

MR. DEPUTY CHAIRMAN: That will take some time.

SHRI GHULAM RASOOL MATTO: Please bear with me for one minute.

MR. DEPUTY CHAIRMAN: Go to the Chairman and discuss it with him. Don't raise it in the House. (*Interruptions*)

SHRI GHULAM RASOOL MATTO : In this context, I would like to point out that Question No. 191 was replied here in this House yesterday, and this question contained 160 words. My point is that my question of 150 words was disallowed and this question... (*Interruptions*) My point is that such small technicalities may be pointed out immediately to the concerned so that...

MR. DEPUTY CHAIRMAN: It is all right.

SHRI GHULAM RASOOL MATTO: It is not a very big question. This information may kindly be given. (*Interruptions*).

CALLING ATTENTION MOTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Reported Levy of 'Entry Tax' by the Government of Tamil Nadu

SHRI U. R. KRISHNAN (Tamil Nadu): Regarding Calling Attention, yesterday there was some mention about the 'Entry Tax'. Some of the Members spoke and I also took part. Now, the Chairman has admitted the Calling Attention. I would like to know in how many cases the Chairman admitted the Calling Attention given by one Member and... (*Interruptions*) It is politically motivated. (*Interruptions*)

श्री नवभारत मलिक (उत्तर प्रदेश) :
आपने प्रामिस दिया था गेहूँ के दाम पर
डिफरेंट करने के लिए आज...

SHRI R. MOHANARANGAM (Tamil Nadu): Sir... (*Interruptions*). It is a State subject. Why should it come to Parliament? (*Interruptions*)

MR. DEPUTY CHAIRMAN: In this House there is no limit whether one man gives notice or... (*Interruptions*) Now, let us go ahead. Now that the Calling Attention has been admitted, let us proceed with it. You will have your chance. Then you can say whatever you want to say. (*Interruptions*) I am not accepting your point of order. (*Interruptions*)

SHRI U. R. KRISHNAN: The Calling Attention mentions: "... situation out of the reported levy of 'Entry Tax' by the Government of Tamil Nadu resulting in rise in the prices of essential commodities causing hardship to the consumers and the Governments reaction thereto". In this connection, I would like to make two points. First of all....

MR. DEPUTY CHAIRMAN: Whatever you say... (*Interruptions*). This is no point of order.

SHRI U. R. KRISHNAN: Let me complete. (*Interruptions*).

MR. DEPUTY CHAIRMAN: I have followed your point. When your turn comes, you may raise this. (*Interruptions*) I don't think that this is a point of order. You are reading it and I can follow.

SHRI U. R. KRISHNAN: You can straightaway reject it that it is not a point of order. But the wording is....

MR. DEPUTY CHAIRMAN: That is there. What is that you want to say?

SHRI U. R. KRISHNAN: It has not come into force at all. It is pending before the President for his assent. (*Interruptions*)

MR. DEPUTY CHAIRMAN: Mr. Mohanarangam, I think, you should exercise some restraint. You will have your chance. Then you can say whatever you want to say. But this is no way to disturb the proceedings. Many State Governments have been attacked here many times. (*Interruptions*) Please bear with me for a moment. Many times many of the State Governments have been attacked in this House. But the Members belonging to the

party holding power in the State do not get up in this way to disturb the entire proceedings. You will have your chance. We have discussed the blinding cases of Bihar, and the other problems of Bihar too. So, please take your seat and when your chance comes, you can say whatever points you have. (*Interruptions*)

PROF. SOURENDRA BHATTACHARJEE (West Bengal): Mr. Deputy Chairman, Sir....

MR. DEPUTY CHAIRMAN: I will hear you when your turn comes.

SHRI U. R. KRISHNAN: Before you call him, I want to make a point. You can give a ruling after I put forth my point.

MR. DEPUTY CHAIRMAN: What is your point? You are saying it so many times. (*Interruptions*)

SHRI U. R. KRISHNAN: Sir, the Act has not come into force. It is now before the President for his assent. So, there is no question of enforcing the levy now. So, this point cannot be discussed now. Apart from it, only after it comes into force if the prices rise, that can be raised. So, I request that the Call Attention may be postponed to some other day and it may be modified in some other form.

MR. DEPUTY CHAIRMAN: I don't accept that point. Please take your seat.

PROF. SOURENDRA BHATTACHARJEE: Sir, I have a point of order.

SHRI DINESH GOSWAMI (Assam): Sir...

PROF. SOURENDRA BHATTACHARJEE: Sir, I have a point of order.

MR. DEPUTY CHAIRMAN: Your point is not there.

PROF. SOURENDRA BHATTACHARJEE: I may have a point. He may have a point. You have allowed him and you should allow me.

SHRI DINESH GOSWAMI: Sir, I am making a submission on the point of order raised by my learned friend. It is true that speaking, we do not discuss here the functioning of a State Assembly. But the fact remains that if the Legislation of a State Assembly affects certain subjects which affect us, then we have discussed it like the Bihar Press Bill because the Bihar Press Bill was discussed even before the assent was given by the President as we thought the Bill affects the right of the people. Therefore, we in our wisdom, have admitted the fact in a manner that this levy tax will lead to rise in prices of essential commodities. And the increase of prices of essential commodities is a subject with which we are deeply concerned. And, therefore, I think, the Call Attention as it is presented comes within the purview of this House to discuss.

SHRI V. GOPALSAMY (Tamil Nadu): Yes, Mr. Goswami is correct.

MR. DEPUTY CHAIRMAN: Yes, Mr. Bhardwaj.

SHRI HANSRAJ BHARDWAJ (Madhya Pradesh): Sir, I beg to call the attention of the Minister of Finance to the situation arising out of the reported levy of 'Entry Tax' by the Government of Tamil Nadu resulting in rise in the prices of essential commodities causing hardship to the consumers and the Government's reaction thereto.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PATABHI RAMA RAO): Mr. Deputy Chairman, Sir, the Tamil Nadu Government have sought to have an enactment for levy of Entry Tax on goods like sugar, tobacco, textiles, vanaspati, paper and paper board, drugs and medicines, cement, petroleum products, and a few more commodities like iron and steel ores, etc. when they are brought to certain specified areas in Tamil Nadu. The first three items mentioned above, viz. sugar tobacco and textiles are subject to additional excise duty in lieu of sales tax. Similarly, the Tripathi Committee, set up by the Central Government pursuant to the recommenda-

[Shri Pattabhi Rama Rao]

tions of the Chief Ministers' conference on Sales Tax held in September, 1981, has examined the question of extension of additional excise duty to the other five commodities viz. vanaspati, drugs and medicines, paper and paper board, cement, and petroleum products. In selecting the items for levy of Entry Tax the Government of Tamil Nadu have taken notice of the above eight items. However, it should be made clear that Entry Tax is different from sales tax. Some years back the West Bengal Government imposed Entry Tax on specified goods coming into the metropolitan area of Calcutta. A few other States like Karnataka and Madhya Pradesh are also levying Entry Tax. Apparently, the Tamil Nadu Government is following suit. It would not be correct to say that the Tamil Nadu Government is trying to levy Entry Tax in lieu of Sales Tax because the two taxes, viz. Entry Tax and Sales Tax are quite distinct. The decision of Tamil Nadu Government to levy Entry Tax would not also affect the decision which may be taken to levy additional excise duty in lieu of sales tax in respect of the five commodities recommended by the Tripathi Committee. Perhaps only a plea can be taken that when an Entry Tax has already been levied by the State Government, further additional excise duty might increase the prices of commodities. Possibly there is fear that on implementation of the recommendations of Tripathi Committee after its acceptance, the Government of Tamil Nadu would lose revenue. This is also not correct as the Tripathi Committee has taken care to ensure that the State Governments do not lose revenue which they have been getting as Sales Tax on these five commodities.

