

PETITION RE. BANKING LAWS
(AMENDMENT) BILL

SHRI INDRAJIT GUPTA (Alipore) :
Sir, I beg to present a petition from Shri A. Sunder Rao and others relating to the Banking Laws (Amendment) Bill, 1967. With your permission I would just like to mention that this petition is signed by 7,26,831 persons.

deterioration in domestic savings. However, following the improvement in the agricultural situation, there is now some respite in the price situation and as a result of this, as also of the other steps in the budgetary and other fields being taken by us, substantial increases in the capacity to save are anticipated. The present is therefore an opportune time to adopt measures for mobilising savings and the Public Provident Fund Scheme is one such measure.

12.35 hrs.

PUBLIC PROVIDENT FUND BILL

THE DEPUTY PRIME MINISTER
AND MINISTER OF FINANCE (SHRI
MORARJI DESAI) : Sir, I beg to move :

"That the Bill to provide for the institution of a provident fund for the general public, be taken into consideration."

12.35½ hrs.

[Mr. Deputy-Speaker in the Chair]

The House will recall that in my Budget Speech of the 29th February, 1968 I had referred the fact that self-employed persons do not have the facility of saving through provident funds. I had also then indicated that I proposed to introduce a public provident fund scheme under which all sections of the community will have the opportunity of contributing to a provident fund and incidentally of availing of the income-tax benefits provided for under the law in respect of contributions to such funds. Accordingly and in order to obtain the necessary legislative authority to institute a public provident fund scheme, the Public Provident Fund Bill was introduced in this House on the 18th April, 1968.

A provident fund is essentially a device for facilitating long-term savings by those who are eligible to join the fund. Promotion of saving is vital for the economic development of the country, particularly at a time like the present. During the last few years, the economy witnessed a stagnation in both industrial and agricultural production and this naturally led to a

The proposed Public Provident Fund, as the name itself implies, will be open to any member of the public—whether employed or not—unlike the various existing provident funds which are as a rule meant for the employees only. The Fund will be worked also on an entirely voluntary basis, it being left to the individual concerned to decide whether to join the Fund or not and after having joined the Fund, how much to subscribe annually to the Fund, subject only to a minimum and a maximum which it is necessary to prescribe. The subscriptions will of course carry interest at rates to be specified from time to time but there will not and cannot be any Government as such to the Fund. The concept of contribution, I might add, arises only in the case of employees as one of their service conditions and is not relevant in the case of a provident fund for the general public. Even for the General Provident Fund of Government employees, there is no Government contribution as such. However, the various tax concessions which go with the various existing Provident Funds will be available for the proposed Public Provident Fund. These concessions include tax relief in the form of deduction from income at prescribed percentages of the subscriptions subject to certain limits laid down in the Income-tax laws and also absence of tax liability on the amounts received from the funds whether as interest or otherwise. The balance to the credit of subscribers in the Fund will also be exempt from Wealth Tax. The Finance Bill 1968 incorporates necessary provisions for giving these tax concessions. It is these concessions which should in particular make the Public Provident Fund Scheme attractive to self-employed persons, be they doctors, lawyers, traders or actors and even pensioners.

†Moved with the recommendation of the President,

The public Provident Fund Bill provides the necessary enabling authority to Government to frame a Public Provident Fund Scheme. The details of the Scheme have not been spelt out in the Bill nor is it practicable to do so, as they may need review and modification from time to time depending on the circumstances. However, the matters which will be provided for in the Scheme have been set out in the Schedule to the Bill. The more important of these are the maximum and minimum limits in respect of the subscriptions to the Fund; the extent to which and the terms and conditions under which withdrawals may be made by the subscribers and the authority by or through whom subscriptions may be collected and withdrawals may be made. It is proposed that for the present the Scheme to be framed should provide that the contributions to the proposed Provident Fund may be for any amount, subject to a minimum of Rs. 100 a year and a maximum of Rs. 15,000 in a year. A minimum limit of annual subscription is considered necessary in order to preserve the character of the provident Fund and a maximum is necessary as the contributions count towards deduction from assessable income for purposes of income-tax and the interest on subscription is also exempt from income-tax. The maximum proposed, namely, Rs. 15,000 *per annum* is the maximum amount on which deduction is available under the Income-tax law in respect of contributions to recognised provident funds, taken together with savings in life insurance and 10/15 years Cumulative Time Deposits. I might add that even though these limits will be prescribed, it will be open to the subscriber to make his contributions at any time and in any number of instalments during the year.

As regards withdrawals from the Fund the Bill provides that these will be allowed subject to such terms and conditions as may be specified in the Scheme. There are, however, two restrictions which have been incorporated in the Bill itself, namely that no withdrawal shall be allowed during the first five years of making the initial contribution and also that the entire amount standing to the credit of the subscriber shall not be withdrawn for a period of 15 years after making the initial contribution.

It is proposed that the Scheme to be framed by Government will provide that withdrawals shall be only upto the extent of 50 per cent of the deposits made by the subscriber and remaining with the Government at least for a period of five complete financial years. These restrictions are necessary so that subscriptions in any one year on which liberal tax concessions are available remain with Government for reasonable period. These restrictions are also consistent with the objective of promoting long term savings and to ensure that the Scheme is not abused for the purpose of tax avoidance.

There is also a provision in the Bill for the grant of loans out of the amount standing to the credit of the subscribers on such terms and conditions to be prescribed in the Scheme. This provision is intended to provide relief for those subscribers who for some reason or the other find themselves in a difficult financial position and need assistance during the initial period of five years when no withdrawals will be permitted.

The interest to be paid on the subscriptions will be notified by the Central Government from time to time. The rate will, however, be related to the interest which Government pays on the 15 years Post Office Cumulative Time Deposit Scheme of Government—this is 4.8% at present.

The proposed Provident Fund Scheme contains several other attractive features. Besides the tax concessions which I have referred to earlier, the amount standing to the credit of any subscriber to the Fund will not be liable to attachment under any decree or under any order of the Court, in respect of any debt or liability incurred by him. A subscriber can also make a nomination in favour of any person to receive the amount standing to his credit in the provident fund at the time of his death.

The Scheme will be operated at the offices of the State Bank of India and its Subsidiary Banks on behalf of Government. These Banks will receive subscriptions and allow withdrawals and also issue special pass-books in which the deposits, withdrawals and annual interest will be entered by the Bank. The deposits received by the State Bank of India and its

[Shri Morarji Desai]

subsidiaries will be transferred to Government account and likewise the withdrawals allowed by them will be got reimbursed by the Government. Thus, the monies in the Fund will remain with Government and will be accounted for in the Government account.

Sir, I have tried to outline briefly the main features of the Bill and also of the Scheme which will be framed shortly in order to introduce the Public Provident Fund. The Scheme will be laid before the House in due course and if necessary the House can then have an opportunity to discuss it. I may, however, assure the hon. Members that it will be my endeavour to ensure that the Scheme will provide necessary flexibility and convenience in regard to the mode of making subscription and other operational details in order to suit the needs of the prospective subscribers.

It is my expectation that the Scheme will start working on the 1st July this year. I have already assumed a credit for Rs. 10 crores under this Scheme in this year's Budget and have every hope that it will be realised. It is usual in advanced countries to accept social security funds as a source for financing schemes of social and economic development. In India it is the various provident funds which serve as the device for providing social security and also incidentally mobilising savings for financing the country's development. I have no doubt that in due course the Public Provident Fund will serve as a social security measure for the self-employed and also bring in sizeable longterm savings.

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill to provide for the institution of a provident fund for the general public, be taken into consideration"

Now we have got two hours. How shall we divide the time? For General Discussion one hour.....

SOME HON MEMBERS : 1½ hours.

MR. DEPUTY-SPEAKER : So 1½

hours for General Discussion and half an hour for clause by clause consideration.

SHRI S. S. KOTHARI (Mandsaur) : No time for the Third Reading?

MR. DEPUTY-SPEAKER : There is no time.

SHRI S. S. KOTHARI : So, no Third Reading?

MR. DEPUTY-SPEAKER : Third Reading will be there, but no special time will be allowed.

So I will request hon Members to limit their speeches to 5 or 7 minutes. I have to finish it within 1½ hours.

Mr. Muthusami.

SHRI C. MUTHUSAMI (Karur) : It is not clear why the Finance Minister is in such a hurry to introduce the Bill without framing a proper scheme. The scheme will provide, among other things, a practical arrangement for collecting subscriptions to the proposed Fund, the procedures, the rate of interest, the extent to which and terms and conditions under which withdrawals may be made, terms under which loans may be granted to subscribers, etc. The Bill contains no such scheme.

The explanation for not including these details of the proposed scheme according to the memorandum regarding delegated legislation attached to this Bill is that these are matters of procedure and administrative detail and hardly practicable to provide in the Bill itself. But this is unconvincing. The scheme is the substance of interest, not the Bill.

So, I want the Government to come forward with the Scheme along with the Bill.

SHRI T. M. SHETH (Kutch) : Mr. Deputy-Speaker, Sir, I rise to support the Bill. I congratulate the hon. Deputy Prime Minister and the Minister for Finance for bringing forward this Bill. In my submission, Sir, this Bill should have been introduced long ago. The object of the Bill is said to be to provide a channel for

saving for self-employed people like doctors, lawyers etc. But, in my submission, Sir, there is another class which also needs this, and which will utilise this channel. And that is the lower middle class of shop assistants who work in the metropolitan cities like Bombay, Delhi, Calcutta, Madras as also in the semi-urban towns which require a channel for savings. For them, I think, this scheme will be a great blessing. Not only that, but, Sir, I feel that so far as this class is concerned, the lower-middle class for whom very little has been done so far, this scheme should be made compulsory. The employers of these people, namely, the shopkeepers should also be made to contribute. For them this should be made a contributory scheme. The shop assistants should also contribute as well as the employers.

Therefore, Sir, I welcome this scheme which will serve as a social security measure as well as provide some sort of substantial ploughing back of money into our exchequer.

Secondly, Sir, regarding the State Bank and its subsidiaries, there are only 2,200 and odd branches of that bank, whereas the class which I have described is a very wide class. Therefore, in addition to State Banks some other agencies shall have to be employed for the operation of this scheme.

Therefore, I suggest that the post offices or some other banks should also be utilised for this purpose.

So far as the scheme is concerned, there are one or two things to which I will draw pointed attention. In Provident Fund schemes the withdrawal and the taking of loans is a difficult process. Therefore when the scheme is framed, particular attention should be paid to this aspect of the scheme so that a person who contributes to this scheme could easily get the withdrawals as well as the loans.

The next point that I would like to refer to is regarding interest. The rate of interest will be 4.8 per cent. This is a long-term saving. On long-term investments, say, 5 years investments, the Bank is giving today 7 per cent interest. Therefore the rate of interest for this scheme should be a little higher because according to section 6(2) of the Bill, for 15 years no withdrawal will be possible. At any rate

there will be about 7½ years investment for this scheme. Therefore, I submit that the rate of interest should be a little higher. I thank you very much for the time you have given me.

