

Mr. C.C. Desai, M.P., Secretary of the Swatantra Party in Parliament has written the following letter in regard to the Income tax returns on certain Ministers of the Union Cabinet to the Prime Minister, Mrs. Indira Gandhi:

"I have no doubt that you are aware of the fact that some eleven members of the Council of Ministers had failed to submit income tax returns and yet no punitive action had been taken against them until the matter was brought to the notice of Government through a question in Rajya Sabha where a statement was placed by the then Finance Minister on 12th May, 1969. I wrote to the Finance Minister two letters on the subject, dated 20th May, 1969 and 1st July, 1969, copies herewith attached. Ultimately I received a reply from Mr. P.C. Sethi, copy of his letter dated 19th July, 1969, herewith attached. Mr. Sethi agreed with me that law is no respecter of persons and went on to assure me that no distinction would be made in this respect between a Minister and an ordinary citizen of India. We were therefore very much concerned when we found that no less a person than Morarji himself made a statement in Bombay on 11th September in which he is reported to have stated as follows:-

"To a specific question, he said Mr. Jagjivan Ram, Food Minister had not filed his income-tax returns for 10 or 11 years and his wealth tax returns for four years.

"What penalty have you imposed?" asked some members of the audience.

Mr. Desai replied that he had left instructions with the tax authorities to impose maximum penalty. Since he was no longer in the Government, Mr. Desai said, further questions should be directed at the Prime Minister."

May I therefore request for clarification as to exact punitive action taken against each of the defaulting members of the council of Ministers separately for income tax and separately for wealth tax. Would you also please say whether the action taken in these cases is no less severe than has been done in similar cases of private individuals. A categorical assurance is necessary for the people to appreciate and accept the position of Government that law is, both in theory and in fact, no respecter of persons.

As the matter is of great public importance, I request that a very early reply may be sent to this letter."

Mr. Desai had earlier addressed letters to the former Deputy Prime Minister, Mr. Morarji Desai and had received the following reply from the Minister of State Shri P.C. Sethi on 19th July, '69:

"Necessary action to complete the assessments in the above cases has been taken by the Income-tax Department and while in some cases the assessments have already been completed, in the other cases they are likely to be finalised very shortly.

Law is no respecter of persons and I can assure you that no distinction would be made in this respect between a Minister and an ordinary citizen of India. In fact, penal interest has already been charged wherever due and penalty notices, too have been issued in suitable cases."

September 16, 1969

(A.P. Jain)
Executive Secretary
Swatantra Party Parliamentary Office
New Delhi.