरीकों से सम्पत्ति एकत्र कर लिया करते थे। मैं कहना चाहता हूँ कि भ्राज भी वह युग खत्म नहीं हो गया है। भ्राज भी हम देखते हैं कि जिन लोगों का सम्पर्क कुछ बड़े बड़े स्थानों से है कुछ ऐसे दफ्तरों से है जहां कि लाइसेंस और परमिट आदि दिये जाते हैं उनको इस तरह की भ्रामदनी हो जाती है और हम किसी दिन सवेरे उठ कर देखते हैं कि उनकी कोठी बननी शुरू हो गयी जो कि ५० या ६० हजार की होगी। क्या माननीय सदस्य चाहते हैं कि जो लोग इस तरह की कोठियां बना लेते हैं उनसे सरकार को देश की उन्नति के लिये जो उचित हिस्सा मिलना चाहिये वह न मिले। तो मैं निवेदन करना चाहता हूँ कि यह दलील बिल्कुल भ्रामक है कि इस सीमा को एक लाख से घटा कर पचास हजार कर दिया जायेगा तो भ्राम जनता पर इसका बुरा असर पड़ेगा। मैं कहना चाहता हूँ कि भ्राम जनता का तो इससे कोई सम्बन्ध ही नहीं है। भ्राम जनता तो चाहती है कि

इस प्रकार के प्रत्यक्ष कर अधिक से अधिक लगाये जायें। सरकार की ओर से कहा यह जा रहा है कि हम प्रत्यक्ष कर बढ़ा रहे हैं लेकिन भ्रमी बतलाया गया कि हिन्दुस्तान में भ्रमी भी प्रत्यक्ष कर १५ है और १८ या १९ अप्रत्यक्ष कर हैं। शायद वह रेलवे किराये कर को भी प्रत्यक्ष कर मानते हैं लेकिन वह तो भ्राम जनता पर लगाता है। एस्टेट ड्यूटी, गिफ्ट टैक्स, कारपोरेशन टैक्स आदि प्रत्यक्ष कर हैं। लेकिन जब भी इस सदन में इस प्रकार के टैक्स लगाने का कानून बनाया जाता है तो उसके सिद्धान्त को मानते हुए भी उसकी इस प्रकार धालोचना की जाती है कि उस कानून की आत्मा को ही खत्म कर दिया जाये जिससे कि उस कर से सरकार को कुछ मिले ही नहीं। तो मैं निवेदन करना चाहता हूँ कि इस सदन में एक वर्ग है जो कि मत्तारूढ़ पार्टी से सम्बन्ध रखता है जो कि नहीं चाहता कि इस प्रकार का कानून बने, वह वर्ग चाहता है कि शोषण का राज चलता रहे और जो बड़ी बड़ी सम्पत्ति हड़पे बैठे हैं वह हमेशा के लिये उनके पास बनी रहें।

मैं निवेदन करना चाहता हूँ कि यह बिल सही दिशा की तरफ एक कदम है। लेकिन अकेले इस बिल को कानून बना देने में काम नहीं चलेगा। मुख्य समस्या है कर के ढांचे को ठीक बनाने की जिसका उद्देश्य यह हो कि जो टैक्स भी चोरी हो रही है उसे हम दूर कर सकें। अगर उस दिशा में अच्छा कदम नहीं उठाया जाता तो इस कानून का उद्देश्य पूरा नहीं हो सकता। मैं समझता हूँ कि यह जो एक लाख से पचास हजार की सीमा की गई है और जो दो साल से पांच साल तक लागू करने का कदम उठाया गया है यह सिद्धान्त रूप से सही कदम है। इस तरह का कानून बना देने से सिद्धान्त रूप से हम उस दिशा में बढ़ते हैं। इससे एक ढांचा बनता जाता है। लेकिन केवल इतने से ही काम नहीं चलेगा। जो बड़े

पैमाने पर टैक्स की चोरी होती है और जो टैक्स को छिपाया जाता है उनको निकालने के लिये सरकार को कोई सक्रिय कदम उठाना पड़ेगा। यह कदम क्या हो सकता है? एक तरीका तो यह हो सकता है कि जहां यह प्रत्यक्ष कर लिये जाते हैं उनको लेने वाले भ्रफसर, उनको लगाने वाले भ्रफसर विवेक से काम लें। कहा गया है कि जहां पर कोई भ्रफसर कर को माफ कर देता है तो ऐसा करना भ्रफसर के विवेक पर होगा कि वह उस व्यक्ति की सामर्थ्य को देखे कि वह उस कर को दे सकता है या नहीं।