श्री श्री० प्र० त्यागी (गुरादाबाद) : उपाध्यक्ष महोदय, मैं श्री भोरारजी देसाई को हार्दिक धन्यवाद देता हूँ कि उन्होंने प्राविडेंट फंड की स्कीम को उन लोगों पर भी लागू करने का फैसला किया है जो स्वतंत्र रूप से व्यवसाय करते हैं। परन्तु जिस भावना से उन्होंने इस चीज को पेश किया, वह पूरी हो सकेगी इसमें मुझ को सन्देह है। आपने 10 करोड़ रुपयों की आशा की है, लेकिन इसमें सन्देह है कि 1 करोड़ रु० भी आ सकेगा क्यों कि कहने के लिए तो यह प्राविडेंट फंड है लेकिन इसमें सेविंग्स बैंक से ज्यादा अट्रैक्शन नहीं है।

दूसरी नीकरियों में जो प्राविडेंट फंड होता है उसमें यह होता है कि जितना धन कर्मचारी देता है उतना ही मालिक कंट्रीब्यूट करता है। इसमें ऐसा नहीं है। इसलिए इसमें कुछ अधिक आकर्षण होना चाहिये।

दूसरे स्थान पर आपने यह सुझाव दिया है कि जो आदमी 5,000 रु० कंट्रीब्यूट करता है उसको इस धन का 60 परसेंट इनकम टैक्स फ्री होगा और जो 10,000 रु० कंट्रीब्यूट करता है उसको उसके धन का 50 परसेंट इनकम टैक्स फ्री होगा। ऐसी स्थिति में वह अपना रुपया इस मध्य में जमा करायेगा या आपके इस प्राविडेंट फंड में जमा करायेगा, क्योंकि वहाँ पर सुविधा ज्यादा मिलती है ?

दूसरी बात यह है कि अगर कोई आदमी पन्द्रह वर्ष के लिए फिक्स्ड डिपॉजिट में अपना रुपया रखता है, मान लीजिये वह 54 हजार रुपया रखता है, तो उसको 15 वर्ष के पश्चात् 78 हजार रु० मिल जायेगा। इस तरह से इसमें भी ज्यादा आकर्षण है। प्राविडेंट फंड में कौन सा आकर्षण है जिसके कारण वह इसमें अपना रुपया जमा करायेगा ? आप कहेंगे कि

[श्री ओ० प्र० त्यागी]

आगे के लिए वह जमा करायेगा। लेकिन मैं एक और बात की ओर आप का ध्यान दिलाना चाहता हूँ कि रुपये की कीमत घटती चली जा रही है। आगे के लिए रुपया जमा करने वाला यह सोचेगा कि रुपये की कीमत आगे चलकर क्या बनेगी। इसलिए उसको इसमें भी कोई आकर्षण नहीं है। मैं खास तौर से श्री मोरारजी देसाई से कहना चाहूंगा कि वह इस स्कीम में कोई आकर्षण पैदा करे। एक आकर्षण तो यह हो सकता है कि जिस तरह से मालिक कट्टीब्यूट किया करता है उसी प्रकार इस फंड में उतना ही कंट्रिब्यूशन सरकार का हो, या फिर इस में जो 50 फीसदी इनकम टैक्स की छूट दी हुई है वह कम से कम 70 फीसदी कर दी जाये ताकि इसमें आकर्षण हो सके, अन्यथा यह आकर्षण सेविंग्स बैंक जैसी चीज बन कर रह जायेगी।

अन्त में मैं यह कहना चाहता हूँ कि यह स्कीम जिस भावना से शुरू की जा रही है वह पूरी नहीं होगी। जीवन बीमा में जब कोई आदमी रुपया जमा करता है तब उसमें रिस्क कवर हो जाती है, अर्थात् यदि किसी आदमी की आज मृत्यु हो जाती है तो उसको जीवन बीमा का रुपया आज मिल जायेगा, लेकिन इस में ऐसी चीज नहीं है। इसलिए कोई आदमी प्राविडेंट फंड में अपना रुपया क्यों जमा करायेगा। वह जीवन बीमा में अपना रुपया जमा करायेगा या प्राविडेंट फंड में? अगर वह पन्द्रह वर्ष के लिए अपना रुपया जमा करायेगा तब आपने उस को ज्यादा सुविधा दी है। आपने सेविंग्स बैंग जैसी चीज शुरू करके उस को प्राविडेंट फंड का नाम दिया है, उसमें कोई क्यों अपना रुपया जमा करे, जबकि रुपये की कीमत घटती चली जा रही है।

मैं प्रार्थना करूंगा कि अगर इसमें यह कर दिया जाय कि जितना रुपया जमा किया जायेगा उसमें उतना ही गवर्नमेंट भी जमा करेगी तभी कुछ लाभ इसका हो सकता है। अगर आप में इतनी हिम्मत नहीं है तो इस को

आप इसमें 50 फीसदी छूट के स्थान पर 70 फीसदी छूट कर दीजिये, जिससे आकर्षण कुछ ज्यादा हो जाय और अधिक से अधिक आदमी अपना धन जमा करें।

मैं आशा करता हूँ कि मंत्री महोदय इन बातों पर ध्यान देंगे।

SHRI D. C. SHARMA (Gurdaspur) :
Mr. Deputy-Speaker, Sir, I must congratulate the Finance Minister for devising this scheme to mop up the savings of this country.

Well, we have already had small savings scheme though I do not think it has been worked very well. We had the Annuity Deposit scheme. We have had these schemes. No one will deny that, practically, these schemes are going to work not only for the good of the people who invest in them but are also going to be a source of strength to our Government and therefore, to our country.

The Finance Ministry, I think, devotes as much time to the framing of the Budget as it spends on adumbrating such schemes.

While I welcome this Bill, I want to ask the hon. Deputy Prime Minister how this scheme is going to be worked out, how this scheme is going to be fruitful. He has anticipated Rs. 10 crores for this Scheme during the current financial year. How will these Rs. 10 crores be collected? What are the agencies he is going to employ? In other words, what are going to be the mechanics of this Provident Fund Scheme?

So far, Mr. Deputy-Speaker, you know it very well, and I know it very well that many good, schemes have proved to be like pious wishes which do not pave the way to the Heaven that we want to attain. This is what has happened to so many schemes and, unfortunately, some of the schemes had to be withdrawn after some time. But I am sure that this scheme has been fully thought out and it will work. But how is it going to work? The bureaucracy will not work it. I am very disappointed with the Indian bureaucracy; though every Minister will praise the bureaucracy as long as he is a Minister,

but when he goes out of office, he will agree with me.

The bureaucrat in this country is not interested in this scheme which is made for the welfare of the public, which is made for the consolidation of funds for the use of social security, as the hon. Minister put it, in this country; he is not interested in this, but he is interested in only one thing and that is, the larger the number of schemes, the greater the poliferation of bureaucracy, the greater the number of secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries, Section Officers and so on. I am saying all this only from one point of view. I want to know what machinery is going to be devised for making this scheme fruitful.

Now, the LIC is there; the LIC has done some good to the people; there is no doubt about it. Of course, we have taken such a long time in asking ourselves whether that monolithic organisation should be split up into zones or not. That has not happened and, therefore, there has been some trouble.

My first question is how in this scheme going to be worked out.

My second question is this. If you want to make a donkey work, you have to dangle a carrot before it because the incentive motive is very powerful in human nature, in human life. What is the incentive motive in this Bill? We do not know what are the interest is going to be. There are so many all-India finance associations working in this country which are doing fraudulent business and over which the great Home Minister cannot lay his hands. People come to me crying that their well-earned money has been gobbled up by those finance bodies, by those chit funds, and we are not able to do anything for them. Why do people go to them? You do not go and I do not go, but I ask you why do people go to them...

MR. DEPUTY-SPEAKER: Is he concluding?

SHRI D. C. SHARMA: I will take some more time.

MR. DEPUTY-SPEAKER: If he will finish in a couple of minutes, he can...

SHRI D. C. SHARMA: I will continue after Lunch.

MR. DEPUTY-SPEAKER: The House stands adjourned for Lunch.

13 00 hrs.

*The Lok Sabha adjourned for Lunch
till Fourteen of the Clock*

*The Lok Sabha reassembled after Lunch
at five minutes past Fourteen of the Clock*

[Mr Deputy-Speaker in the Chair]

PUBLIC PROVIDENT FUND BILL
— Contd.

MR. DEPUTY-SPEAKER: Shri D. C. Sharma to continue and conclude in two minutes.

SHRI D. C. SHARMA: I was submitting very respectfully that the one thing which could have been provided as incentive for the success of this provident fund scheme has been kept vague and indefinite. Persons who invest in this fund do not know what interest they will get. This has been kept in a fluid state. If it changes from year to year and from time to time. I do not know what kind of financing this will mean. I think the hon. Minister should have given some firm indication as to the rate of interest the subscribers are going to get.

Another point. What is this fund going to be? It is not going to be subjected to any attachment under any decree or order of any court in respect of any debt or liability incurred by subscribers. I do not know why all the provisions of the Penal Code which apply in the case of those persons who are defaulters in payment of money in some way or owe money in some way to somebody have been scuttled. I cannot understand how this fund is going to be above all kinds of legal proprieties that prevail in the case of other kinds of property. I think this is something is very very unimaginable.

SHRI S. S. KOTHARI: The right thing has been done and he says 'unimaginable'.

SHRI D. C. SHARMA : I come to my next point. It has been stated that no suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act or the Scheme. Good faith. You know all these months we have been trying to know the connotation of one word, the 'pleasure' of the Governor and we have not been able to find any suitable explanation of it. Here we have got other phrases. 'In good faith'. What is good faith? What is bad faith? Therefore, this will give an opportunity to so many persons to make all kinds of allegations against those persons who have to work the scheme.

The next point I want to make is this. I like the Schedule very much because it contains 10 items. All these are core items which should have been provided for in the Bill itself. But these items will come to us later on. I think it is too much to swallow, even for a person who believes in subordinate legislation. But the fact of the matter is that the State Bank of India and its branches have been made responsible for collecting subscriptions to this fund. Why the State Bank of India alone? We have not yet nationalised the banks. If we had done that, I would have been very happy. But our banks are yet subject to some kind of social control. If you want to give power to the State Bank, you should give power to other banks also. You should treat them on terms of equality or parity. The average contribution is going to be Rs. 500. How are we going to have Rs. 15 crores in one year? From where will these subscriptions will come. This is also something which does not appear to be materially correct though it may be imaginatively perfect.

I know that our Finance Minister never does anything without taking into account all the pros and cons of anything. If I have subjected this Bill to some kind of criticism, I have done so in good faith... (Interruptions) I have done it so that he could make this provident fund as fool-proof as possible though I wonder why we should not give some filip to the post office savings banks and some other kinds of accounts that we have. But since he wants this I welcome it and I hope that

the suggestions made on the floor of the House will be put into effect so that the provident fund becomes a real thing and does not remain an illusory fund promising illusory advantages to the subscribers.

SHRI V. KRISHNAMOORTHY (Cuddalore) : I strongly oppose this Bill. It is unnecessary and unwarranted; it is a deception on the public. If it is called a provident fund, there must be some contribution from the Government side as is the case with the Government servants and workers. Otherwise, there is no need to call it a provident fund; we can as well call it Morarji fund. This Bill is a clear deception. There is already Life Insurance Corporation in which people are investing money and expect a higher return. There is also the small savings. In the name of small savings, the rural population are subject to compulsion by various authorities and arms of the State. This is only another mode of taking away the blood of the poor people. What our Finance Minister, Mr. Morarji Desai intends is to give it as a fleshless bone to the hungry States when they press him to give more loans. He can say: all right; I give this Bill; you go and collect Rs. 10 crores; you retain Rs. 5 crores with you and give me Rs. 5 crores; I shall debit five crores in your account. This is what our Finance Minister will give in the form of assistance or alleged assistance to States. This Bill is unnecessary because the Government does not make any contribution. The manner in which subscription to the Fund may be made and the maximum and minimum limits of such subscriptions are yet to be provided for. Who are the persons who can be subscribed? If the people alone would contribute, it need not be named a provident fund unless Government also puts in its contribution. If a villager gives Rs. 10, you must give Rs. 10. Unless that provision is incorporated, this could be thrown away as you are throwing, Mr. Deputy-Speaker.

Another thing is the rate of interest. This Bill should be thrown away. You also said it: Even the Deputy-Speaker is agreeing with me that this Bill should be thrown away.