SHRI HANSRAJ BHARDWAJ: Mr. Deputy Chairman, Sir, I am grateful to the hon. Finance Minister who has elaborated the implications of the Tripathi Committee and the efforts of the Central Government to abolish sales tax. Sir, you will recall the history of the abolition of sales tax. It was undertaken, the whole exercise was undertaken on the basis of a national consensus. Why was it done? It was done

because the sales tax had affected the whole trade and, therefore, Sir, it was felt that the sales tax system was not functioning properly, that it was prone to corruption, that it was creating hardships to the consumer and that it was creating additional hardships to the traders as well. So, Sir, after a long agitation by the traders and discussions in seminars and other places, the Government of India had undertaken to examine this question and a committee was formed to see how far the sales tax could be abolished. Now, Sir, in the light of this situation I am addressing this august House with this very important question. My friend from the A.D.M.K. was slightly agitated, though he should not be. After all, the discussions will give them guidelines, if anything wrong has been done by their Government they could rectify it. In a democracy the more a thing is debated the better are the results and when we debate a thing something better emerges out of the discussions and I assure my friends that I am also alive to the constitutional pronouncements, in these matters. Several States have already levied such taxes. The courts have gone into all these matters. But, Sir, today why after all, has it occurred to us to bring to this hon. House the question that this tax is not so simple as it looks that merely a tax is imposed on entry to augment certain resources of the State? It is not that question. The question is that when the whole nation is trying to abolish a corrupt system of sales tax, why is it being brought back camouflaged by another tax? This is the question. The second thing is, what are the goods that are being affected by the introduction of this tax. The details of such goods have been given by the hon. Minister of Finance. They are vital goods. They affect every consumer. They affect every man, the common man and the smallest man, in the street. And if you are going to impose 5 per cent arbitrary tax, there is no compensatory tax; it has not been defined as to how you are going to impose this 5 per cent tax. It is for what? What are you going to give to the people in return? The courts have always insisted that in order to make a tax immune from violation of Article 301, you have to show that by

levying this 5 per cent tax you are going to give this thing to the people at large, and what benefit are the people going to derive out of it; otherwise, it is going to burden the people. Therefore, when you tax commodities like the sugar, petrol, iron and steel and cement which everybody uses in his house everyday, it does not come within the purview of the competence of the State legislatures to impose the tax as and when they like. The courts insist that there must be a nexus between the tax levied and the benefit derived therefrom... (*Interruptions*) Please hear me; I will not say anything which is harsh; I will give the judicial pronouncements, in the case *State of Karnataka versus Hansa Corporation*, 1981, Supreme Court. You will see that it is for your benefit that I have raised this question and you must derive benefit from the judicial pronouncements. This is one question that we have to examine whether a particular tax agitates public mind or not. Everybody will agree with me that it agitates the minds of the people when you impose 5 per cent tax....

SHRI U. R. KRISHNAN: It is 2 per cent.

SHRI HANSRAJ BHARDWAJ: It is 5 per cent which is sought to be imposed and which has never been levied in the past by any State. Karnataka had 2 per cent tax, and that was also a tax in lieu of octroi tax. They were abolishing this octroi, the obnoxious octroi tax and charging 2 per cent as compensation. Sir, I am only elaborating these things that today I have to satisfy you that this is a matter which agitates every home in Tamil Nadu. Not only there, but the traders in the whole country will be agitated. And when we talk of free trade and commerce, these things have to be discussed.

Sir, the second aspect to which I wish to draw your kind attention is whether there is any public reaction to this tax. Firstly, I will draw your kind attention to the fact that when this Bill was taken up in the Tamil Nadu Assembly, the whole Opposition opposed it. Thereafter, about 500 traders—I am only saying it so that

they should consider over this matter—500 representatives of the trade went to the Government, represented it and they were arrested. Thereafter, 2500 more were arrested. I have been informed by press, and I am well-informed in this matter that in order to enforce it, they have started coercive methods also. This is the reaction of the trade.

Then there is the question whether in all these circumstances, such a tax should be imposed and whether it agitates the public mind. Let us, in these circumstances, examine, what is this tax about. In section 3 of the Act it is given that the State Government has the powers to levy *ad valorem* tax upto the limit of 5 per cent in any area the State Government may like, on any goods the State Government may like, out of the scheduled goods. Now, Sir, it will create a serious anomaly within the State itself notwithstanding the fact that it will affect the flow of trade; it will impose tariff barriers against goods on which this tax is levied. It will seriously affect the trade from one province to another and you will see that it will create zones, somewhere with 5 per cent tax, somewhere 4 per cent tax, and somewhere no tax. If this is the spirit that is to be implemented and in these circumstances if there is a zone free of tax, that will give rise to blackmarketeers and hoarders and the State Government will have to meet with all these things through the machinery which they are forming. It will cost the State additional expenditure in forming an authority to implement this Act. And what is going to happen? The traders will have to register themselves; they have to file returns that would be assessed and penal provisions have been made in Section 23, and all these things are there. If there is a simple default in some return, the trader will have to be prosecuted.

MR. DEPUTY CHAIRMAN: Please conclude.

SHRI HANSRAJ BHARDWAJ: I will take one more minute, because it has to be discussed dispassionately. Sir, the Supreme Court has elaborately settled the law and with your kind permission, I would like to mention what the Supreme Court

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has said. We have the Rajasthan Automobiles case and now the latest case of Karnataka. The hon. Supreme Court has given the guideline which they should look into. The Supreme Court has said:

"On a conspectus of these decisions, it is well settled that if a tax is compensatory in character, it would be immune from challenge under article 304. If, on the other hand, the tax is not shown to be compensatory, it would be necessary for the party seeking to sustain the validity of the tax to show that the requirements of article 304 have been satisfied."

Article 304, as everybody knows, does not protect discrimination. Article 304 says that the tax should not be discriminatory. The goods which are manufactured in Tamil Nadu should be taxed on the same system as we are taxing goods from outside the State. The Supreme Court has also said:

"Restrictions and freedom co-exist. Where the Act facilitates freedom of trade and commerce, it will be welcome. If it hampers trade and commerce, it is violative of articles 301 and 304."

Thank you.

SHRI PATTABHI RAMA RAO: As I have already said, evidently, the Tamil Nadu Government has introduced this tax because of the fear that the Tripathi Committee had recommended five more items to be included in addition to the three items already there. To circumvent that, to overcome that, perhaps they are introduced this tax. It is going to be very difficult for the people there to bear this extra burden. But however, it is for the State Government to deal with this because it is not a Central subject. It is a State subject.

SHRI ERA SEZHIYAN (Tamil Nadu): Mr. Deputy Chairman, Sir, I appreciate the move made by hon. Member Mr. Bhardwaj to draw the attention of this House to a matter of 'serious importance' arising out of the reported levy of Entry Tax by the Government of Tamil Nadu resulting in rise in the prices of essential

commodities causing hardship to the consumers. He is requiring the reaction of the Central Government on a tax which has been levied by the State of Tamil Nadu and the hon. Minister has made a statement on this.

Sir, first of all, I would like to confine this question only to two aspects, because, they have mentioned the Constitutional aspects and other things. If this is *ultra vires* of the Constitution, if the State does not have the powers under the Constitution, then it is a matter we can discuss here. But it is to be settled by the court where the Constitutional *ultra vires* can be taken. If the court strikes it down, then, it goes out of the statute book.