. जहां तक इस क्षमता को देखने का सवाल है यह भ्रधिकारी के विवेक पर निर्भर करता है। इनकम टैक्स के सम्बन्ध में भी और इस कानून के सम्बन्ध में भी हम यह देखते हैं कि ज्यादातर भ्रफसर के विवेक पर यह निर्भर करता है। और ये भ्रफसर कौन लोग होते हैं? भ्रफसर हम लोग देखते हैं कि जो भ्रधिकारी होते हैं या तो उनका सम्पर्क उस वर्ग से खास तौर पर होता है जिस पर यह टैक्स लगना चाहिये या सम्पर्क नहीं होता है तो कभी कभी उसी वर्ग से वे आते हैं और उनकी यह निश्चित धारणा होती है कि मैं उस वर्ग से आया हूँ उसका मैं नुक्सान न करूँ। इस सम्बन्ध में मैं एक भ्रमली सुझाव देना चाहता हूँ। मैं चाहता हूँ कि यह सरकार और प्रवर समिति भी इस पर विचार करे कि क्या इस तरह का कदम उठाया जा सकता है कि भ्रधिकारियों की भर्ती में हम देखें कि ऐसे वर्ग से लोग आयें ऐसे भ्रधिकारी भर्ती किये जायें जिनका विवेक सही रूप में इस्तेमाल किया जा सके और किसी तौर पर—मैं व्यक्तिगत तौर पर पक्षपात करने की बात नहीं कहता—वग-हित की दृष्टि से ऐसे लोगों के साथ जिन पर टैक्स लगता है पक्षपात की बात न हो सके। उदाहरण के लिये भ्राप किसान वर्ग से भ्रधिकारी लें। अगर हो सके तो मजदूरों के वर्ग से लें। मध्यम वर्ग

से लें। अगर वह भ्रधिकारी जाकर एस्टेट इयूटी भ्राफिसर बने तो उससे यह मुमकिन नहीं हो सकेगा कि जो लोग चोरी करते हैं, छिपाते हैं, छलत तरीके से हिसाब-किताब बनाते हैं वे ऐसा कर सकें और उसका विवेक उनके हक में इस्तेमाल हो।

हम सभी जानते हैं कि इस सम्बन्ध में तरह तरह की बातें फेल गई हैं। सिर्फ इसलिये मुनीम और गुमाश्ते रखे जाते कि दो तरह के बही-खाते बनाये जायें जिन भ्रलग-भ्रलग हिसाब-किताब भ्रलग-भ्रलग मुनाफ़ा और नुक्सान वगैरह दिखाये जाते हैं। जो बहीखाता भ्रफसरों को दिखाने के लिये होगा, जो टैक्स भ्रधिकारी के सामने पेश करने के लिये होगा उसमें नुक्सान दिखाया जायेगा। इसके विपरीत दिवाली वाले बहीखाते में वर्ष के आखिर में जिसकी वे पूजा करते हैं मुनाफ़ा दिखाया जायेगा। इस टैक्स की चोरी को रोकने के लिये कड़े कदम उठाये जाने की जरूरत है। मैं यह निवेदन करना चाहता हूँ कि कर-डांचे में परिवर्तन करने के बाद और उन सब कमियों को दूर करने के बाद जिनकी वजह से हम समझते थे कि चोरी होती है और प्रत्यक्ष करों को छिपाया जाता है हम यह भी देख कि जो भ्रधिकारी हम नियुक्त करें उनका मस्तिष्क इस तरह का हो उनकी पृष्ठभूमि इस तरह की हो कि उस वर्ग से जिन पर ये कर लगाये जाने वाले हैं उनकी हार्दिक सहानुभूति न हो। मैं यह नहीं कहूंगा कि उनकी उनसे दुश्मनी हो उन से वैमनस्य हो। वैमनस्य न हो लेकिन निष्पक्ष दृष्टिकोण जरूर हो। अभी तो यह होता है कि वे लोग टैक्स देने वाले और टैक्स भ्रधिकारी—एक तरह के सफ़ेद कपड़े पहनने वाले होते हैं एक तरह की भाषा बोलने वाले होते हैं एक तरह की गोष्ठियों—क्लबों—में बैठने वाले होते हैं एक ही जगह वे बैठते हैं टैनिंग खेलते हैं। मैं यह निवेदन करना चाहता हूँ