MR. DEPUTY-SPEAKER : No, no. I do not agree. I will have to make my

position clear, because it is not a question of my opinion about it.

SHRI V. KRISHNAMOORTHY : I stand corrected.

MR. DEPUTY-SPEAKER : This is a social security measure. In other countries, public provident fund and public pension funds are there as a social security measure.

SHRI V. KRISHNAMOORTHY : But the Governments there have some responsibility of contributing to it. Where is that provision here ?

SHRI S. KUNDU (Balasore) : There is no security here.

MR. DEPUTY-SPEAKER : There are measures for social security.

SHRI V. KRISHNAMOORTHY : In other countries, the governments take the responsibility of paying 50 per cent as is applicable to other provident funds which are in existence. That is not available in this Bill. That is why I am attacking that this Bill is a deception over the public and it is going to be used as a measure to help the States whenever they come to the Finance Minister for some allocations.

Another thing is the rate of interest. Our hon. friend, Shri D. C. Sharma, who is an elderly gentleman, referred to it. What is the interest ? It is just three to five per cent. Even schedule banks are offering 11 to 12 per cent. It is not mentioned here. Already our Finance Minister wants to reduce the interest with regard to the provident fund which is in existence which the workers at large are opposing. This is another measure ; unless it is specifically mentioned that the Government will give nine per cent interest or 10 per cent interest, there would not be any confidence. Then, the small-savings scheme has also failed.

MR. DEPUTY-SPEAKER : That too is income-tax free.

SHRI V. KRISHNAMOORTHY : How many persons are paying income-tax ? Mr. Kothari and some others like him may

be paying, but 95 per cent of the people are not paying income-tax.

SHRI MORARJI DESAI : The hon. Member is also paying.

SHRI V. KRISHNAMOORTHY : I am not paying. I do not get any income.

AN HON. MEMBER : From your salary you are paying income-tax.

SHRI MORARJI DESAI : The hon. Member does not know that he is paying income-tax.

SHRI V. KRISHNAMOORTHY : The hon. Finance Minister is not properly informed. We are not deducted any income-tax now.

MR. DEPUTY-SPEAKER : Then he will take action !

SHRI V. KRISHNAMOORTHY : I am afraid the hon. Finance Minister will bring another Bill to deduct some income-tax from the Members' salary bills. Now, it is not deducted. That is a piece of information. So, unless there is a guarantee given by the Government that this Bill will not be misused and that there will be matching contributions by the Government, this Bill is a deception ; this is another form of indirect taxation which will do harm to the villagers.

Moreover, how are they going to implement the provisions of this Bill ? What is the machinery to implement them ? There are several millions of villagers in country. How many officers are they going to appoint to collect the money and how many officers are going to implement this, and what is the machinery ? This is going to be a failure, and I oppose this Bill. It is unwarranted ; it is a deception over the public.

SHRI TULSHIDAS JADHAV (Baramati) : One Question : why should income-tax from our salaries be deducted while it is not deducted from his salary ?

MR. DEPUTY-SPEAKER : I do not know what is the discrimination.

SHRI V. KRISHNAMOORTHY : I have received a letter from the Secretariat saying that from this month onwards our income-tax is not deducted from our salary bills.

SHRI S. S. KOTHARI : It will not be deducted as it is income "from other sources".

SHRI MORARJI DESAI : If it is not deducted, he will have a heavy penalty imposed on him.

MR. DEPUTY-SPEAKER: Shri Madhu Limaye has submitted a small amendment to the Bill. Normally it is not permissible, but with the permission of the Chair it could be admitted. It is a very small amendment and I have given him permission.

SHRI S. KUNDU : Yesterday I had given an amendment to this Bill. I pray that it may also be kindly admitted.

MR. DEPUTY-SPEAKER : Have you submitted one ?

SHRI S. KUNDU : Yes ; at 7 O'clock yesterday.

MR. DEPUTY-SPEAKER : All right; that could also be admitted.

श्री हेम राज (कांगड़ा) : उपाध्यक्ष महोदय, मुझ से पहले जो वक्ता बोल रहे थे, उन्होंने इस बिल को ओपोज किया है, लेकिन मैं इस बिल को सपोर्ट करने के लिए खड़ा हुआ हूँ। इस बिल में जो एक क्लॉज रखी गई है कि जो रुपया जमा होगा, उसकी एटैचमेंट नहीं हो सकेगी, उस पर कई मेम्बरों की तरफ से, और हमारे पुराने मेम्बर, श्री डी०सी० शर्मा साहब की तरफ से भी, एतराज किया गया है। लेकिन मेरे स्थान से इसमें यह चीज सबसे ज्यादा अहम है—इसमें आपने जो यह क्लॉज दिया है कि जो रुपया प्रोविडेंट फण्ड में जमा कराया जायेगा, उसका अटैचमेंट नहीं हो सकेगा—इस क्लोज के लिए मैं मोरारजी भाई को बन्धुवाद देना चाहता हूँ। वह वास्तव में एक बहुत अच्छा

बिल हमारे सामने लाये हैं। लेकिन एक चीज की ओर मैं खास तौर से उनका ध्यान दिलाना चाहता हूँ—इसमें एट्रिक्शन की बहुत कमी है। आज फिक्स्ड डिपोजिट में जो रुपया जमा होता है, मोरारजी भाई, उसमें बहुत ज्यादा सूद मिलता है। अगर सूद के मुतालिक आप इसको साफ कर दें तो पब्लिक के लिए बहुत ज्यादा एट्रिक्टिव साबित हो सकता है। इस सिलसिले में सरकार की जो अपनी स्कीमें हैं, उन में भी सूद 4.08 परसेन्ट से ज्यादा बनता है, जब कि इसमें आपने सिर्फ 4.08 परसेन्ट रखा है—यह काफ़ी नहीं है। आज आपका जो यह अन्दाजा है कि इस स्माल-सेविंग से दस करोड़ रुपया आ जायेगा, मुझे इसमें शक नज़र आता है, क्योंकि आपकी जो दूसरी स्माल सेविंग स्कीमें हैं, उन में पिछले दो सालों में जो कलैक्शन हुई हैं, वे बहुत कम हुई हैं। इसलिए मैं यह अन्दाजा लगा रहा हूँ कि यह मौजूदा स्कीम जहाँ बहुत अच्छी है, वहाँ आपकी जो स्वाहिष है कि दस करोड़ रुपया आ जायेगा मुझे डिफिकल्ट नज़र आती है।

इस में आपने यह प्राविजन रखा है कि आप इस को स्टेट बैंक के जरिये चलायेंगे इस समय जो ज्यादातर पैसा लोगों के पास आया है, वह देहातों में आया है, अगर देहातों से पैसे को मोबिलाइज करना है, हासिल करना है, तो यह जरूरी है कि इस को महज बैंकों के जरिये ही न चलायें, इसको देहातों में भी ले जायें और वहाँ जो स्माल सेविंग बैंक हैं, उनके जरिये भी इस को चलायें, वहाँ भी एकाउन्ट्स खुल सकें, ऐसी व्यवस्था करें, इससे वहाँ से ज्यादा पैसा आ सकेगा।

एक बात मुझे यह अर्ज करनी है कि जो कम्पनीज हैं, खास तौर से जो बाहर की कम्पनीज हैं, वे 12 और 13 परसेंट सूद दे रही हैं, एक साल के अन्दर उनसे पैसा वापस भी लिया जा सकता है। यहाँ पर आपने यह रखा है कि पांच साल तक पैसा निकलवाया नहीं आ सकता, लेकिन आपने लोन लेने का

प्राविजन किया है। मेरा कहना यह है कि जिस वक्त आप पैसा लेते हैं तो कम सूद देते हैं, लेकिन जिस वक्त पैसा देते हैं, तो ज्यादा सूद चार्ज करते हैं। मैं चाहता हूँ कि यह चीज पब्लिक के सामने आ जानी चाहिए कि जो लोन आप देंगे, उस पर वही इन्टरेस्ट चार्ज होगा, जो कि आप लोन लेने के वक्त रखते हैं। अगर आप ऐसा इन्तजाम कर देंगे तो इसमें काफी एट्रैक्शन पैदा हो जायगी।

एक चीज मुझे यह अर्ज करनी है कि इस में आपने 15 साल का जो अर्सा रखा यह बहुत ज्यादा है इस अर्से को कम करना चाहिये। मैं इस बात को इस लिए अर्ज कर रहा हूँ कि इसका ज्यादा फायदा वही उठा सकेगा जो कि उम्र में एडवांस्ड स्टेज में हैं। क्योंकि जो पावर्स आपने रूलज के अण्डर ली हैं, उनमें ऐसा होगा कि जो 15 साल के अर्से से पहले निकलवायेगा उस को पूरा सूद नहीं मिलेगा। जैसे आपकी एन्युटी स्कीम में है जो कि 10 साल के लिए है अगर कोई उस पैसे को पहले निकलवाता है तो उसे पूरा सूद नहीं मिलता है, कम सूद मिलता है। अगर इसमें भी ऐसा ही प्राविजन किया गया तो इसकी एट्रैक्शन चली जाएगी। इसको ज्यादा एट्रैक्टिव बनाने के लिए मुझे उम्मीद है कि आप इस बात का ख्याल जरूर रखेंगे।

आखिर में मैं इतना ही कहना चाहता हूँ कि सूद वगैरह की दरें आप इसमें साफ़ कर दें, लोनज के लिए जो सूद देना होगा उसके बारे में भी साफ़ प्राविजन होना चाहिये। यह इसलिए जरूरी है कि इसमें आपको कोई कन्ट्रीब्यूशन अपनी तरफ से नहीं करना है।

इन शब्दों के साथ मैं इस बिल को सपोर्ट करता हूँ।

SHRI M. MEGHACHANDRA (Inner Manipur): Sir, we are discussing a Bill—the Public Provident Fund Bill—which does not give any provident benefits. A provident fund legislation must think of giving provident benefits to its subscribers,

But here is a Bill which does not think of giving these provident benefits at all. There are subscribers to the fund. But what benefits are these subscribers going to get? The subscribers will surely expect benefits like payments at the time of old age, payments at the time of accidents, payments at the time of death or other payments which will come under the well-known expression 'provident fund benefits'. But these benefits are not there in this particular Public Provident Fund Bill.

There are provident fund legislations, with which the House is familiar, which apply to employees. This Employees' Provident Fund has gone to the extent of Rs. 1000 crores. This particular Employees' Provident Fund is there to give help to the employees. One very important aspect of a provident fund legislation is that the Government is there to contribute its share to such a provident fund. But in this particular case, when the question of provident fund for the general public is taken up, that particular aspect is totally cut out. Therefore, there is no question of the Government giving its due share. So Government's contribution is nil.

But Government wants money. Our Finance Minister has just now explained that out of this provident fund the legislation for which will come into force from 1st July 1968 the Government expects Rs. 10 crores. But more will come to the fund if Government amends the Bill and contributes its share. Then the Government can see that the people of India, who are generally poor, contribute and subscribe to this fund. But I see that in this particular Bill no provision is made, no condition is given, no arrangement is made so that the people of India can contribute and subscribe to this particular fund.

Therefore, I submit that this particular fund will be meant for only a few rich people who do want some, what should I say, tax evasion or some other facilities. They will only subscribe to this particular fund and not all the people.

There are a number of provisions in this Bill. What does this provision, that a subscriber cannot withdraw for five years, mean? There is another provision about taking loans. What does "a subscriber taking a loan" mean? It means that he has to pay some interest. He is a sub-

[Shri M. Meghachandra]

scriber to the fund and, at the same time, if he takes a loan he has to pay some interest. What does a subscriber get? He gets only some interest which is to be notified later on by the Central Government. In this way, taking a loan from this fund is a burden for the subscriber. Then, what more benefits are they getting from this public provident fund? It is a very misleading if you call it as Public Provident Fund; it can be called only as Public Savings Fund. If that is done, I can support it. But, as it stands, I have to oppose it.