The second thing is that the additional burden, of which the hon. Minister has said, is going to cause hardship to the people. A tax is bound to raise the prices of commodities. It is for the Government of Tamil Nadu to take care of this.

I would like the hon. Member who initiated this Calling Attention to remember one thing. This tax is supposed to be some sort of an octroi tax. This is not sales-tax. Sales-tax is a tax on transactions whereas octroi or entry tax is a tax on commodity. This is the basic difference between the two. Let us not confuse between the two. Octroi is the thing where the person bringing the goods into the municipality pays the tax. Entry tax is one which is being collected at a central point where it is being manufactured, to be paid by the seller and not by the persons who bring these things into the municipality. There is a slight difference. Of course, I hold no brief. I do agree that this is an archaic form of taxation. So many States want to give it up. Very many States have been advised to give it up. The hon. Member seems to be so much agitated. I wish the hon. Members on the other side, the Congress (I) Members, had shown the same agitation when this entry tax was put in Madhya Pradesh, in Karnataka or in West Bengal. It is there in Madhya Pradesh. Octroi tax is very much prevalent in U.P., Maharashtra, Orissa, Punjab, Rajasthan, Haryana, Gujarat, Manipur Union Territory of Delhi and Pondicherry.

All these States have got some sort of octroi. I would like to know from the hon. Member who has raised this issue today whether they raised any point of apprehension or agitation against similar taxation in their own States.

From the press report I gather—I might be wrong—that the entry tax is starting with two per cent and not five per cent as he has stated.

SHRI R. MOHANARANGAM (Tamil Nadu): It is not exceeding two per cent. He has wrongly quoted five per cent.

SHRI ERA SEZHIAN: The record may be set straight. I do not attribute motive to him. Politically he may have been motivated, but I do not think there would have been any motivation in giving the figure wrong. I think it is only two per cent.

SHRI MURASOLI MARAN (Tamil Nadu): The maximum fixed is five per cent.

SHRI V. GOPALSAMY: He has got the Bill.

SHRI ERA SEZHIAN: Now, Sir, I would like to know the reaction of the hon. Minister to this question. When it is said that Rs. 17 crores levy in a State is going to result in rise in the prices of essential commodities causing hardship to the consumers, etc., what about the additional resources of Rs. 2800 crores which are going to be mopped up in a single year by this Finance Minister in the Budget year 1983-84? Additional resources to be gathered, pre-budget, post-budget, by notifications, ordinances, etc. come to Rs. 2800 crores. I would like to know what amount of hardship it is going to cause and on this account how many times the hon. Member has tried to raise the issue in this House.

Now, Sir, the basic issue is this. This is an archaic form of taxation. My plea is, the States are being forced to go in for gathering such resources. The other day Dr. Adiseshiah also said the same thing. But here is a State that is being driven to

this one because of the inelastic sources of tax measures available to the State and also the increasing amount of expenditure and responsibility fixed on the State. The total tax revenue in the entire country of the 22 States and the 9 Union Territories and the Central Government comes to about Rs. 22,182 crores. I have calculated the figure for the year 1981-82. This is the total tax revenue. Out of this the States collected only Rs. 7514 crores, which comes to about 33.9 per cent. This is being collected by all the States as tax revenue whereas the tax revenue expenditure comes to about Rs. 28069 crores for all the States and the Centre. The States share is Rs. 15,550 crores, coming to about 55.4 per cent. This itself shows that whereas the sources available to the States are very meagre, the expenses are going up. Even when Rs. 2800 crores are mopped up as additional resources, how much will the State given? As has rightly been pointed out by Shri Morarka, only Rs. 180 crores is going to them, Rs. 850 crores is for planning. The balance for the Central Government. Therefore, the basic problem is that the States are put to a hardship, facing continuing and enlarging deficits. This is a question of the financial resources available to the State. It will be desirable if the Central Government came to the rescue of not only Tamil Nadu but also to all the other States that are mentioned here, which are having archaic forms of octroi or entry tax. The only major source available to the States is the sales tax. The hon. Minister was a member in Madras State when sales tax was introduced.

SHRI PATTABHI RAMA RAO: I was Minister in Madras State in 1952. But I was handling sales tax.

SHRI ERA SEZHIAN: Therefore, he should be well aware of the very very inelastic and limited resources. I would like to know from the hon. Minister whether, instead of condemning the State Governments for this one, the Government will come to the rescue of not only the State of Tamil Nadu but of all the other States in abolishing octroi tax, entry tax, but also by giving them some other

[Shri Era Sezhiyan]

compensatory way of resources. That is my question.

SHRI PATTABHI RAMA RAO: Sir, there is one thing to which I must draw the attention of the hon. Member, Mr. Era Sezhiyan. Now that Eighth Finance Commission has been appointed, it is going into the question of allotment of the share from the Central excise to the States—States share and the Central share. Pending that, and also with the Tripathi Committee report in hand, to levy a tax of this type is really a harassment to the public; here is no doubt about it. (*Inter-ruptions*). I am not yielding. There will be terrible corruption on the part of the officers. I have myself handled the sales tax department when I was the Minister in Tamil Nadu State which was then called Madras State. There was terrible amount of corruption among the officers. Now also this will increase. That is purely for the State to decide.

SHRI NIRMAL CHATTERJEE (West Bengal): About corruption it does seem that yesterday's Finance Minister's speech, a very superficial one, has been able to influence the members of the ruling Party. Now, firstly, about corruption the Minister has the experience of corruption about entry tax, sales tax, etc. in the State. I believe he has experience of corruption in the various excise departments of the Centre also but he is not a position to disclose that because he has not yet left this Ministry although he has already left the Tamil Nadu Ministry and it is no longer in the effective power of his party, it is under the DMK rule.

Now the question referred to is in terms of hardship. In this connection, I may mention something about yesterday's Finance Minister's speech. Even yesterday the Finance Minister was taking credit for rise of only 2.2 per cent in the wholesale price index and that was in December. I mentioned that also in my earlier reference that even in the Economic Survey the January figure was given where the rise was mentioned as more than 4 per cent. In his speech he mentioned that the rise

is, even in the wholesale price index—because the Finance Minister has refused to disclose anything about the consumer price index—7 per cent. Only yesterday a report has come that the wholesale price index has risen by 8 per cent in the course of the last one year. Now, Sir, the solicitousness of the ruling party about the rising prices, which has been mentioned in the Calling Attention, is well understandable in the context of this.

Mr. Sezhiyan has also referred to the inadequacy of the resources made available to the States. He has referred to the Tripathi Committee, he referred to the Finance Commission and the Finance Minister has forgotten to make a mention of the Sarkaria Commission. The question of resources and the question of relations between the Centre and the States in economic, political and other matters are so vital that the Government was forced to appoint the Sarkaria Commission. But since it is against the interests of the Centre, you make an announcement that the Commission is appointed and then you delay both the formation of the Commission and the formulation of its terms of reference. So many days are already over.

Now, Sir, the third question referred to is about the integrity of the country. Now may I ask the hon. Minister and the ruling party Members what disintegrates the country? Deprivation of States' resources and denial of rights to the States by the Centre, or the struggle of these States in order to garner more resources in order to serve the people in their States? I want to make my position clear. Our leaders in Tamil Nadu have courted arrests against this tax. We know that such taxes hurt the interests of people; therefore we shall try to have them withdrawn. But may I ask one thing of the ruling party Members and the Minister who has already indicated that there will be some price rise, The 300 crores of rupees that Mr. Sezhiyan has mentioned is not entirely through indirect taxes. When the railway imposts are made, is he prepared to withdraw and reduce the hardship? Is he prepared to compensate all the States for the losses that will be in-

cured by withdrawing these which are supposed to be corrupt but less corrupt than the income-tax evading people? They are supposed to be less corrupt. Is the Centre prepared to compensate all the States for all the losses that will be incurred via the giving up of these indirect taxes? I want to know this from the Minister.