[श्री जयराम सिंह]

कि इन अधिकारियों से यह मुमकिन नहीं होता कि वे प्रच्छेदी तरह से विवेक का इस्तेमाल कर सकें जहाँ टैक्स लगाने की जरूरत हो वहाँ टैक्स लगा १ ।

जहाँ तक कर-ड्रांचे में परिवर्तन करने का सम्बन्ध है—गिफ्ट टैक्स को लगाने और उसके साथ साथ एस्टेट ड्यूटी की भ्रामदनी एक लाख से पचास हजार करने का सम्बन्ध है, मैं समझता हूँ कि वह एक सही कदम है । लेकिन आवश्यकता इस बात की है कि उसके साथ साथ ऐसे भी कदम उठाये जायें जिनसे चोरी को रोका जा सके । यह साफ़ बात है कि भ्रष्टत्यक्ष करों में कोई चोरी नहीं होती । वहाँ पर तो जहाँ भ्रामदनी ने खरीद की वहाँ पर ही कर लग गया । लेकिन प्रत्यक्ष करों में लगातार चोरी होती चली आ रही है । हमारे यहाँ अनुमान बनता है कि छठ करोड़ इकट्ठा कर लेंगे पांच करोड़ इकट्ठा कर लेंगे । लेकिन भ्रामदनी में होता क्या है ? दो बार्ड करोड़ इकट्ठा हो पाता है । हम सोचते हैं कि इन छः महीनों में पचास लाख इकट्ठा हो जायेगा लेकिन मैं नहीं कह सकता कि जब हमारे सामने एकबुध्द भ्रामदनी तो पचास लाख हो पायेगा या नहीं । मैं यह चाहता हूँ कि इस पर हम मौलिक रूप से विचार करे कि किस वजह से हमारे अनुमान गलत होते हैं । यह बात नहीं है कि लोग देने लायक नहीं हैं उनकी क्षमता नहीं है । उनकी क्षमता तो है लेकिन उन पर कर लगाया नहीं जाता है । कमी कमी उनको जान बूझ कर छोड़ दिया जाता है या इतनी मेहनत नहीं की जाती है कि उनको पकड़ा जा सके । मैं जानता हूँ कि जिस कम्बे में मैं रहता हूँ उसमें सैंकड़ों इस तरह के मकान बने हैं जिन पर प्रत्यक्ष कर इनकम टैक्स लगाया जा सकता था—बहु पांच छः साल की छिपी हुई भ्रामदनी थी—लेकिन उस तरह कोई ध्यान नहीं दिया गया ।

मैं यह निवेदन करना चाहता हूँ कि हम लोग इस कर-नीति को इस कर-ड्रांचे

को स्वीकार करने के बाद इससे संतुष्ट न हो जायें कि हम ने इसमें जो भी चोरी हो सकती थी जो भी कर छिपाया जा सकता था उसको खत्म कर दिया है । इसके साथ सही कदम यह होगा कि हम यह देख लें कि हमारे दृष्टिकोण में जो परिवर्तन होने की जरूरत है वह परिवर्तन हो रहा है या नहीं । वह परिवर्तन तब होगा जब हम ज्यादा से ज्यादा प्रतिनिधित्व सेवाओं—नीकरियों—में ऐसे लोगों को दें जिन के कोई वर्ग-स्वार्थ नहीं होते जिनका अपना कोई पक्षपातपूर्ण दृष्टिकोण नहीं है जिसकी वजह से वह ऐसे व्यक्ति को छोड़ दें जिस पर वह एस्टेट ड्यूटी न लगाना चाहें ।