श्री डा० ना० तिवारी (गोपालगंज) :
उपाध्यक्ष जी, जिस समय माननीय वित्त मन्त्री जी इस विधेयक को पेश कर रहे थे, मैंने उनके भाषण को बहुत गौर से सुना और मुझे उस वक्त भी आश्चर्य हो रहा था कि इस विधेयक से कौन सा ऐसा फायदा होगा जो और डिपॉजिट स्कीम्स से नहीं हो रहा है। कोई नयी स्कीम लाने से पहले, या पास करने से पहले, हमें देखना होगा कि जो अभी तक चालू स्कीमें हैं उनसे किन किन दरजों में यह स्कीम भिन्न है और इस से लोगों को दूसरे डिपॉजिट स्कीम्स के मुकाबले क्या अधिक फायदा हो सकता है। अभी यहाँ पर कहा गया कि जो स्मॉल सेविंग सर्टिफिकेट्स हैं उनमें सूद ज्यादा मिलेगा। इसी प्रकार एक और दस वर्ष की सेविंग स्कीम है जिसमें दस वर्ष में सौ रुपये के 180 रुपये हो जाते हैं और उसमें यह भी छूट है कि एक वर्ष के बाद, जब भी कोई चाहे, उसमें से रुपया निकाल सकता है। उसमें भी इनकम टैक्स नहीं लगता है।

इसमें एक ही फायदा है कि अगर कहीं कर्ज लिये हों तो उसकी डिग्री में इसका प्रोटैक्शन नहीं होगा। इसके अतिरिक्त और कोई फायदा तो नजर आता नहीं है। यह आम बात है कि जहाँ पर पेन्शन नहीं मिलती है वहाँ पर अगर कुछ प्राविडेंट फंड में डिपॉजिट कराया जाता है तो उसमें कुछ सरकार का भी कन्ट्री-

व्यूशन होता है। और जहाँ पर पेन्शन दी जाती है जोकि अब रेलवे में भी हो गई है, गवर्नमेंट अपने कर्मचारियों को पेन्शन देती है तो वहाँ पर अगर गवर्नमेंट का कन्ट्रीव्यूशन नहीं भी होता है तो उसमें कोई आश्चर्य की बात नहीं है क्योंकि वहाँ पर गवर्नमेंट का कन्ट्रीव्यूशन होने से डबल एमोउन्ट कन्ट्रीब्यूट हो जायेगा—पेन्शन भी हो जायेगी और प्राविडेंट फंड भी हो जायेगा। लेकिन जब आप जनरल पब्लिक से प्राविडेंट फंड की मांग करते हैं और आप चाहते हैं कि लोग उसमें जमा करें तो फिर उसमें कुछ न कुछ—आधा या एक चौथाई—गवर्नमेंट की तरफ से भी होना चाहिये और तभी वह चीज एफेक्टिव हो सकती है। वैसे तो किसी प्रकार से भी गवर्नमेंट के पास अगर पैसा आ जाये और लोगों का पैसा बच जाये वह अच्छा ही है लेकिन इस विशेष स्कीम को चलाने से क्या खास बात हो सकेगी जोकि और स्कीम्स से नहीं होती है, मैं चाहूंगा कि माननीय वित्त मन्त्री जी उसकी सफाई कर दें।

दूसरी बात इसमें यह है कि अगर डिपॉजिटर का देहान्त हो जाये तो उसके नामिनी के नाम पर ट्रान्सफर हो जायेगा लेकिन क्या डेथ के बाद उसके नामिनी को यह अस्तित्व रहेगा कि वह रुपया निकाल सके या वही शर्तें लागू रहेंगी जोकि डिपॉजिटर के साथ लागू हैं? मरने के बाद श्राद्ध में और दूसरे कामों में खर्च की आवश्यकता पड़ती है। इसलिये उचित तो यह होगा कि आप ऐसा नियम बना दें कि अगर डिपॉजिटर का देहान्त हो जाये तो जो उसका नामिनी हो उसे अगर आवश्यकता पड़े तो सूद के साथ वह रुपया निकाल सकता है। इतना कन्सेशन तो आपको जरूर देना चाहिए अन्यथा इस डिपॉजिट का जो फायदा डिपॉजिटर को मिलना चाहिये या उसकी भौलाद को मिलना चाहिये वह नहीं मिल सकेगा। मैं चाहूंगा कि नियमों में इन सब बातों का समावेश किया जाये।

एक बात मुझे और कहनी है और वह यह कि आपने केवल स्टेट बैंक या उसकी ब्रान्चेज को यह अस्तित्व दिया है कि वह रुपया लें। अभी मेरे मित्र ने कहा कि आपको देहातों से भी पैसा लेना है और देहातों में स्टेट बैंक नहीं है। इस साल फसल अच्छी हुई है और ईश से भी काफी पैसा किसानों को मिला है। किसान चाहेंगे कि पैसा जमा करें लेकिन जब उनको पैसा जमा करने की फैसिलिटी नहीं होगी तो फिर वे किस प्रकार पैसा जमा कर सकेंगे? इसलिये इसका कोई रास्ता निकालना चाहिये। पोस्ट आफिस के द्वारा यह काम हो सकता है क्योंकि पोस्ट आफिस हर जगह पर है। उनकी मार्फत स्टेट बैंक पैसा ले सकता है। अगर ऐसा कर दिया जाये तो बड़ा अच्छा हो जायेगा। किसानों को यह सुविधा रहे कि पोस्ट आफिस में जमा कर दें, स्टेट बैंक में जमा करने के लिये उनको शहर आने की परेशानी न उठानी पड़े। अगर यह परेशानी रहेगी तो फिर किसान पैसा जमा नहीं करेंगे। इसलिये यह व्यवस्था की जाये कि पोस्ट आफिस के ग्रू स्टेट बैंक में पैसा आ जाये और सर्टिफिकेट भी पोस्ट आफिस से ही मिल जायें।

इन बातों की ओर माननीय वित्त मंत्री का ध्यान आकर्षित करते हुये मैं इस विधेयक का समर्थन करता हूँ।

श्री मधु लिमये (मुं गेर) : अध्यक्ष महोदय, मुझे अफसोस है कि इस विधेयक का मैं समर्थन नहीं कर सकता हूँ। इसका सबसे बड़ा कारण यह है कि अगर यह विधेयक पास हो जायेगा तो कुछ लोग वित्त मंत्री जी के ऊपर चोरी और ठगी के आरोप लगा सकते हैं। मेरे मन में उनके प्रति बहुत आदर है इसलिये मैं नहीं चाहूँगा कि लोग उनके ऊपर चोरी और ठगी के आरोप लगायें। इनका कहना है कि समाज में बचत की प्रवृत्ति पैदा करने के लिये और विकास कार्य के लिये सरकार के हाथ में साधन जुट सकें, इसके लिए वे इस विधेयक को पेश कर रहे हैं। लेकिन इस बिल के बारे में सबसे

बड़ा आक्षेप यह है कि इसमें चीजों को साफ नहीं किया गया है। क्या खास चीज हम कर रहे हैं, यह पता नहीं है। सारे अधिकार इन्होंने अपने हाथ में ले लिये हैं, बांद में वे योजना बनाकर हमारे सामने रखेंगे। इनका कहना है कि संविधान और कानून सब खत्म कर दिया जाये क्योंकि संविधान में लिखा हुआ है कि कानून बनाने का अधिकार पार्लियामेंट का है। लेकिन ये क्या चाहते हैं? ये कानून बनाने का अधिकार कार्यकारिणी के हाथ में लेना चाहते हैं। इसके बाद भी ये इस असंवैधानिक कार्य पर हमारी मोहर लगवाना चाहते हैं।

मेरी समझ में नहीं आता कि यह जो बिल है इसमें हम क्या पास करें? हमको किसी चीज का पता नहीं है। सबसे बुनियादी सवाल जो है बलाज 5 जो कि सूद के बारे में है सूद की दर क्या हो, उसका भी हमें पता नहीं है। ये सूद की दर 1 प्रतिशत भी रख सकते हैं, 2 प्रतिशत भी रख सकते हैं और अगर कोई भली सरकार आ जाये तो वह 10 प्रतिशत भी रख सकती है। लेकिन इसके बारे में कोई खुलासा नहीं है। इसीलिये मैंने उचित समझा कि एक संशोधन दे दूँ। मैं वह पढ़कर सुनाना चाहता हूँ।

इनके वाक्य ये हैं :

"All subscriptions made under section 4 shall bear interest at such rate as may be notified by the Central Government in the Official Gazette from time to time and the interest shall be calculated in such manner as may be specified in the Scheme."

अब इसके लिये मैंने प्राविजो दिया है :

"Provided that this interest rate shall completely neutralise any fall in the value of the rupee as a result of the rise in price that might take place after the contribution has been made."

अब इससे फायदा यह होगा कि कम से कम यह मारण्टी हो जायेगी कि जो पैसा हम बचत के लिये देंगे वह, रुपये का मूल्य घटने के

[श्री मधु लिमये]

बाद भी कम नहीं होगा। जब सूद के बारे में कोई खुलासा आप नहीं कर रहे हैं तो कम से कम हम उसको घटाकर तो वापस नहीं दे रहे हैं। इसीलिये मैंने यह किया है। फिर कोई चोरी और ठगी का आरोप आप पर नहीं लगा पायेगा क्योंकि कम से कम लोग यह तो कहेंगे कि जितना लिया था 15 साल के बाद कम से कम उतना मूल्य वापस देंगे अगर सूद के जरिये उसका मूल्य और ज्यादा नहीं बढ़ा तो।

वित्त मन्त्री जी ने पिछले वर्ष के बजट में, आप जानते हैं, डेफिसिट फाइनेंसिंग, मूल्यों वगैरह के बारे में लम्बी चौड़ी बातें कही थीं। मेरी राय में तो इन्होंने वचन भंग किया है। लेकिन अगर वह कह दें कि मेरे कहने का यह मतलब नहीं था, डेफिसिट फाइनेंसिंग अच्छी चीज नहीं है, उसको कम करना चाहिये या वह बिल्कुल नहीं होनी चाहिये, यह केवल एक आशा व्यक्त की थी, नीति से और शासन से उसका सम्बन्ध नहीं था तो भी मैं कहूंगा कि अगर वे मेरे सुझाव को मानेंगे तो निश्चित रूप से बचत की प्रवृत्ति बढ़ सकेगी और चूँकि लोग बचत ज्यादा करेंगे, खर्चा कम करेंगे इसलिये मूल्य वृद्धि रोकने में भी सहायता हो सकेगी। इस प्रकार मेरे एक सुझाव से कई काम हो जायेंगे। विकास कार्यों के लिये सरकार को पैसा मिलेगा और समाज में बचत की प्रवृत्ति आ जायेगी और जो मूल्य-वृद्धि निरन्तर होती जा रही है उस पर रोक लगाने में भी वित्त मन्त्री को सहायता मिलेगी। और अगर आप इस पर तीन चार प्रतिशत सूद भी देंगे तब पूछना ही क्या है। तब तो बहुत से लोग ऐसे निकलेंगे जो इसमें पैसा देने के लिये तैयार हो जायेंगे।

मैंने एक बात एग्रीकल्चर इनकम टैक्स के बारे में कही थी तो उप प्रधान मन्त्री जी ने कहा कि राज्य सरकारें तैयार नहीं हैं, यह अधिकार राज्यों के हाथ में है और संविधान में

परिवर्तन करना बड़ा मुश्किल है। मैं नहीं चाहता कि एग्रीकल्चर इनकम टैक्स लगाने का अधिकार इनको मिले और इनके हाथ में पैसा आये।

मैं तो यही चाहता था कि एग्रीकल्चरल इनकम टैक्स बँटे। पैसा राज्य सरकारों के हाथ में आये और उस का इस्तेमाल असिंचित इलाके को सिंचित करने के लिए किया जाय। अब मैं यह सुझाव दे रहा हूँ कि वह इस तरीके की घोषणा करें या इस में परिवर्तन करें कि मेरा सुझाव मानने के पश्चात् इस के तहत जितना पैसा इकट्ठा होगा वह राज्य सरकारों को सिंचाई के प्रसार के लिए देंगे बशर्ते कि वह एग्रीकल्चरल इनकम टैक्स स्वयं सिंचाई के प्रसार के लिए कायम करें। इस से दो काम हो जायेंगे।

अन्त में मैं यह कहना चाहता हूँ कि इस विधेयक के बारे में मुझे शक है कि यह संबन्धानिक है या नहीं। डैलीगैटर्ड पावर्स के बारे में जो सारे निर्णय वगैरह हैं उस के बारे में तो बाद में मौके मिलेंगे। क्लाज बाई क्लाज है और उस के बाद फिर वह थर्ड रीडिंग है और उस समय हमें एक-एक दो, दो मिनट आप जरूर देंगे। इस समय मैं यही कहना चाहता हूँ कि यह डैलीगैटर्ड पावर्स इस में इतनी ज्यादा है कि शायद यह कानून गैर कानूनी साबित हो जायगा इसलिए इस बारे में भी वह सोचें।

SHRI K. NARAYANA RAO (Bobbili):
Mr. Deputy-Speaker, Sir, I submit that there seems to be a certain amount of confusion in considering this Bill. Why I say that I would presently submit.