SHRI PATTABHI RAMA RAO: Sir, the question of compensation does not come. About the items mentioned in the Tripathi Committee's Report, there are five items in addition to those which we have taken earlier. Here, Sir, the question of compensating them is there actually be levying Central excise in place of sales tax. The share for these items in the Central excise will certainly go to the State. Where is the doubt about it? But, if Mr. Era Sezhiyan or my other friend there says, "How do you meet their expenditure?" is it possible if they go on spending? Some States, I know, are squandering the monies and their expenditure is going up. Then do you think it is possible for the Central Government or any Government to come to their aid?

श्री जगदीश प्रसाद माथुर (उत्तर प्रदेश) : श्रीमन्, मैंने बड़े ध्यान से मंत्री महोदय का जवाब सुना है। उनके जवाब से मेरे दिल में सन्देह हो रहा है कि यह भारा प्रश्न राजनीतिक दृष्टि से उठाया गया है। हर प्रदेश को अधिकार है कि वह टैक्स लगाये। जैसा मंत्री महोदय ने जवाब में बताया है कि तमिलनाडु के अतिरिक्त और भी बहुत से प्रदेशों ने एन्ट्री टैक्स लगाये। मैं पूछना चाहता हूँ कि क्या जब अन्य प्रदेशों ने, जैसे मध्य प्रदेश है, जैसे हरियाणा है, जहाँ रूलिंग पार्टी की, कांग्रेस की सरकार थी, तब भी यह बात रखी गई थी या नहीं रखी गई थी? दूसरे, आंदोलन वहाँ पर हुआ है यह बात सही है, क्योंकि जब भी कोई टैक्स लगता है तो कोई भी नागरिक उसको आसानी से स्वीकार नहीं करता।

प्राइसेज बढ़गी, यह बात भी ठीक है मैं यह पूछना चाहता हूँ कि क्या तमिलनाडु सरकार ने सेल्स टैक्स रद्द करने की स्वीकृति मान ली है? जब यहाँ पर कांग्रेस हुई, उस समय प्रश्न था तो क्या तमिलनाडु सरकार ने सेल्स टैक्स रद्द करने की बात मान ली है? दूसरे, क्या आपने इस बिल को राष्ट्रपति के असेसन्ट के लिये भेज दिया है या नहीं भेजा है? यदि नहीं तो कितने दिन से नहीं भेजा है? इसका मतलब यह है कि आप इस बिल को लटकाने रखना चाहते हैं और इसमें से पोलिटिकल इणु बना कर...

श्री उपसभापति : पहले यह तो पूछिये कि बिल आया भी है या नहीं। तभी तो भेजने का प्रश्न उठता है।

श्री जगदीश प्रसाद माथुर : इस सवाल के अन्दर तो यह कह देंगे कि नहीं आया है। मुझे यह बताया गया है कि असेम्बली ने पास कर दिया है और तुरन्त बिल सेन्टर को भेज दिया है। तो मैं यह पूछना चाहता हूँ कि वह आया है या नहीं? अगर आया है और आपके पास रुका हुआ है तो कितने दिन से रोका हुआ है? अगर रोका हुआ है तो क्या उसकी जांच-पड़ताल आपका वित्त मंत्रालय कर रहा है? राष्ट्रपति को सम्मिट करन से पहले सम्बन्धित मंत्रालय की सिफारिश होती है और उसी सिफारिश के अनुसार राष्ट्रपति की तरफ से 'हां' या 'न' होता है। आपका दृष्टिकोण क्या है? त्रिपाठी कमेट्री की सिफारिश क्या है? त्रिपाठी कमेट्री की रिक्मेन्डेशन के बाद ही शायद यह कार्रवाई तमिलनाडु सरकार ने की है। हो सकता है...

श्री श्रीरं श्रीरं मोरारका : त्रिपाठी
कॉमिटी का रिपोर्ट या रिकमेन्डेशन ?

MR. DEPUTY CHAIRMAN: Recommendation of that Committee.

SHRI ERA SEZHLIAN: Sir, I am on a point of order. The hon. Minister has said in the Statement which he has made: "Possibly there is a fear that on implementation of the recommendations of Tripathi Committee after its acceptance, the Government of Tamil Nadu would lose revenue. This is also not correct as the Tripathi Committee has taken care to ensure that the State Governments do not lose revenue which they have been getting on Sales Tax on these five commodities." That means, he has referred to a recommendation of the Tripathi Committee. The Tripathi Committee might have submitted its report, but it has not been placed on the Table of the House. If that is not done, under rule 249, I would request the hon. Minister to place the report on the Table of the House because rule 249 says that the papers quoted be laid on the Table of the House. It is stated thereunder:

"If a Minister quotes in the Council a despatch or other State Paper which has not been presented to the Council, he shall lay the relevant paper on the Table:

Provided that this rule shall not apply to any documents which are stated by the Minister to be of such a nature that their production would be inconsistent with public interest:

Provided further that where a Minister gives in his own words a summary or gist of such despatch or State Paper it shall not be necessary to lay the relevant papers on the Table."

Sir, the two provisos are not applicable. The first one, the main thing, is applicable. He has quoted from a despatch or a State Paper which has not been laid on the Table of the House. I would request you

to ask the hon. Minister to lay it on the Table of the House because he has quoted it. It is not a reference alone; he has quoted it.

MR. DEPUTY CHAIRMAN: Let us hear him. We do not know the position.

SHRI PATTABHI RAMA RAO: Sir, the Bill passed by Tamil Nadu has not been received by the Home Ministry for President's assent. It is based on informal enquiry. The Tripathi Committee's Report was laid on 29-4-83.

श्री जगदीश प्रसाद माथुर : श्रीमन्, मेरी बात अभी पूरी नहीं हुई है। उन्होंने कुछ जवाब तो दे दिया है। मैं यह जानना चाहता हूँ कि क्या तमिलनाडु सरकार ने सेल्स टेक्स को एबोलिश करना स्वीकार कर लिया है ? अगर कर लिया तो फिर यह सब लड़ाई इस संबंध में है और उन्होंने अब जो काम किया है उसके संबंध में संदेह बेजा है। इस तरह से क्या उन्होंने दूसरे तरीके से कमाई नहीं की है ? अगर उन्होंने कोई कमाई नहीं की है तो यह संदेह क्यों प्रकट किया जा रहा है ? दूसरी बात मैं यह जानना चाहता हूँ कि अन्य प्रदेशों में भी एन्ट्री टेक्स होना चाहिए, क्या आप इस प्रकार की चर्चा करेंगे ?

SHRI PATTABHI RAMA RAO: That question does not arise now because nobody has moved it. It is only the Tamil Nadu Government that they have moved.

SHRI JAGDISH PRASAD MATHUR: Are you going to open the question with them? (Interruptions).

MR. DEPUTY CHAIRMAN: He has said that the question does not arise at this stage. Shri Mohanaragam . . .