यह एक सही कदम उठाया जा रहा है कि देश भर से जो माल के रिकार्ड हैं लिखा-पढ़ी है रेवेन्यू रिकार्ड हैं उनको इकट्ठा किया जा रहा है ताकि यह पता लग सके कि कितने लोग ऐसे मरे हैं जिनकी हैसियत पचास हजार की हो सकती थी । माल के रिकार्ड तो इस तरह मिल सकते हैं क्योंकि वह लिखा-पढ़ी की चीज होती है लेकिन जो शहर के लोग हैं उन के कोई रिकार्ड नहीं हैं । वह पहले से सब कुछ कर लेते हैं । मेरे मित्र श्री वी० पी० नायर ने एक बहुत ही महत्व की बात कही कि हम भविष्य में देखेंगे कि हमारे यहाँ जो बहुत ही धनपति करोड़पति हैं वे जिस वक्त मरने लगेंगे वे बिल्कुल ही खालपति हो कर मरेंगे उनके पास कोई भी नहीं होगी वे पहले ही सब कुछ इंतजाम कर जायेंगे । मैंने एक उदाहरण दिया कि एक भ्रामदनी, जिस के पास आज लाखों की सम्पति है, मरने से पहले ११ लाख का इंतजाम कर जाता है ताकि उसको एस्टेट ड्यूटी न देनी पड़े । इस सम्बन्ध में हमको बहुत ही क्रान्तिकारी कदम उठाने की जरूरत है । आज मुल्क में इस तरह की भावना है कि लोगों की फारबून—सम्पति—बहुत ही छलांगें मार कर बढ़ रही है—

इस तरह से बढ़ रही है जिसका कोई हिसाब नहीं लगाया जा सकता। देश के एक प्रमुख व्यक्ति के सम्बन्ध में उदाहरण दिया गया है। मिनिस्टर साहब में उसके सम्बन्ध में यह कह दिया कि उसका केस चल रहा है। मैं इस सम्बन्ध में यह निवेदन करना चाहता कि ठीक है, उसका केस चल रहा है, लेकिन याद रहे कि उसका प्रतिवाद भी तब तक नहीं किया गया जब तक बार बार उस व्यक्ति ने यह चैलेंज नहीं किया कि जो कुछ मैं कहता हूँ वह मैं भ्रदालत में साबित करने के लिये तैयार हूँ मुझ पर केस चलाया जाय। डा० राम मनोहर लोहिया ने बार बार कहा कि मुझ पर केस चलाया जाय, तो केस चलने की नीमत आई। मैं एक व्यक्ति के बारे में कुछ नहीं कहना चाहता हूँ। उसका जो कुछ निर्णय होगा देखा जायेगा। मैं यह कहना चाहता हूँ कि इन सब बातों को देखने की जरूरत है कि जो चोरी होती है जो टैक्स छिपाया जाता है उसको कैसे बचाया जाय।

मुझे बड़ा आश्चर्य हुआ जब यह कहा गया कि आज ये लोग बड़े देशभक्त हो गये हैं जिनका यहां भी कारोबार चलेगा पाकिस्तान और अमेरिका में भी चलेगा। हम समझ सकते हैं कि वह कैसा हिसाब-किताब रखेंगे। वकील लोग उनके पास मौजूद होंगे जो उनके बचने का ढंग बता देंगे। गिफ्ट टैक्स के सम्बन्ध में यह कहा गया कि ये लोग सम्पत्ति दान करेंगे भूदान करेंगे। यह बड़े अफसोस की बात है। इन में से कितने लोगों ने सम्पत्ति दान किया है? बिनोबा जी और श्री जयप्रकाश नारायण उन लोगों से थोड़ी जमीन ले चाये हैं जिनके पास थोड़ी जमीन है लेकिन वे उन लोगों से सम्पत्ति दान और भूदान नहीं ले सकते जो लक्षपति करोड़पति हैं जिनकी बड़ी बड़ी मिलें चल रही हैं। अगर वे देंगे तो इसलिये कि कहीं भूजल हड़ताल न कर दें। भले ही इसलिये रिश्तत दे दी जाय . . .