In the Provident Fund scheme, what we understand here in this country and elsewhere, an element of compulsion is invariably associated with it. For example, in Indian context, in the contributory provident fund, though an element of voluntariness is there, the employer is compelled, if an individual worker contributes, and there is a legal obligation on the part of the

employer to contribute the matching contribution. Similarly, when you come to the Central Government employees, there is also an element of compulsion. The fact that one is a Government employee, he has necessarily to contribute it and it is irrespective of the fact whether he is willing to do it or not. It will be cut at the source itself, whether one likes it or not.

Here, I would like to know whether this Bill contemplates an element of coercion and compulsion. Short of coercion and compulsion, I feel, this Bill is going to be unrealistic. In the Objects and Reasons of the Bill, it has been mentioned that this is going to be a saving device on a long-range term. I agree. But are the people going to contribute to this? What is the incentive for the people to contribute to this? First, of all, let us compare this with the banking device and also with the insurance device. Is there any element, either the banking element or the insurance element, like that in it? The banking element is not there for the simple reason, as many friends have already voiced that the rate of interest has been left nebulously for the executive to determine. Knowing fully well the present thinking of the Government, certainly, the rate of interest is not going to be competitive in the market. It cannot be competitive more so when in an ordinary bank, if you have a fixed deposit for five years, you get $7\frac{1}{2}$ per cent interest. Whatever it is, I do not think Government is going to give that much rate of interest. Even if it gives the competitive rate of interest, it will fall short of the needed incentive.

About the insurance element, it does not cover any risk. Not only it does not cover any risk, on the contrary, it puts a certain amount of restriction in the sense that the moment you put a particular amount in the public Provident Fund, the power to withdraw it is fore-closed for a period of five years. Even to that extent, it does not act as an incentive nor does it have an element of incentive.

Coming to the saving device, if it is left to the volition, if it is on a voluntary basis, what is there in this Bill which will induce the people to contribute voluntarily to the Fund. Perhaps, a certain amount of concession may be given in income-tax. I concede that point. But even then, my

submission is that you are already giving umpteen opportunities to avail of that concession. Take, for instance, the National Savings Certificates- When a person purchases the National Savings Certificates, he gets a concession in income-tax. Secondly, there are a large chunks of population in this country, in the rural areas, who are not paying income-tax.

In order to bring the people within the purview of this particular Fund, the only device or bait as I would like to call it, used is concession in the income-tax. But a large section of the people are not contributing anything at all to income-tax and, therefore, so far as a large section of the people are concerned, this would not apply to them. Therefore, this does not have enough appeal to make the people become subscribers voluntarily; there is absolutely nothing in this Bill to induce them to become subscribers voluntarily.

MR. DEPUTY-SPEAKER : The hon Member may please conclude.

SHRI K. NARAYANA RAO : I will finish in two minutes.

Briefly, I will touch the investment aspect. The power is being given to the Government to formulate certain items, but so far as the investment aspect is concerned, whether the Government has the right under delegated legislation, how the money is to be invested, there is no mention in this Bill; the only thing which comes nearer to this particular thing is under (1) of 'The Schedule', which says :

"Any other matter which is to be provided for in the Scheme or which may be necessary or proper for the purpose of implementing the Scheme."

MR. DEPUTY-SPEAKER : He will conclude.

SHRI K. NARAYANA RAO : This is very important. This particular Bill contemplates only the scheme. What happens consequent on the introduction of the scheme, how the money is to be invested, there is no mention about it in this particular Bill.

I would like to submit that, because it is people's fund, the money should not be diverted, as is done with the other funds

[Shri K. Narayana Rao]

like the LIC funds which are diverted to the private sector. The savings of the people should not be given to private people for private investment.

Therefore, while formulating this, specifically the investment part of it should have been mentioned. The Government should have been given this power to formulate. We must be informed about it. It should have been asked to come before the Parliament by way of a scheme. But unfortunately the investment part of it has been omitted.

My submission, therefore is, the money in the Fund, if any that is contributed to the Fund—I am doubtful about that part of it—must be invested in the State sector, particularly not in the Central pool, but in the State.

SHRI UMANATH (Pudukkottai) : I oppose this Bill because this is another example of financial gymnastics of our Finance Minister... (*Interruptions*) Not jugglery; I said, another example of gymnastics. He is trying to combine an element of fraud with an element of trap. That is the essence of this Bill, according to me—fraud and trap, to tell them clearly. There is an element of fraud in so far as the name which is used in this Bill is concerned; ordinarily, in the common parlance, by this name it is understood that contribution will be there; that is how the people generally understand whenever that name is used. So, when there is no contribution, the name, which the people generally understand as containing contribution, is used here. There, it is a fraud.

Secondly, it is a trap because showing some small attractions here and there, they trap the money; once the people put some money into the scheme, for 15 years they cannot get back the money, i.e., their necks are caught. So, it is a trap. It is just like the small temptation, the coconut piece, which is used for trapping rats. So, he is treating the people like rats. The Finance Minister will say that here is no compulsion, it is voluntary, if you do not want, you need not put the money so on. I know, this is what he is going to say.

But we have seen so many voluntary schemes. According to me, the moment Government says 'This is voluntary', it means 'compulsory'. That is what I have learnt so far as this Government is concerned. In their vocabulary 'voluntary' means 'compulsory'. We have seen so many Government loans that are being floated throughout the country. Not a single paisa is collected voluntarily to these Government loans. It is all collected by compulsion. Even ordinary peasants know it. You go and ask the peasants. They know. Also quotas are fixed for the various officers of the Government to collect it. As I do not have time, I do not want to expatiate on it.

AN HON. MEMBER : What is wrong with it.

SHRI UMANATH : What is wrong! The wrong is when compulsion is involved. The hon. Minister says 'It is voluntary'. That is wrong. Take the Defence Bonds. We know initially people voluntarily gave money, then compulsion was used all round. So also the Savings Scheme. Actually, whom will this affect? It will affect mostly the poor peasants and middle class people because the big business are not going to be compelled. I know nothing will happen so far as big business is concerned.

The third aim of this Bill is to mop up public money. Since the Government is finding it difficult to get money from America, they want to use all sources. Now, as regards mopping up so far as I am concerned, I am not against mopping up. But mopping up must be done really and it must be done compulsorily. I am saying, I will frankly say 'Do the mopping up where you should do it and do that not voluntarily. Where you should do it, do it compulsorily'. Under the present Bill how are they going to mop up as between the poor people and big business? Provident Fund accumulations which are in the hands of the Government to-day are mostly from the poor people. What is the share of the provident fund accumulations in the hands of the Government in the total public securities held by the Government? The share of the provident fund of the workers of India is 15% of the total money.

What is the share of the so called limited companies, those companies which have purchased certain securities from the Government for the purpose of Government loans and other things? Do you know what the share of joint stock companies is? Their share in the total security of the Government is just 0.3%. So I am saying there is really a case for mopping up. I am not against mopping up. But that must be done here where huge amount of funds have accumulated and this is the place where they should mop up. Here it should be done compulsorily. Instead of mopping up from the big business, what is the present trend? If you see the figures for 1967-68, they are not reversing that trend.

On the other hand, the trend is to mop up more and more of the poor people's money which they keep for their own living and which is not sufficient for them and leaving the big business. The present trend is that the share of provident fund has increased from Rs. 531 crores in 1966-67 to Rs. 626 crores 1967-68—about Rs. 100 crores increase. But the share of joint stock companies has actually come down from Rs. 12.8 crores in 1966 to Rs. 11.4 crores in 1967. So the trend of the Government policy in mopping up is to exploit more and more the ordinary poor peasants and mop up what little money they keep for their own living and which is not sufficient for them. Not only that they are mopping up from the poor people and leaving the big business, on the other hand, the trend has been to mop up from the poor people and reduce even the limit even so far as the big business is concerned. Mopping up poor man's budget and releasing big business's surplus. So far as this Government is concerned, whatever profits and loot the big business is committing, it is not surplus and whatever little the poor people keep, they treat it as surplus. I press this point; not only that my suggestion to the Finance Ministry is, 'Mop up from these sections, mop up the black money, create a fund and use that fund for the purpose of re-opening the closed mills and other industries which is causing huge unemployment in the country. Let that money be mopped up from these sources which are left out now and let that fund be used for the purpose of re-opening

the closed mills and other industries so that employment potential may be used.'

SHRI BEDABRATA BARUA (Kalibor)
I fail to understand the strange argument that has been advanced that compulsion has been used. Certainly the Bill contains no such provision for compulsion. The Bill also contains large amount of temptation and we have to see exactly whether these temptations are to work to our disadvantage, so far as mopping up of savings is concerned.

The Government are expecting savings upto the extent of Rs. 10 crores. If it is a mere transfer of savings from other savings institutions like commercial banks to the Provident Fund, the actual savings may not be much. The only outcome will be loss in taxation. So, we have to see whether this works to our disadvantage. So, this has got to be examined.

The provisions of the Provident Fund Bill applies to those people who are not employed. So, it is itself a very good thing and it is a step in the right direction because the principle of provident fund embodies the basic policy of the principle of social security which needs to be enforced in the country. The social security aspect has to inform not only the salaried classes, but those people also who are even today engaged in other fields like business or agriculture. So, it is a step in the right direction. And, it also shows the confidence that the people have in the Government as against the banking institutions of the country. The confidence of the people in the rural areas in the Government may be put to use. This Act provides that under the Third Schedule the authority or authorities by or through whom subscriptions to the Fund may be collected or withdrawals therefrom may be made will be decided by the Government. May I suggest that these authorities should be the village post offices and other savings institutions that we have in the countryside, because, that may succeed in mopping up the increased income which is estimated to be Rs. 1,000 crores. This Rs. 1,000 crores is in the rural areas and the expected saving of Rs. 10 crores is certainly not much. In view of the very steep fall in savings from the Third Plan period from 15 per cent to 6.5 per cent it is certainly very

[Shri Bedabrata Barua]

urgent to take action and I would say that this step is a very wise step which has been taken to mop up savings in the country.

In respect of rural banking may I point out that the income which the villagers are getting is not monthly income of those people. They are dependent upon seasonal factors. So, in order to get the savings from the rural areas I suggest that the rural banking facilities should also be extended. So, I request the hon. Finance Minister to examine this suggestion.