(व्यवधान) उन्होंने जवाब दे दिया है। अन्य कोई बात उनकी नजर में नहीं आई होगी।

श्री शिव चन्द्र झा (बिहार) : आप,

उनको समझाइये।

SHRI R. MOHANARANGAM: Sir, I am very much grateful and thankful to our hon. Member Mr. Bharadwaj for having given me an opportunity to discuss this problem. First of all, I do not know whether our hon. friend Mr. Bharadwaj has visited the Madras city during the last ten years. Now he has raised so many points about the Entry Tax. First of all, he has talked of the integration of the country. I do not know how this will work against the integration of the country. Again he has stated that it is discriminatory in taxation on certain commodities. My friend did not point out anything at the time when there was Entry Tax imposed by Tamil Nadu Government, Karnataka as well as by West Bengal. My friend did not talk any of these things at the time Entry Tax was introduced by Maharashtra, Gujarat, Punjab, Haryana, Uttar Pradesh, Bihar, Orissa, and even including the capital of this country. When all these were introduced, I do not know what my friend Mr. Bharadwaj was doing. First of all, I would like to tell you one thing. Mr. Deputy Chairman, the entry tax is not new to this country. It is not an innovation of the Tamil Nadu Government. Already this entry tax is there in Karnataka as well as in West Bengal. When this tax is already prevailing in two important States of the country, I do not know why the entry tax imposed by the Tamil Nadu Government has been made a calling attention matter of urgent public importance. Because he has already raised the matter, I would like to deal his points one by one, Sir.

First of all, this tax, contrary to what our friend, Mr. Bharadwaj pointed out, will not affect the consumers. It will never affect the purchases. Only the Tamil Nadu Government is going to realise the tax. According to the statement, according to the Press information, Rs. 17 crores are going to be realised by the implementation of the entry tax. When our country is in a position to spend Rs. 5,000 crores on the Asian Games, it is not a major thing to collect Rs. 17 crores from 4.5 to 5 crores of people of Tamil Nadu. When we are in a position to collect Rs. 650 crores as sales tax in Tamil Nadu, my friend, Mr. Bharadwaj has come to the conclusion that just collecting Rs. 17 crores from 4.5 to 5 crores of people will definitely affect the entire consumers of my State! And he has visited each and every house in my State, and he has come to the conclusion that it is a burning problem in Tamil Nadu State because the Tamil Nadu Government has come forward to impose Rs. 17 crores of tax on the entire 4.5 or 5 crore people of the State;

Secondly, Sir, it is a well known fact that our country is a poor country. Without having very good rivers and fertile lands, we have to come to the Centre with a begging bowl. And the Centre always says that it is not in a position to give anything. And when the State Government comes forward and says that it is going to raise resources, permission is not given. This is one of the best sources of taxation. Students of Economics will understand definitely about the sources of taxation and the canons of taxation. He has pointed out so many things. He has shown his legal knowledge. He has shown his fundamental knowledge with regard to the elements of taxation. But I want to say that it is the duty of the State Government to impose tax or

[Shri R. Mohanaragam]

create new cess just to meet development expenditure, to meet the situation and to meet the wants of the people for which the Government has been selected by the people of that particular

31-12-55

Sir, as I told you already, this entry tax is not for the whole of the State. If you go one by one into the pages of the Bill, you will come to the conclusion that the entry tax is not for the entire State. This is only for 17 Government institutions—only three corporations and 14 municipalities. It will not be applicable throughout the length and breadth of the Tamil Nadu State, but to only 14 municipalities and 3 corporations. He did not go into the entire thing, and he has almost come to the conclusion without just going through the thing, just giving false statistics, he has said, that the Government of Tamil Nadu has come forward to impose 5 per cent tax. Already on the floor of the Assembly it has been clearly stated that this tax should not exceed more than 2 per cent, which comes to really Rs. 17 crores. Earlier it was Rs. 20 crores. They have dropped drugs and medicines. Now it works out to only Rs. 17 crores.

Sir, he has stated another thing also. This is only on certain commodities. Wherefrom did Mr. Bhardwaj get this information that the Tamil Nadu Government has arrested more than 2,500 persons, the first day 550 persons, that very big traders have formed an organisation, that there was a procession and the Government came forward to arrest 2,500 persons? Do you mean to say that in Tamil Nadu we have got Tatas and Birlas? We have only poor people and only upper middle class people. Only 326 persons were arrested. One hundred and fifty persons were released on bail. And they have asked all those who wanted to go, to go. Ninety-nine per cent have refused to go on bail. Is it not a fact that it is the duty of the State Government in this country to maintain law and order? Is it not the duty of the State Govern-

ment to arrest persons who are out to create all sorts of complications and law and order problems in the society? Is it not the duty of the State Government to preserve law and order? It is on account of that duty that the State Government came forward to arrest them, and they have already been released on bail. I would like to ask three important questions to which Mr. Rao will definitely give answers, as he has been giving answers to other members. First of all, I want to know whether it is for the first time that our Tamil Nadu Government has come forward to impose this tax, or this tax has already been imposed in other States. And what made them discuss about this problem? I do not know what the reasons are for introducing this subject today on the floor of Parliament, calling the attention of the public of this country and saying that it is very urgent and important, when this tax is already prevailing in two other States and when it is already there in the form of octroi in nine or ten States, including the Capital of the country. But you did not object to that. But now why are you objecting it and discussing it on the floor of Parliament when the poor Southern State of Tamil Nadu introduces it just to collect Rs. 17 crores when the sales tax is already Rs. 650 crores? Finally, how will it affect the consumers and how will it raise the prices of essential commodities, as pointed out by some Members?

SHRI PATTABHI RAMA RAO: Mr. Deputy Chairman, Sir, I have heard Mr. Mohanaragam with great care and patience. I may mention, with my experience of the sales tax as a Minister there once, that I feel that any tax on useable commodities, that is, commodities that are commonly used, will certainly escalate the prices. Where is the doubt about it? And this will certainly escalate the prices. There can be no doubt about it. It may be 2 per cent now, starting will always be low. But they go on increasing later. When sales tax was introduced in 1938 by Rajaji, he started very humbly with half a pie or one pie or something like that. I do not remember the exact figure. And now what

is it? It is a source of big income. So that income may be there. But what about the burden on the people? That is there. But probably, as they say, the State requires some money and so to meet their expenditure or revenue requirements, for the sake of revenue, they might have done it. That is a different matter. But our feeling is that they might have forestalled the Tripathi Committee's report and introduced that.

MR DEPUTY CHAIRMAN: Shri Rameshwar Singh.

श्री रामेश्वर सिंह (उत्तर प्रदेश) :
श्रीमन् ...

श्री हुक्मदेव नारायण यादव (बिहार) :
आप तमिलनाडु कैसे चले गये ?

श्री रामेश्वर सिंह : जहां यह भेज दगे, वहां जाना पड़ेगा । उपसभापति महोदय, माननीय मंत्री जी ने कहा है कि आंध्र में मैं मंत्री था तब वहां भ्रष्टाकार चरम सीमा पर था (व्यवधान) मैं दो तीन बातों को बड़े गौर से सुन रहा था (व्यवधान) मैं समझता हूं सरकार की दो दृष्टियां हैं देखने की । वहां इनकी सरकार नहीं है, वहां पर रामाचन्द्रन जी की सरकार है जो कि नान कांग्रेस (आई) सरकार है । अगर कोई नान कांग्रेस (आई) सरकार टैक्स लगाए अगर अपनी आवश्यकताओं की पूर्ति करने की बात करे तो यह डंडा तान कर उस पर खड़े हो जाते हैं । जब वे अपनी मजबूरी जाहिर करती हैं तो एक तरफ यह डंडा उठा कर खड़े रहते हैं कि कुछ मांगों मत, यह दोहरी नीति चलत है । मैं इस बात को स्पष्ट करना चाहता हूं कि जब तक इस देश में गैर बराबरी रहेगी बेकारी के सवाल पर, अभी पानी भी तमिलनाडु में नहीं मिल रहा है, आप न 32-33 वर्षों में पानी की व्यवस्था