बी स० न० बनर्जी (कानपुर) : इलेक्शन फंड में देंगे।

श्री अजराम सिंह : या चुनाव के फंड में दिया जाय। उनको एगजेम्पशन देने का सवाल नहीं आयेगा। इस बात की खास तौर पर जरूरत है कि हम जो कर-डांचा बना रहे हैं हम उसके मुताबिक अपनी मनोवृत्ति बनायें। हम जो कर-डांचा बनायें या जो कानून बनायें हम उसकी आत्मा को ठीक तरह से लगातार लागू करने के लिये तैयार हों और उन पर पूरी तरह से प्रभल किया जाय। और वह प्रभल कैसे हो? वह तभी होगा जब आप यह न सोचें कि वे प्रतिपक्षी लोग हैं ऐसे लोग हैं जो सदा आलोचना करते रहते हैं। मैं यह भी कहना चाहता हूँ कि जहां तक इस मुल्क को बनाने का सवाल है जहां तक एक मुल्क के विकास का ताल्लुक है जहां तक इस देश के निर्माण का सम्बन्ध है हम न किसी से पीछे रहे हैं और न आगे पीछे रहने वाले हैं। हां नीतियों में अवश्य फर्क हो सकता है और होगा। आप प्रत्यक्ष कर लगाते हैं और उसका हर कोई स्वागत करता है। यह भी एक प्रत्यक्ष कर है जो आप लगा रहे हैं और इसका सभी वे स्वागत किया है। आपने गिफ्ट टैक्स लगाया उसका सभी ने स्वागत किया है इसके पीछे जो सिद्धान्त है उसको सब मानते हैं लेकिन जब आप उसकी जो भावना है, उसकी जो आत्मा है उसको खत्म कर देते हैं तो इससे सभी को आपत्ति होती है। आप इस तरह के कानून लायें, किसी को कोई मतभेद नहीं है। लेकिन इसके साथ ही साथ आपका यह फर्क भी हो जाता है कि टैक्सों की चोरी आप रोकें, आप यह देखें कि जिनको टैक्स भदा करना है, उनसे टैक्स लिया ही जाये, उनको किसी किस्म की छूट न दी जाये। टैक्सों की चोरी को रोकने के लिये आपको मनोवैज्ञानिक परिवर्तन करना होगा, अधिकारियों के दृष्टिकोण में परिवर्तन करना होगा और आपको ऐसे अधिकारी भर्ती करने होंगे जिनका मैं अभी चिन्त कर रहा हूँ और

[श्री प्रजराज सिंह]

उस वर्ग से ये नहीं लिये जाने चाहियें जिस वर्ग पर यह टैक्स लगेगा और अगर आपने ऐसे अधिकारियों की नियुक्ति की, तो वे अधिक विवेक से, अधिक तत्परतापूर्वक, बिना भेदभाव के, बिना पक्षपात के काम कर सकेंगे।

16-22 hrs.

[MR. SPEAKER in the Chair.]

दूसरा सुझाव मैं यह देना चाहता हूँ कि इस तरह के मामलों में आप विरोधियों से क्यों सुझाव नहीं लेते हैं, उनका क्यों नहीं सहयोग प्रामाणिक करते हैं। आपको चाहिये कि आप उनका सहयोग भी लें और उनका सहयोग आपको मिल भी सकता है। अगर आपने उनकी मदद ली तो यह जो टैक्सों की चोरी होती है यह बहुत हद तक कम हो सकती है। आपने एक विधेयक आज प्रवर समिति के सुपुर्द किया है, उसको जब पास कर दिया जाएगा, और लागू कर दिया जायेगा, तो आपको टैक्सों की चोरी को रोकने में कुछ मदद मिलेगी। यदि आप विरोधियों की मदद भी चाहते हैं तो आपको ऐसा वातावरण बनाना होगा जिस वातावरण में कि विरोधी लोग जो हैं वे आपको सहयोग प्रदान कर सकें। वे आपको बतला सकते हैं कि यह आदमी है जो कि टैक्सों की चोरी कर रहा है और फिर आप उसको पकड़ सकते हैं, उसको सजा दिला सकते हैं।

यहां पर आप दस परसेंट रिबेट देने की बात करते हैं। इस रिबेट को देकर आप मुफ्त में भयानक उदाहरण पेश कर रहे हैं। आप किसानों को तो कमी रिबेट देने की बात नहीं करते हैं, छोटे आदमियों को रिबेट देने की बात नहीं करते हैं। इस तरह से रिबेट देने से मैं समझता हूँ आपका काम नहीं चलेगा।