15.00 hrs.

SHRI S. KUNDU (Balasore) : I would not call this Bill a feat of gymnastics by the Finance Minister because he is incompetent to do it at this age. But I would definitely say that it is a piece of legislative acrobatics. The Finance Minister has tried to throw dust on the eyes of the people, saying that he is seeking to mop up the savings in the country.

This object will be frustrated the day Bill is passed. After all, what do the common people want? Anybody who wants to give money to the Finance Minister or anywhere else wants his moneys to be secure; he would like to know how much he is going to get out of the moneys; he would also like to get the money back whenever he wants it. He would further like to know how the money is going to be used. These four aspects are missing in this Bill. We give money to the Finance Minister and he will decide how much he will give back. The saving in India are perhaps the poorest in the world. This is because we have not been able to provide a sense of confidence among the investors that they will get the proper value of the money which they deposit in the banks or anywhere else. In 1940 the value of Rs. 100 was Rs. 100, but now it is only Rs. 14. Anybody who did put Rs. 100 in 1940 in the bank gets only Rs. 14 now. So, why should he put the money in the bank at all? He would rather like to buy a piece of land and build a house or do something like that. Therefore, there is no saving at all. This Bill has come here at a time of failure of the entire economic policies of this Government. Therefore, unless the investor is assured that he would get a reason-

able share of the money which he deposits and he can just walk in and withdraw the money whenever he wants with a reasonable rate of interest, we shall not be able to mobilise the savings.

Again, look at this Bill. It says that this mopping up of Rs. 10 crores will be done by just one under-secretary. The Finance Minister may say that he has not enlarged the bureaucratic machinery and he has just put one under-secretary and by doing so he has very high ambitions of observing austerity. I submit, Sir, that he is trying to run too fast. If a man runs too fast, then there are two possibilities; one possibility is that he may become healthy; the other is that sometimes, he may lose his breath while he is halfway. Here, there is every possibility of losing breath. The way the Finance Minister is trying to run and such will complicate matters, and the object of the Bill will never be realised.

Had there been a provision in the Bill to the effect that if anybody has an income of more than Rs. 1500, then the income above 1500 will automatically be realised, and that the money thus collected will be given back after ten or fifteen years, then the Government would have been able to mobilise savings about Rs. 2000 crores, this could have been invested in agriculture, for instance or industry. But there is no such provision in the Bill.

The black money to the tune of Rs. 3000 to Rs. 4000 crores, which is circulating in the country could also be mopped up by adopting some effective means. There is no such indication to this effect in this Bill.

I attack this Bill on two grounds. The first one is in regard to the question of legislative competence. In the Union List in the Seventh Schedule, the Bills which can be enacted are referred to, but there is no mention for a Bill of this nature. So, I raise this point of order in regard to this Bill that it is legally incompetent and it cannot be introduced and passed because it does not come within any of the items mentioned in the Union List.

The second point on which I oppose this Bill is this. This Bill has been said to be a delegated legislation. As you know

when delegation is given, the rules cannot bypass the Act, and the rules are always to be subservient to the Act. The delegated power cannot be utilised to go beyond the object of the main Bill. Now, what has been done under this Bill? The scheme is to be framed by the bureaucrats or officers. Nothing further is mentioned in regard to the scope of the Scheme. In clause 3, it has been provided :

"The Central Government may by notification in the Official Gazette frame a scheme to be called the Public Provident Fund Scheme for the establishment of...."

The main items of the Bill have been left over to be drawn up later *i.e.*, have been delegated. But I would submit that the main object of the Bill itself cannot be left delegated legislation. So, on that ground also, this Bill has to be thrown out. Rule 70 of the Rules of Procedure provides :

"A Bill involving proposals for the delegation of legislative power shall further be accompanied by a memorandum explaining such proposals and drawing attention to their scope and stating also whether they are of normal or exceptional character..."

But these details are missing in regard to this Bill.

The Schedule says :

"The manner in which subscriptions to the Fund may be made and the maximum and minimum limits of such subscriptions."

This is the case of the Bill. But the care is not indicated in the Bill. Then what about the interest? That is also not mentioned.

Therefore the power acquired by delegation transgresses the main object of the Bill which should have been in the body of the Bill. It is, therefore, legislatively incompetent. It is also legally incompetent because it does not come under any of the items mentioned in the Union List, which empowers the Central Government the specific to his on which to enact legislation.

SHRI MORARJI DESAI : May I know how much time will be given to me?

MR. DEPUTY-SPEAKER : As much as he requires.

SHRI MORARJI DESAI : How much time will be given to the next stages? I am asking this because I do not want to be charged with deceit or fraud or other things which are being said here. Let me be informed about the time I will have for this reply.

MR. DEPUTY-SPEAKER : The Business Advisory Committee had given 2 hours for the Bill. Extension by 15 minutes is permissible for this Bill. We should finish this by quarter to four.

SHRI MORARJI DESAI : If I take half an hour, then only 10 minutes will be left for the other stages. Therefore, I am asking for how much time you want me to speak.

MR. DEPUTY-SPEAKER : 15 minutes.

SHRI MORARJI DESAI : Once I know that I can speak accordingly. Otherwise, I will be charged with not referring certain things which were referred to here. It is not for any other purpose that I am saying this.

SHRI S. KANDAPPAN (Mettur) : It is not going to make any difference if he is prepared to reply to the points.

SHRI MORARJI DESAI : I have been hearing with great amusement the wild kinds of adjectives which are being used in relation to this Bill. (*An Hon. Member : Pleasure*) Certainly it gave me Pleasure to see people run riot in a safe way—here it is running riot in a safe way; there are no heads broken.

I could not understand the criticism. It may be that my understanding is poor. But I cannot understand how by any stretch of imagination it can be said that this Bill will deceive anybody or that it is a fraud or that it is *chari* or thuggery or whatever it may be called later.

It is a provident fund. I have not called it a contributory provident fund.

SHRI V. KRISHNAMOORTHY : He is escaping...

SHRI MORARJI DESAI : Let my hon. friend not look at it with a 'criminal' approach. He deals only with cheats or criminals or people like that and therefore, that is there on his brain all the while. He may be a criminal lawyer. Let him not bring that approach to bear on this Bill. Let him not forget that he is sitting in a House of hon. Members. But he thinks only of his old association. So, for him there is nothing but crime or deceit or fraud wherever he can see. Nobody can put wiser a person who does want to see. It is not possible for me to do it.

We have two kinds of provident fund already in the country today—both are for employees. One is for employees who do not get a pension, where there is a contribution by the employer, whether it is the State or a private employer or a corporate employer. Then there is another provident fund for government servants who receive a pension, where no contribution is made by Government and only interest is given.

This is meant for people who are self-employed, i. e. who are not employees. Of course, it covers other people also, if they want to contribute to it. Nobody is debarred from joining it. It is a voluntary thing. There also imagination ran riot and it was said that this would be compulsory. How? I cannot make it compulsory unless I come to this hon. House. I have said that this is voluntary. Nobody is forced into it. Nobody is being deceived to come into it. All the conditions on which this provident fund is going to be worked are mentioned. If there are certain things not mentioned, they are also indicated and I have also said that the scheme will be framed according to this Bill and will be laid on the Table and if any suggestions are made, they will be considered and incorporated, if found suitable for incorporation.

Beyond that what am I to say? It has also been indicated that interest will not be less than that on the 15 year cumulative time deposits which is 4.8 per cent at present. It will be compound interest because there will be interest on the interest earned in the previous year. That also is clear. How does it compare with other schemes I am asked. There

are several schemes which enable people to save money. This is one more scheme. I have never said that it is to mop up savings. It is not a question of mopping up savings. If it had been a question of mopping up, I would have rather mopped up all the clouds which have gathered in the brains of some people; then they would have been cleared. But I do not have the strength of the lungs of my friend Shri Umakant.

SHRI UMANATH : Not Umakant, Umanath. Kant is the name of your son.

SHRI MORARJI DESAI : His name is Kanti, not Kant. I do not think it would be a great honour either to him or to anybody else. (Interruptions) But if I made a mistake and if he feels injured about it, I am very sorry. I made a slip. He is Umanath, certainly. But he is not Mahadev. He goes under a false name, viz., Umanath, because he is not Mahadev. That is how he goes on in life. I cannot help it, nor have I the infinite capacity, which he possesses to misuse the great intelligence.

SHRI PILOO MODY (Godhra) : It is his parents' fault.

SHRI MORARJI DESAI : I do not find fault with anybody. I cannot say whether it is his fault or anybody else's.

SHRI UMANATH : He is abusing my parents.

SHRI MORARJI DESAI : I am not doing that. I do not want to abuse him or anybody because I want to give him and some others that monopoly. What is the use of imitating this kind of thing? It does not help anyone. Certainly I may make fun of it; that is good and he also laughs at it; I laugh at all the abuse. Therefore, there is no difficulty about it. I have said that 4.8 per cent is the present rate of interest. It has got to be kept like that because in future interest rates can change and the rate must be in relation to the rate of interest given on other comparable scheme; it will not be less than that. Where is the question of deceit and fraud? It is said that there will be no contribution made

by the Government. It is made clear from the very beginning. Where is the deceit? This is also made clear that interest will be prescribed from time to time and it will have relation to the cumulative time deposit interest rate. Where is the deception? I was asked: what happens to the money after 15 years? what happens if a person dies earlier? After fifteen years, he can take the money. If he dies earlier, it will be given to his heir or his nominee; they need not wait for 15 years. If an agriculturist want to subscribe, he can certainly do so; nobody prevents him; even if my hon. friends want to contribute, they can; if they do not want to nobody will shed tears for them. Now, what is the advantage of the scheme? The advantage is that there are concessions in taxation. Self-employed well-to-do people will contribute to the provident fund and, not the poor people or the employees. Employees have their provident funds and get a contribution from the employers; so they will not contribute to this fund. This will be advantageous to self-employed persons, who have no means reserving for themselves something when they retire or cease to earn an income; this will come in handy for their old age. That is why this scheme is being provided. In that sense it is a social security, but I cannot say that it is a universal social security which I am providing. I am only enabling them to provide for themselves and paying on it interest which will be guaranteed and which will also be compound. Therefore, I do not see where my hon. friends have any difficulty in this matter.

Tax concessions are given to them. Therefore, they will have an incentive to save more money. This is encouraging them to save money, and this is what is being done.

Then it was said that tax exemption is up to 50 per cent and not more. Up to Rs. 5,000 the contribution will be exempted up to 60 per cent and above Rs. 5,000 it will be exempted up to 50 per cent, subject to certain over all limits. But in the case of the fixed deposit schemes, the deposits are not exempted from income-tax at all. Only the interest is exempted from income-tax. In this case the sums contributed will be exempt from income-tax

according to the present percentages. Therefore, it has a larger advantage. Then, it will be also exempt from wealth-tax; this will not count for the wealth-tax at all. This will not form part of it. All these concessions are there, and besides these, the balance in the Fund will not be liable to attachment for any reason; that is even if the man goes bankrupt or is used or is liable to pay many debts this gives him a debt relief to some extent. This is one of the temptations given to him. This does not seem to be liked by my hon. friend Shri Kundu. Naturally he may not like it; some may not like it. It is not possible to find any scheme which will be acceptable to everybody, and therefore, there are bound to be differences of opinion. But I do not see where the fraud comes in, where the deceit comes in and where there is anything which makes this Bill in anyway suspect, except in the minds of those who have got suspicion deep-rooted in them about everything that anybody else does and with whom they do not agree. That is all.

AN HON. MEMBER : You are suspicious.