भी नहीं कर सके इन्सान को देने के लिए । मैं यह मानता हूं कि टैक्स लगाने से वहां की जनता पर कुछ बोझ पड़ा है लेकिन आपने जो कल टैक्स लगाया इससे क्या जनता पर बोझ नहीं पड़ा है ? इससे क्या जनता का बोझ घटा है । तो यह दूर दृष्टि आप जब तक नहीं रखेंगे तब तक देश का, उपसभापति महोदय, यही हाल रहेगा । अभी तो तमिलनाडु का यह सवाल है । हर स्टेट कुछ न कुछ टैक्स लगाता है । तो आवश्यकता की पूर्ति करने के लिए अगर उसकी आजादी को आप छीनना चाहते हैं तो आपको उनकी आजादी की मुकम्मिल हिफाजत भी करनी होगी । मान लीजिए, उनकी आजादी छीन लें यानी लेने का अधिकार आपको है तो देने का भी आपको अधिकार निहित है, (समय का घंटी) तो उपसभापति महोदय, दो मिनट में अपनी बात खत्म करूंगा क्योंकि यह सवाल मामूली सवाल नहीं है । अभी काश्मीर भी वह टैक्स लगायेगा, अपनी मनमानी करेगा (व्यवधान) श्री फारूख अब्दुल्ला मनमाने तरीके से अपना काम करते रहते हैं । इनको भी मैं कहूंगा कि ये जो तमिलनाडु में डी० एम० के० और अन्ना डी० एम० के० के लोग हैं जो बारी-बारी इस सरकार की दलाली और चापलूसी करते रहते हैं इधर-उधर करते रहते हैं, जब इस सदन में सरकार के खिलाफ वोट देने का सवाल आ जाता है और हम वाक आउट करते हैं तो आप बैठे रह जाते हैं और फिर हमसे उम्मीद करते हैं कि हम आप की मदद करें । तो आप जब तक दलाली की नीति नहीं छोड़ेंगे तब तक आपका यही हाल रहेगा । आपकी यही हालत होती रहेगी ... (समय का घंटी) क्यों, क्योंकि दलालों की यही हालत होती

[श्री रामेश्वर सिंह]

है। जो भी दलाली करता है उसी की यही हालत होती है। उसकी यही हालत होगी... (सनथ का घंटे)... मैं मंत्री जी से दो बातें जानना चाहता हूँ। एक टैक्स लगाने से चीजों का दाम तो बढ़ा वह तो गरीबों पर पड़ेगा इसमें कोई शक नहीं है और एक रास्ता भ्रष्टाचार का भी वहाँ खुलेगा और भ्रष्टाचार वहाँ चरम सीमा पर बढ़ेगा, जैसा कि आपने कहा। तो आपने जो टैक्स कल लगाया तो उस वक्त जब मंत्री थे, तब भी भ्रष्टाचार था और आज आप मंत्री हैं आपने टैक्स लगाया, आपके यहाँ भ्रष्टाचार है कि नहीं उस भ्रष्टाचार को आप दूर करेंगे कि नहीं? कल मैंने पढ़कर सुनाया था...

श्री उपसभापति : कल की बात आज मत कहिए, उसका जवाब हो गया, दूसरा पूछिए।

श्री रामेश्वर सिंह : मैं भ्रष्टाचार की बात नहीं कर रहा हूँ। आपने जो टैक्स लगाया है, या आपने जो टैक्स कम किया है उसमें भी भ्रष्टाचार चरम सीमा पर पहुँच गया है और आपके गले तक नहीं अब आपकी नाक के बराबर आ गया और अब आप डूबने वाले हैं अभी नहीं तो कुछ महीनों के बाद। मैं दो बातें आपसे पूछना चाहता हूँ पहला आप स्थिति को क्लीयर करिये कि आप स्टेट्स को फ्री काम करने देंगे कि नहीं? अगर नहीं देंगे तो उनकी जो आवश्यकता है उस की पूर्ति करेंगे कि नहीं करेंगे। ये दो सारे सारे साफ मेरे सवाल हैं।

SHRI PATTABHI RAMA RAO: The honourable Member has made more a political speech than anything else. There is not much for me to reply except to say one thing. He says we are making a difference between Tamil Nadu and other Governments. This question never arose earlier and we did not have to say anything. But now this

question has come and we have to say what we feel about it. And then he talked about prices, corruption, and all that...

श्री रामेश्वर सिंह : मैंने दो सवाल पूछे हैं, उनको छोड़ दीजिए।

श्री उपसभापति : आप जरा सुनिये भी।

श्री रामेश्वर सिंह : आप मेरी मदद करें।

श्री उपसभापति : सुनिये तो मदद करें।

SHRI PATTABHI RAMA RAO: Corruption is bound to be there everywhere. It is only a question of degree. Was there no corruption when Janata Government was there? They appointed a big committee under Vaidyalingam and he gave a big report about big bosses. Was there no corruption at that time? Therefore, I am not talking about all that now...

श्री रामेश्वर सिंह : उपसभापति महोदय, कुलकर्णी साहब, एक मिनट...

श्री उपसभापति : बोलने दीजिए, जवाब हो गया... (व्यवधान) पहले हो गया, एक घंटे से जवाब हो रहा है।

श्री रामेश्वर सिंह : मैंने जो सवाल पूछे हैं मैं उनका जवाब चाहता हूँ, मैंने भ्रष्टाचार का नहीं पूछा है, मैंने पूछा है... (व्यवधान)...

श्री उपसभापति : आप पूछिए... (व्यवधान)... जवाब हो गया है, एक घंटे से दे रहे हैं, आपका दे चुके हैं।

श्री रामेश्वर सिंह : मैं आपसे मदद चाहता हूँ। आप यह बताइये कि स्टेट की आवश्यकता होगी, यह आप समझ रहे हैं... और आपको भी आवश्यकता होगी। तो मैं यह पूछ रहा हूँ कि स्टेट की जो आवश्यकता होगी, वह स्टेट स्वतः अपनी आवश्यकता की पूर्ति करे

और अगर नहीं करने देते हैं, तो क्या आप उस आवश्यकता की पूर्ति करेंगे ? यह हमारे दो सवाल हैं और दोनों बिल्कुल साफ हैं ।

श्री उपसभापति : इसका जवाब दिया गया है ।

श्री हुक्म देव नारायण धर्माचार्य : इसका जवाब नहीं हुआ है ।

श्री शिव चन्द्र शर्मा : इसका जवाब... (व्यवधान)

श्री उपसभापति : भाई, आप इनको जरा सुनें तो, आप बीच में ही बोलते रहते हैं ।

SHRI A. G. KULKARNI (Maharashtra): I was really surprised a little bit when the Minister himself spoke of corruption. But we have heard your leader saying that corruption is a global phenomenon. Now it is also intra-territorial because Justice Vaidyalingam brought out a report on corruption...

MR. DEPUTY CHAIRMAN: You put your question.

SHRI A. G. KULKARNI: It is not pleasant for you. But it is pleasant for me. You are sitting there as Deputy Chairman. I am sitting here as an opposition member.