अन्त में मैं इतना ही कहूंगा कि जिस बिल को यहाँ पेश किया गया है और जिसको प्रवर समिति के सुपुर्द किया जा रहा है उसका सिद्धान्त कृप से हम स्वागत करते हैं। मैं

काहूंगा कि प्रवर समिति उन सभी सुझावों पर जो यहाँ पेश किये गये हैं, विचार करे और इस पर भी विचार करे कि कौन से उपाय प्रत्यक्ष किये जाने चाहियें जिनसे कि इन लोगों की चोरी को रोका जा सके तथा अधिक से अधिक रुपया इन करों से हमें प्राप्त हो सके ताकि इस पैसे का उपयोग हम अपने मुल्क के निर्माण में कर सकें तथा अपने मुल्क को आगे बढ़ा सकें।

इन शब्दों के साथ मैं इस विधेयक का स्वागत करता हूँ।

Shri D. C. Sharma (Gurdaspur):
Mr. Speaker, Sir, when the Estate Duty Bill was passed last time there was a jubilation in the minds of some, a lot of controversy in the ranks of others and a great deal of opposition amongst some. But, the Congress Party and the Lok Sabha put their seal of approval on that for various reasons. I think to many of us its appeal lay in the fact that it was—if I may use that expression—an ideological measure. It was a measure brought forward to iron out the disparities of income in this country. It was a measure in the direction of the fulfilment of the objective of our country, the socialist pattern of society. It was a measure which wants that the concentration of wealth should not be in the hands of a few persons and that the other persons should not be denied those items of welfare which are to be the desire of all of us. Therefore, it was welcomed by some persons.

But the test of the pudding lies in its eating. A tree is to be judged by the fruit it bears. What has been the result of this? The other day, I went to a public meeting in Kingsway Camp and a member from the audience shouted: "Do not listen to this man because he represents a party which has saddled this country with too much of taxes. All these Congressmen are bringing forward Bills after Bills

which add to the incidence of taxation in this country".

Sir, it was not my experience in Kingsway Camp, Delhi only; I have had similar experiences when I go about in my constituency. People turn round and ask me, 'Why is it that you are trying to pass so many Bills which add to the taxation of the people?' They ask me this question.

We are passing taxation measure after taxation measure. In the first place, we are doing so for ideological reasons. In the second place, we are doing so for what I may call the developmental reasons of this country. We have to make a success of our Second Five Year Plan, and other Plans also. We want that we should raise internal resources in order that we should be able to finance those plans very adequately. Naturally, we can do that by means of taxation and other things.

That is a very laudable object. But that object is not explained to persons so well as other things. Every day I get pamphlets, typed material, big bundles of papers—and all the other hon. Members of the Lok Sabha also get that. Sometimes we get them in duplicate copies. In those papers and pamphlets the whole taxation policy of our Government is sought to be interpreted. I thank Shri Bhagat that he sent us a non-technical explanation of the development rebate. It was a good thing that he did so because, after all, we are not technical persons.

But, here is the Estate Duty, the Expenditure Tax, the Wealth Tax and now our Gift Tax Bill. They are all very technical Bills. Of course, they have done something to explain these measures to us in a non-techni-

cal way. But I would say that even that non-technical language is such that it gives us the legal connotations of these measures but it does not give the social implications of them. We want to know what good these measures are going to do and the people do not want to know the legal quibbles that are associated with them. Therefore, I submit that we pass these measures for two reasons. But, what has been the result?

I remember I put a question some years back, during the last Lok Sabha—I put so many questions—about the collection of Estate Duty all over the country

17 hrs.

I sometimes put questions about the collection of estate duty by Sates also. I was always told that the collections were far far below the anticipated sums.

Mr. Speaker: Has the hon. Member much to say?

Shri C. D. Sharma: Yes, Sir, very much more to say.

Mr. Speaker: Then, he may resume his speech tomorrow.

PRIVILEGES COMMITTEE

SECOND AND THIRD REPORTS

Sardar Hukam Singh (Bhatinda): Sir, I beg to lay on the Table the Second Report of the Privileges Committee. I also beg to lay on the Table the Third Report of the Privileges Committee.

17-01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday the 25th April, 1958.