SHRI MORARJI DESAI : If I were suspicious, I would not be saying what I have been saying. Suspicion lies the other way round. My hon. friend Shri Krishnamoorthi has always something to say; though not very refreshing he thinks that what he says is very original. I give credit to him for saying something which is not understandable. That is all that I can say.

SHRI V. KRISHNAMOORTHI : I cannot help it.

SHRI MORARJI DESAI : Therefore, I do not see any case for suspecting this thing. When, there is the question of those people who are 60 and above who may not have much encouragement to join the Fund. I am considering whether we should also provide for them, saying that they can withdraw after 10 years. That amendment can also be considered if my hon. friends want that kind of thing. That can certainly be considered.

[Shri Morarji Desai]

This is a new scheme. If it works well it can be amended further and we can give even more encouragement if necessary, but this will have to be considered as the scheme goes on working.

I was argued that Rs. 10 crores may not be obtained this year. I can quite grant that. I do not say that Rs. 10 crores will be obtainable. Even Rs. 1 crore may not be obtainable : that is the kind of propaganda which my hon. friends there might make outside. Therefore I have no illusions about it. But nothing will be lost if that does not happen. At any rate something will be gained if people contribute to it.

SHRI S. KUNDU : You admit that you will be completely demolished by our propaganda.

SHRI MORARJI DESAI : I do give credit to my hon. friend for intelligence and intelligent propaganda and also for effective propaganda. I do give credit though they seem to think that their propaganda is valueless. I have more respect for them, even if they have less for themselves and I cannot help it. I have nothing more to say.

MR. DEPUTY-SPEAKER : The question is :

"That the Bill to provide for...

SHRI S. KUNDU : During speech, I raised a point of order regarding the legislative competence. I said that it is legally incompetent to bring this Bill.

MR. DEPUTY-SPEAKER : You made it as an argument ; you never raised it as a point of order. Otherwise I would have replied to it. Now it is too late.

SHRI S. KUNDU : I said it in my speech.

MR. DEPUTY-SPEAKER : It ought to have been made in the very beginning. There is a procedure laid down. He was arguing.

I have listened to it. We have only 20 minutes now....(Interruption). Assuming

it has some validity, this House is not competent to decide this issue. It is for the Supreme Court to decide.

SHRI S. KUNDU : Does it mean this House will pass all incompetent Bills ?

MR. DEPUTY-SPEAKER : That is a wrong interpretation. Government in their wisdom feel they are competent to bring certain legislative measures. If it is contended that this House is not competent, if there is no agreement on that, the final decision will be that of the Supreme Court.

The question is :

"That the Bill to provide for the institution of a provident fund for the general public, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER : Now, clause-by-clause consideration.

Clause 2—(Definitions)

SHRI S. KUNDU : I beg to move : Page 1, line 8, add at the end—

"to secure, promote and build savings in the interest of the general public and the Union of India." (3)

SHRI MORARJI DESAI : I oppose this amendment.

MR. DEPUTY-SPEAKER : I will now put this amendment to the vote of the House.

The amendment was put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3—(Public Provident Fund Scheme)

SHRI S. KUNDU : I beg to move : Page 2, line 11,—

for "as soon as may be" substitute "within July 68" (4)

I have given this amendment because "as soon as may be" is a very wide term and nobody knows when it will be realised.

SHRI S. S. KOTHARI : I want a minute to speak on this clause.

MR. DEPUTY-SPEAKER : I am sorry there is no time. If I allow speeches now, it will never end.

SHRI S. S. KOTHARI : Why then did the founding fathers of our Constitution provide for a second and third reading ?

MR. DEPUTY-SPEAKER : I will reply to it later. Now conclude in a minute.

SHRI S. S. KOTHARI : The hon. Finance Minister says it gives concession in income-tax. The qualifying amount of rebate which would be tax-free should be two-thirds of the amount that is paid as contribution. Under section 80C of the Income-tax Act with which it is clubbed, the rate of qualifying amount of rebate is 60 per cent upto Rs. 5000 and 50 per cent upto Rs. 15,000. In this case, there is no attraction at all. In the case of life insurance, life is insured and risk is covered. In the case of other provident funds, there is matching contribution. In the cumulative time deposit scheme, besides rate of interest, some premium is also given.

Therefore, the qualifying amount of rebate should be two-thirds of the amount of subscription.

SHRI MORARJI DESAI : I do not accept the amendment. I have said that this will come into effect from 1st July and this goes further than what the amendment says.

Regarding the other point that has been raised, this is better than the cumulative time deposit scheme because there you can withdraw before fifteen years and even if you do so you will have to pay interest and refund the amount drawn, but that does not happen, you can take loans and do other things like withdrawing upto certain limit without having to refund with interest.

SHRI S. S. KOTHARI : But you will charge interest on the loan. What benefit does he get ?

SHRI MORARJI DESAI : How can we give without interest ? Is the hon. Member an accountant or something else ?

श्री मधु लिमये : मैंने जो मुद्दे प्रस्तुत किये थे, उनका जवाब नहीं आया। मुझे इस बात को लेकर परेशानी और चिन्ता है। इसमें आप देखिये 3 (2) और 3 (4) में योजना बनाने का सारा अधिकार इन को दिया गया है। इस के बारे सुप्रीम कोर्ट के जज जस्टिस बोस का फैसला है, जिसमें उन्होंने कहा है कि इस तरह के व्यापक अधिकार नहीं दिये जाने चाहिये। मैं एक ही वाक्य पढ़ता हूँ अगर ये इस का जवाब नहीं देंगे तो मुझे व्यवस्था के प्रश्न के रूप में उठाना पड़ेगा—“सिरवाई” की किताब में राज नारायण सिंह-बख्श-पटना एडमिनिस्ट्रेशन के कেস में दिया है-

“The judgments held that (i) the essential characteristics of legislative power is that of laying down a policy or standard and this essential feature cannot be delegated to any other authority ; (ii) that modifications or restrictions which are premissible are those which do not involve a change in this essential policy or standard,”

मेरा कहना यह है कि इस बिल में जो मुख्य बातें या नापट्ट हैं या जो नीति सम्बन्धी निर्णय हैं—वह भी इन लोगों के हाथ में दिया गया है—इस का विवरण इस बिल में नहीं दिया गया है। मैं बार बार कर रहा हूँ कि क्या इस पहलू पर इन्होंने सोचा है, विचार किया है कि क्या इस तरह का अधिकार दिया जाना डेलीगेशन कानूनी है।

SHRI MORARJI DESAI : The essential features have been mentioned and it will be in accordance with these that the scheme will be framed. When the scheme will be framed it will also be placed before the House. Therefore the scheme and other things can certainly be thrown out by

[Shri Morarji Desai]

Parliament at that time. This is not like the kind of delegated legislation referred to any the Member at all. I do not accept this argument.

MR. DEPUTY-SPEAKER : I shall put amendment No. 4 to the vote of the House.

Amendment No. 4 was put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

MR. DEPUTY-SPEAKER : Then we come to clause 5. There are some amendments.

Clause 5—(Interest)

SHRI MADHU LIMAYE : I beg to move :

Page 2,—

after line 29, insert—

"Provided that this interest rate shall completely neutralise any fall in the value of rupee as a result of the rise in prices that might take place after the contribution has been made."

(2)

क्या ये मेरे अमेन्डमेंट को स्वीकार कर रहे हैं ?

श्री मोरारजी देसाई : नहीं ।

श्री मधु लिमये : क्या आप इन्फ्लेशन को कम नहीं करना चाहते हैं ?

श्री मोरारजी देसाई : इस तरह से नहीं हो सकता है ।

श्री मधु लिमये : आपने पूछा है कि चोरी और ठगी का आरोप कैसे किया जा सकता है । मैं नहीं कर रहा हूँ, लेकिन इस शकल में विधेयक पास करेंगे तो लोग निश्चित रूप से चोरी

और ठगी का आरोप करेंगे, क्योंकि आपको अच्छा रूपया-पैसा देंगे और उस को 15 साल बाद उस का मूल्य घटा कर सत्यानाश कर के आप वापस लौटा देंगे । आप इस पर गम्भीरता से सोचिये, इस से आप को ज्यादा पैसा मिलेगा, लोगों में बंचत की प्रवृत्ति बढ़ेगी और दामों की वृद्धि पर रोक लगाने के काम में सहायता मिलेगी ।

श्री मोरारजी देसाई : माननीय सदस्य जो कहते हैं, अगर उस को स्वीकार करूँ, तो दिवाला ही निकल जायगा ।

SHRI S. KUNDU : I think the Finance Minister, if he kindly looks to my amendment which is very simple, he will accept it. I beg to move :

Page 2, line 29 —

add at the end—

"but not less than an interest of 7½ per cent. per annum on the deposits." (5)

Clause 5 reads like this :

"All subscriptions made under section 4 shall bear interest at such rate as may be notified by the Central Government in the Official Gazette from time to time and the interest shall be calculated in such manner as may be specified in the Scheme."

This is completely vague. My amendment seeks to specify "not less than an interest of 7 per cent per annum on the deposits". If you want to mobilise savings at least the depositors should know that they will get this much interest. If you leave the whole thing vague and leave it to the caprices of the officers people will not come forward with their money. Therefore, I earnestly appeal to Morarji bhai to accept it.

The minimum ceiling has been fixed by my amendment.

SHRI MORARJI DESAI : If I keep 7½ per cent, income-tax free, wealth-tax free, it will amount to 12 per cent or 15 per cent, in the hands of those people who pay income-tax. I do not think that can be the intention of my hon. friend.

MR. DEPUTY-SPEAKER : I will now put amendment No. 2 to the vote.

Amendment No. 2 was put and negatived.

MR. DEPUTY-SPEAKER : I will put amendment No. 5 to the vote.

Amendment No. 5 was put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6—(Withdrawals)

SHRI S. KUNDU : I beg. to move :
Page 2, line 35,—

for "five" substitute "two" (6)

Page 3, line 3,—

for "fifteen" substitute "five" (7)

Page 3, line 9,—

add at the end—

"and a subscriber can withdraw his deposits whose property has been lost or damaged by fire, flood, cyclone or any such other natural calamities and/or for the improvement of agriculture and/or for the education of his or her dependents." (8)

Clause 6 reads :

"(1) A subscriber shall be entitled to make withdrawals from the amount standing to his credit in the Fund (including any interest accrued thereon) to such extent and subject to such terms and conditions as may be specified in the scheme :

Provided that such withdrawal shall be allowed only after the expiry of a period of five years from the end of the year in which he makes the initial subscription to the Fund."

Now, five years is too long a period and nobody will come and deposit with this condition. Therefore, I have put it as two years. It is a simple amendment and I would request the Finance Minister to accept it.

SHRI MORARJI DESAI : This is meant to be a saying for utilisation later

on. What is the use of withdrawing it very early—I cannot understand this. It goes against the very nature of the scheme.

MR. DEPUTY-SPEAKER: I will put all the amendments to the vote of the House.

Amendment Nos. 6, 7 and 8 were put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 6, stand part of the Bill".

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 8—(Payment on death of subscriber).

SHRI S. KUNDU : I beg to move :
Page 3, line 24,—

add at the end—

"decided by a competent court in a summary proceeding within a period of three months after the filing of petitions".

The clause reads :

"If a subscriber dies and there is in force at the time of his death a nomination in favour of any person, all amounts standing to his credit in the Fund shall be payable to the nominee."...

(3) Where there is no nomination in force at the time of the death of the subscriber, the amounts referred to in sub-section (1) shall be payable to his legal heirs." (9)

The certificates of legal heir is very difficult to get.

The litigations takes three or four years. So, I have suggested that the Act must give a directive by adding the words :

"decided by a competent court in a summary proceeding within a period of three months after the filing of petitions."

This is a very reasonable amendment. I have seen people running after courts for years to get a certificate of legal heir,

[Shri S. Kundu]

Unless there is a direction in the Act for summary proceeding, the entire Civil Procedure Code will apply and it will take years.