If we look at this Calling Attention, to me it seems to be a sponsored Calling Attention. It is quite justified in the sense that the Rajya Sabha has every right to discuss this problem and we have discussed such problems. But in this connection, I want to ask what is the difference between entry tax and octroi duty. In Maharashtra for the last 25 years octroi has been there. Since the advent of independence, octroi is there. Two or three years back the Bombay Municipal Corporation introduced the octroi tax. You were saying that since there is an agitation, you will look into it. That is

also a flimsy ground. Agitations take place everywhere. In my district Sangli, whenever the municipality increased the local tax from 2 to 3 per cent, agitation has taken place and nobody runs to the Rajya Sabha with a Calling Attention. That is a problem which is dealt with by the State Government. It does not come here. Please explain to me what is the difference between octroi and entry tax. In your statement you have said that any tax increases the price of commodities. Whether we are here or whether we are in Madras or in your Andhra Pradesh or in Karnataka, the price increases and people suffer because of that. Do you mean to say that the budget you have just now passed will not increase prices? Wholesale prices have gone to the highest. I have got nothing to do with my colleagues of the AIADMK or the DMK or the Congress (I) Party. But I doubt whether this is not an attempt to encourage fissiparous tendencies in States which are not run by the Congress (I) Party. This worries me. I am not making a joke. This octroi business is a minor thing. Whether the President is going to give his assent or not, God alone knows. But it is premature to make an agitation on this issue. I will also advise my friends on this side. Shri Rameshwar Singh has used a bad word. For Heaven's sake, do not ride on a tigress. Once you get down, it will devour all of you...

SHRI R. MOHANARANGAM: We are in a position to safeguard ourselves.

SHRI A. G. KULKARNI: We are in a position to safeguard you provided you join us. Tell your Chief Minister not to hobnob with the power here too much...

SHRI R. MOHANARANGAM: We know how to safeguard ourselves.

SHRI A. G. KULKARNI: I am not telling you that you are an agent. The Chief Minister of Tamil Nadu and your party are not going to save themselves by joining the Congress (I). They will devour you. (Interruptions).

SHRI R. MOHANARANGAM: We are there to serve our Tamil Nadu. We are there only to serve our people. (Interruptions).

MR. DEPUTY CHAIRMAN: I cannot allow this. You can have your dialogue outside the House. (*Interruptions*).

SHRI A. G. KULKARNI: Sir, my last question.

MR. DEPUTY CHAIRMAN: You put your question.

SHRI A. G. KULKARNI: I would like to know from the honourable minister whether he will agree with me that there is nothing that is to be discussed here. This is a very small matter. Tamil Nadu Government is a state Government and they will take their own share.

MR. DEPUTY CHAIRMAN: Yes, Mr. Minister.

SHRI PATTABHI RAMA RAO: Mr. Deputy Chairman, Sir, it is quite interesting to hear Mr. Kulkarni, a veteran leader. He is advising the AIADMK Party people not to join us. (*Interruptions*).

SHRI R. MOHANARANGAM: He is advising you also. (*Interruptions*).

SHRI D. HIRACHAND (Tamil Nadu): He was not advising us; he was only cautioning us.

SHRI PATTABHI RAMA RAO: That is all right. You please hear me fully and then you reply.

SHRI D. HIRACHAND: He was not advising us; he was only cautioning us. (*Interruptions*).

SHRI PATTABHI RAMA RAO: Sir, I am reminded of a small story. Sir, a fox was trying to catch crabs and it used to put its tail in the hole and then it used to catch the crabs and then eat them. Unfortunately, once it so happened that when the fox put its tail into the hole, the crabs cut the tail and the tail of the fox was gone. Then, Sir, the other foxes were asking this fox: "What is this? Where is your tail?" (*Interruptions*).

SHRI JAGDISH PRASAD MATHUR: Sir, it is a very nice story! (*Interruptions*).

SHRI PATTABHI RAMA RAO: You please hear me. Let me have my say. I have heard you all and now let me have my say. (*Interruptions*).

SHRI D. HIRACHAND: Do not put your tail in Tamil Nadu. You will lose it.

(*Interruptions*).

SHRI A. G. KULKARNI: Do not put your tail there. It will be cut. (*Interruptions*).

SHRI PATTABHI RAMA RAO: I am coming to the point. Where is the hurry now?

MR. DEPUTY CHAIRMAN: Please listen. (*Interruptions*).

SHRI D. HIRACHAND: Kindly do not put your tail there in Tamil Nadu. I do not know whether you have a tail. (*Interruptions*). Do not put it. You will lose your tail as well as your head. (*Interruptions*).

SHRI PATTABHI RAMA RAO: Sir, when this fox met the other foxes, they asked this fox: "What happened to your tail?" And this fox was telling them that it had cut it because it was of no use and it was asking the other foxes also to do the same thing! Mr. Kulkarni's advice to them not to join is just like this advice of the fox! This is all that I can say to Mr. Kulkarni. What more can I say? (*Interruptions*).

MR. DEPUTY CHAIRMAN: Yes, Mr. Murasoli Maran.

SHRI PATTABHI RAMA RAO: Excuse me, Sir. I will have to reply to him. He has raised one or two points.

MR. DEPUTY CHAIRMAN: That is all right. There is nothing to reply.

SHRI A. G. KULKARNI: Sir, he has to reply to my question. I wanted to know the difference between Octroi duty and Entry Tax. (*Interruptions*).

SHRI D. HIRACHAND: Sir, please let the Minister reply.

MR. DEPUTY CHAIRMAN: He has already replied.

SHRI U. R. KRISHNAN (Tamil Nadu): No, Sir. He was about to reply. Sir, he was about to reply to Mr. Kulkarni. But you stopped him. (*Interruptions*).

SHRI R. MOHANARANGAM: Sir, it is only a trivial matter. I do not know why they have introduced a Calling-Attention Motion on this. What is the necessity for it, Sir, (*Interruptions*).

SHRI U. R. KRISHNAN: Sir, Mr. Kulkarni wanted to know the difference and also wanted to know as to what it has got to do with the Rajya Sabha. (*Interruptions*).

SHRI D. HIRACHAND: Sir, he has put two specific questions. He has asked about the difference between Octroi and the Entry Tax. He has to reply to them, Sir. (*Interruptions*).

MR. DEPUTY CHAIRMAN: He has already replied to it. (*Interruptions*).

SHRI M. S. RAMACHANDRAN (Tamil Nadu): Sir, Mr. Kulkarni wanted to know the difference between these two. For that he can consult some law books. What has it to do in the Rajya Sabha? (*Interruptions*).

SHRI U. R. KRISHNAN: Sir, the Minister was about to reply and you have prevented him. (*Interruptions*).

MR. DEPUTY CHAIRMAN: If he wants to know the difference, let him consult some law books. That is all. He need not ask the Minister here.

श्री डी० हीराचंद : स्पेसिफिक क्वेश्चन है कि आक्टराय और एन्ट्री टैक्स में क्या डिफरेंस है ?

SHRI LAL K. ADVANI (Madhya Pradesh): Sir, he told a story only as a preamble. He wanted to reply.

MR. DEPUTY CHAIRMAN: He has already replied. Mr. Krishnan, please go to your seat and then make a noise from there. (*Interruptions*).

SHRI MURASOLI MARAN: I was really surprised why, of all the person, hon. Congress-Members should bring this Calling Attention. Yesterday I was really surprised when hon. Member from Tamil Nadu, Mr. M. S. Ramachandran, sought

to raise the issue. Sir, not long ago, the fans of Shivaji were arrested. It did not agitate their minds. One of the MLAs is languishing still in jail, Madras jail. It is not agitating their minds. Not only that, Sir. Only four days back we read in the papers that certain efforts have been set afloat to woo Mr. NTR through Mr. MGR. It has appeared in the Hindu, of all the papers. But, now, Sir, as was suggested, it is politically motivated why we are discussing this question. It is for the Minister to clarify the situation.