SHRI MORARJI DESAI : My hon. friend is competent lawyer, I hope. As such he expects me to amend the Criminal Procedure Code and the Code of Civil Procedure by this legislation in a manner whereby the courts will have summary power to decide within three months a matter which has to be decided under the ordinary law of the land about heirs. How is that possible? In this way he is questioning the competence of this legislation. Probably, he wants to nullify the effect of this legislation because if we introduce such a provision it will be thrown out by the courts. I am not going to walk into these traps which these people are more capable of laying than I can ever dream of.

MR. DEPUTY-SPEAKER : I will now put amendment No. 9 to the vote.

Amendment No. 9 was put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 8 stand part of the Bill".

The motion was adopted.

Clause 8 was added to the Bill.

Clause 9 was added to the Bill.

Clause 10—(Protection of action taken in good faith).

SHRI S. KUNDU : Sir I move :

Page 3, line 31,—

add at the end,—

"but this will not be applicable to the person or persons who defraud or misappropriate or attempt to defraud or attempt to misappropriate the fund or do any thing detrimental to the interest of the subscriber."
(10)

Sir, clause 10 is the most important clause. In the natural course it ought to be deleted, but you will kindly appreciate

the amendment which I have moved. Clause 10 says :—

"No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act or the Scheme."

As one of the Congress Members, Shri Sharma, said, "in good faith done" is too vague. Even if an officer tries to defraud or misappropriate, he will say, "I did it in good faith; I do not know." Therefore, I have sought to put in a saving clause. I think, Shri Morarji Desai will accept this.

SHRI PILOO MODY : The Finance Minister should at least agree to some thing, does not matter what.

SHRI K. NARAYANA RAO : I have no difficulty about the words "in good faith" because it has been accepted widely. My difficulty is about the subsequent clause, namely,—

"or intended to be done under this Act or the Scheme."

MR. DEPUTY-SPEAKER : Are you speaking on the amendment or are you commenting on the original clause ?

SHRI K. NARAYANA RAO : I am commenting on the original clause.

MR. DEPUTY-SPEAKER : On the original clause no comment is possible. Please resume your seat.

SHRI MORARJI DESAI : If any one does defraud, he will not be saved under this clause; he will be prosecuted and sentenced very properly. Only when it is done or intended to be done in good faith that a man is saved. He will have to prove that he had done it in good faith. Therefore, my hon. friend need not be anxious about it all.

MR. DEPUTY-SPEAKER : I shall now put Amendment No. 10 to the vote of the House.

Amendment No. 10 was put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 10, stand part of the Bill."

The motion was adopted.

Clause 10 was added to the Bill.

Clauses 11 and 12 were added to the Bill.

Clause 13 (New)

SHRI S. KUNDU : Sir, I move :

Page 4,—

after line 14, add—

"13. The security of the deposits of the subscribers should be guaranteed by the Reserve Bank of India or for that matter by the Government of India and this is to be mentioned in the document to be drawn up under the scheme." (11)

This is the most important thing.

MR. DEPUTY-SPEAKER : Time is more important than anything else.

SHRI S. KUNDU : A sense of confidence must be created in the subscriber so that he can deposit in this fund. What is the security that my money would not be wasted? That about the sense of security not only a promise be made here but it should go into the memorandum which will be drawn up under the Scheme. Therefore I have said in my amendment that the security of the deposits of the subscribers should be guaranteed by the Reserve Bank of India, or for that matter by the Government of India and this is to be mentioned in the document to be drawn up under the Scheme. They will give us a document saying that my money is deposited in such-and-such a place. One of the conditions would be that the Reserve Bank of India and the Government of India stand surety for the money which I have paid. That should be in the document so that it would have a contractual obligation. The Government of India may say "nothing doing" or the Under Secretary runs away.....
(*Interruption*)

SHRI MORARJI DESAI : I may run away or another minister may run away but the Government of India cannot run

away. There is going to be a Government of India as long as there is democratic government. I am not sure whether people like my hon. friend if they come into power will disown this. But no democratic government will ever disown or can disown. This is secured by the Government of India itself.

SHRI S. KUNDU : How ?

SHRI MORARJI DESAI : If ordinary commonsense is not there, I cannot give it.

SHRI S. KUNDU : What is the commonsense? You let us know.

SHRI PILOO MODY : What about privy purses ?

MR. DEPUTY-SPEAKER : This is all irrelevant. This has nothing to do with it.

SHRI PILOO MODY : What is irrelevant? The Deputy Prime Minister has made a categorical assurance that the Government will honour obligations no matter which Government comes. Then, when I give an instance of this very Government, wanting to undo what this very Government of this very party, has solemnly assured all these years, you say, it is irrelevant.

MR. DEPUTY-SPEAKER : It is totally irrelevant.

SHRI MORARJI DESAI : The argument will prove that if any guarantee like that is given, it may be disowned by another Act.

SHRI PILOO MODY : It should not be.

MR. DEPUTY-SPEAKER : Whatever the obligations, they will be discharged keeping in view the changed situation. Therefore, it is irrelevant.

Now, I put Amendment No. 11 to the vote of the House.

Amendment No. 11 was put and negatived.

The Schedule

SHRI SRINIVAS MISRA (Cuttack) :
I move :

Page 5,—

after line 31, insert—

“(9A) The manner in which the Fund shall be held and administered.” (1)

Sir, perhaps, the Finance Minister would have no objection in accepting this. This is the first amendment that was given. Looking at the Schedule, it is a drama without a hero. There is no provision in the Schedule for making the scheme regarding how the money will be held and how it will be administered.

SHRI MORARJI DESAI : Moneys are held by Government. Where is the question of saying how it will be held and how it will not be held? I do not understand. This is redundant. Therefore, I have not put it.

SHRI SRINIVAS MISRA : Will it go to the Consolidated Fund?

SHRI MORARJI DESAI : It will go into the Public Account.

MR. DEPUTY-SPEAKER : Now, I put Amendment No. 1 to the vote of the House.

Amendment No. 1 was put and negatived.

MR. DEPUTY-SPEAKER : The question is :

“That the Schedule stand part of the Bill.”

The motion was adopted.

The Schedule was added to the Bill.

MR. DEPUTY-SPEAKER : The question is :

“That Clause 1, the Enacting Formula and the title stand part of the Bill.”

The motion was adopted.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI MORARJI DESAI : I beg to move :

“That the Bill be passed.”

MR. DEPUTY-SPEAKER : Motion moved :

“That the Bill be passed.”

श्री तुलसी दास जाधव : उपाध्यक्ष महोदय, इस पब्लिक प्रोविडेंट फंड बिल को बर्ड रीडिंग स्टेज पर सपोर्ट करते हुए मैं एक, दो निवेदन बहुत संक्षेप में वित्त मंत्री महोदय से करना चाहूंगा। इस बिल के बारे में फ़ाइनेंस मिनिस्टर साहब ने अभी अपनी स्पीच में कहा विब सेवन ऐंड हाफ परसेंट इंटरैस्ट...

श्री मोरार जी बेसाई : मैं ने कब कहा ?

श्री तुलसी दास जाधव : उन्होंने नहीं कहा तो खर वह मेरी गलती रही। मेरा कहना है कि लोग प्राविडेंट फंड जमा करें इस के लिए जो उन्हें उत्तेजना मिलना चाहिए वह उत्तेजन आज नहीं है। प्राविडेंट फंड में लोग रकम रक्खें इसके लिए कुछ इंसेंटिव जरूर होना चाहिए और उस के लिए ज्यादा से ज्यादा ब्याज गवर्नमेंट की तरफ से मिलना चाहिए। बाहर दूसरी जगहों पर जो सूद मिलता है उस से ज्यादा लोगों को यहां रकम जमा कराने के लिए सूद मिले। ऐसा होने पर ही लोग इस की ओर आकर्षित होंगे और इसलिए मेरी प्रार्थना है कि यहां पर लोगों को सूद अधिक दिया जाय।

मेरी यह कल्पना थी कि गवर्नमेंट भी इस प्राविडेंट फंड में पैसा मिलाती है लेकिन वह कल्पना मेरी ठीक नहीं थी। इस में खाली इनकमटैक्स माफ होगा और चूंकि इंटरैस्ट भी यहां और बाहर मिलने वाले इंटरैस्ट से ज्यादा नहीं मिलेगा इसलिए प्राविडेंट फंड में लोगों का पैसा ज्यादा नहीं आयेगा। कारण यह है कि जो गरीब लोग हैं उन के पास ज्यादा पैसा नहीं होता है और दूसरी तरफ से जो पैसा उस में भाना चाहिए उसे भी भाने के लिए इंसेंटिव दिया जाना चाहिए। अभी इस प्राविडेंट फंड

[श्री तुलसी दास जाधव]

एकाकंट में एक ही लोगों का पैसा आता है, उस में कारखानेदारों और मालिकान का पैसा नहीं आता है। 4-5 करोड़ रुपया यह आब काखानेदारों का बैसे ही पड़ा हुआ है। कामदारों का प्राविडेंट फंड भी ला लिया गया है इसलिए इस रीति से भी सावधानी बतानी है कि आब जो कामगरो में एक भविष्यवास सा पैदा हो रहा है कि कारखानेदारों के पास जो उन्होंने पैसा दिया है वसूल नहीं होगा यह भविष्यवास उन में पैदा न होने दिया जाय और सरकार को वह भी मालिकान से वसूल करने की ज्यादा से ज्यादा कोशिश करनी चाहिए। ऐसा होने से लोग इस स्कीम की तरफ आकर्षित होंगे।

MR. DEPUTY-SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

15.45 hrs.

*DEMANDS FOR GRANTS (UTTAR PRADESH), 1968-69

MR. DEPUTY-SPEAKER : Now we take up discussion and voting on the Demands for Grants in respect of the Budget (Uttar Pradesh) for 1968-68.

Demand No. 1—Tax on Large Land Holdings

MR. DEPUTY-SPEAKER : Motion moved :

"That a sum not exceeding Rs. 2,51,500 be granted to the President out of the Consolidated Fund of the State of Uttar Pradesh to complete the sum necessary to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1969, in respect of 'Tax on Large Land Holdings'."

Demand No. 2—Land Revenue

MR. DEPUTY-SPEAKER : Motion moved :

"That a sum not exceeding Rs. 8,11,93,900 be granted to the Presi-

dent, out of the Consolidated Fund of the State of Uttar Pradesh to complete the sum necessary to defray the charge which will come in course of payment during the year ending on the 31st day of March, 1969, in respect of 'Land Revenue'."

Demand No. 3—State Excise

MR. DEPUTY-SPEAKER : Motion moved :

"That a sum not exceeding Rs. 34,34,300 be granted to the President, out of the Consolidated Fund of the State of Uttar Pradesh to complete the sum necessary to defray the charge which will come in course of payment during the year ending on the 31st day of March, 1969, in respect of 'State Excise'."

Demand No. 4—Sales Tax

MR. DEPUTY-SPEAKER : Motion moved :

"That a sum not exceeding Rs. 63,07,200 be granted to the President out of the Consolidated Fund of the State of Uttar Pradesh to complete the sum necessary to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1969, in respect of 'Sales Tax'."

Demand No. 5—Other Taxes and Duties

MR. DEPUTY-SPEAKER : Motion moved :

"That a sum not exceeding Rs. 20,39,400 be granted to the President, out of the Consolidated Fund of the State of Uttar Pradesh to complete the sum necessary to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1969, in respect of 'Other Taxes and Duties'."

Demand No. 6—Stamps

MR. DEPUTY-SPEAKER : Motion moved :

"That a sum not exceeding Rs. 10,38,200 be granted to the President, out of the Consolidated Fund of the

*Moved with the recommendation of the President.