AN HON. MEMBER: Without a story.

SHRI MURASOLI MARAN: We have our own doubts why at this point of time, when there are reports like this in newspapers like the Hindu, why Congress Members should bring such Calling Attention. I agree that it is a State subject. It is for the people of Tamil Nadu. (*Interruptions*) The people get the Government they deserve. For the first time in Tamil Nadu a 'hartal' is going on continuously for three days. Mr Mohanarangam says that only 300 people were arrested. But really thousands were arrested.

SHRI R. MOHANARANGAM: 326.

SHRI MURASOLI MARAN: It is Government's version. He is speaking on behalf of Government. I am giving the Opposition members' version. More than 3000 or 5000 people were arrested. Actually they were harassed. They have been sent to prison, far away from their homes. Moreover, the Sales-tax Department was used to make raids. But the hon. Member did not bring to attention this kind of news.

Now, Sir, I can say, on the authority of Dr. Adiseshaiah, that Entry Tax and Octroi are all the same. You need not get it from the horse's mouth, Dr. Adiseshaiah says there is no difference.

SHRI R. MOHANARANGAM: There is a difference. Therefore, we have two names.

MR. DEPUTY CHAIRMAN: Please put your question. (*Interruptions*)

SHRI MURASOLI MARAN: Entry Tax or Octroi Duty, whether it is levied

[Shri Murasoli Maran]

by the AI-DMK or Congress Government, is obnoxious tax. That is why whenever any committees have been appointed, they come forward to condemn this tax. But so far Tamil Nadu did not join other States to impose this levy. But as Mr. Sezhiyan has pointed out, now all the States are coming here with begging bowls. Naturally they want to augment resources. Now, I do not want to go into the merits of the situation. But the thing is that instead of this obnoxious levy they can very well increase sales-tax. According to Mr. Mohanarangam, it is only 2 per cent. He has stated that no consumer will be affected. He is wrong. No less a person than the Finance Minister of Tamil Nadu has stated recently that people are going to be affected. (*Interruptions*) Naturally, any tax will affect the people.

AN HON. MEMBER: Actually it is not a tax.

SHRI MURASOLI MARAN: Mr. Sezhiyan has pointed out, the States are coming here with begging bowls. But instead of this they should have resorted to some other legislation, some other law, some other tax like the sales-tax, for example. Actually, it is not a tax for entry of goods, but on the value of goods. It is *ad valorem*. So if you like it from the other angle, it is just like another form of sales-tax.

SHRI A. G. KULKARNI: Octroi is also... (*Interruptions*)

SHRI V. GOPALSAMY (Tamil Nadu): He is explaining.

SHRI MURASOLI MARAN: So, my suggestion is that they could have put it in the name of sales-tax because this law is not only going to affect the traders but also the people of Tamil Nadu. Sir, I want a specific reply from the hon. Minister. It is regarding the trade, commerce and intercourse within the territory of India. Sir, article 304(b) says that certain legislations for certain taxes of this kind should get the prior permission of the President. Sir, I want to read the article: "Notwithstanding anything in arti-

cle 301 or article 303, the Legislature of a State may be law... impose such reasonable restrictions on the freedom of trade, commerce or intercourse with or within the State as may be required in the public interest; provided that no Bill or amendment for the purpose of clause (b) shall be introduced or moved in the Legislature of a State without the previous sanction of the President." Sir, it is very clear. Even before moving a Bill of this nature or even before introducing a Bill of this kind, they should get the prior permission because this imposes a reasonable restriction. Sir, it is very clear. The Supreme Court has held that reasonable restriction in clause (b) includes tax laws also. It may be cured...

MR. DEPUTY CHAIRMAN: Please conclude now.

SHRI MURASOLI MARAN: Sir, I am making a relevant point. It may be cured by getting later the assent of the President also.

For the same, Sir, Basu has warned us and I want to quote...

MR. DEPUTY CHAIRMAN: That point is very clear. You need not dilate on that point.

SHRI V. GOPALSAMY: He is referring to the Constitution.

MR. DEPUTY CHAIRMAN: You need not discuss that point. Mr. Maran, your point is clear. Please don't touch each other. You cannot do that.

SHRI V. GOPALSAMY: He is inviting a quarrel, Sir.

SHRI R. MOHANARANGAM: I am not prepared for any quarrel.

Sir, do you allow any Central Laws to be discussed in the State Assemblies? (*Interruptions*)

MR. DEPUTY CHAIRMAN: Please take your seats. Let him continue.

SHRI MURASOLI MARAN: Sir, I am quoting Basu.

MR. DEPUTY CHAIRMAN: Your point is clear. Go to the next point.

SHRI MURASOLI MARAN: Sir, I am quoting Basu: "An adviser to the State Government who gives the advice that the President's sanction is not necessary runs the risk of being overthrown in the courts by the application of the doctrine of 'colourable use'." This is what they say. I would like to know from the hon. Minister whether the Government of Tamil Nadu has received the President's prior sanction before introducing a Bill of this nature.

MR. DEPUTY CHAIRMAN: Mr. Minister, please.

SHRI A. G. KULKARNI: We want to know whether it is 2 per cent or 5 per cent.

SHRI PATTABHI RAMA RAO: 2 per cent. As far as we have heard, it is 2 per cent. But it does not matter. It may be increased. They have got the powers to increase.

Sir, I must answer one question which has been raised by several Members. They said why the Congress Members should raise this issue. The point is that whoever raises it, when the hon. Chairman has admitted it, it is for us to reply. And it is not my concern at any rate. The hon. Chairman has admitted that and they have moved it. And it is my duty to reply to it. The Congress or we or the Government have nothing to do with it. It is my duty to reply.

Sir, the Central Government have made it clear several times that they would like the octroi also to be abolished. When efforts are being made to that effect, if another tax of the same nature is introduced, it may not be quite desirable. That is what we generally feel.

SHRI MURASOLI MARAN: Have they obtained the prior sanction of the President?

SHRI PATTABHI RAMA RAO: That question I do not know. I have no information.

SHRI M. S. RAMACHANDRAN: Sir...

MR. DEPUTY CHAIRMAN: One Member has asked. What can I do?

SHRI M. S. RAMACHANDRAN: I want to put a question.

MR. DEPUTY CHAIRMAN: All the points have been clarified. There is nothing left now. We will now go to the next item. Now, the Minister will make a statement.

STATEMENTS BY MINISTER

I. Registration for telephones by Freedom Fighters under priority category.

II. Scheme for payment of Freedom Fighters' pension through Post Office Savings Bank.

SHRI M. S. RAMACHANDRAN: Sir...

MR. DEPUTY CHAIRMAN: I will take up after this. Mr. Gadgil, please.

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI V. N. GADGIL): Sir, I am glad to inform the House that the Posts and Telegraphs Department has decided to allow Freedom Fighters to register for telephone connections under Non-OYT Special Category.

Applications for telephone connections can be registered under non-OYT (General and Special and OYT (General and Special) categories. 40 per cent of the available capacity for release of new connections in a telephone exchange is allotted to clear the waiting list under Non-OYT-Special Category. Registered and qualified Doctors and Nurses, accredited Press Correspondents and Eminent Publicmen as well as Small Scale Industries, Public Institutions, and Newspapers are eligible for Special Category registration. It has now been decided to include "Freedom Fighters" also under this category.

A Freedom Fighter is eligible to register for one telephone connection under Special Category on the production of a documentary proof for the drawal of 'Freedom Fighters' pension from the State or Central Government. He or she should not have any other telephone connection in any capacity at any other station in