

[Shri Govindrao Ramchandra  
[Mhaisehar]

amount. I do not complain. But I only want that it should go on record here that this is a major loss to the revenues of the State and all these points may be considered seriously when the Seventh Finance Commission is appointed. Compensation on uniform principles of fair-play and justice should be provided to all the States which suffer because of this Central legislation in their revenues of sales-tax. Once more I submit to the hon. Minister, through you, to consider this suggestion.

Thank you.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2 P.M.

The House then adjourned for lunch at one minute past one of the clock.

The House reassembled after lunch at two minutes past two of the clock, Mr. Deputy Chairman in the Chair.

#### THE CENTRAL SALES TAX (AMENDMENT) BILL 1976—Contd.

SHRI SANTOSH KUMAR SAHU (Jirsa): Mr. Deputy Chairman, Sir, at the beginning, I would like to support this Bill because it seeks to clear some anomalies which have accrued as a result of the various judgments of the Supreme Court regarding the inter-State sales-tax and the Central sales-tax and then it seeks to bring out a type of uniformity about the position of the sales-tax as regards the inter-State trade and the export and import of different commodities.

While we analyse the different sections of the Bill, we find that the Bill seeks to make explicit, very clear and very emphatic the definition of what is meant by business. Secondly, also, in tune with the times, to have a greater export trade of our country, it has tried to exempt from the purview of sales-tax the goods

which we were thinking of exporting to other countries. In the world today there is a lot of competition in the market of international trade where, if we want to have a good deal of export, it is necessary that we must give some incentive?

While agreeing generally with all the broad principles which have been enunciated in the Statement of Objects and Reasons of the Bill, I would like to submit before you to impress upon the honourable Minister that it is also necessary to remove some of the misapprehensions in the minds of some honourable Members. Sir, it is accepted in our country, and it is gradually felt more and more every day, that indirect taxation is one of the major sources of revenue of the nation. As such, sales tax is playing a very pivotal role in augmenting the resources of the different States of the country. In our Constitution it has been provided for a federal structure of taxation; it has also been provided therein that the States also should mobilise additional resources and that the Centre should assist the States which are suffering and which are backward. That is why we have made a provision in our Constitution, as a permanent feature, for the distribution of different categories of taxes among the States and there is also a Commission set up for the distribution of the resources.

It is true that we have to tie up the loose ends in the Central Laws. Clause 4 of the Bill reads—

"Provided that a dealer shall not be liable to pay tax under this Act on any sale of goods which, in accordance with the provisions of subsection (?) of section 5, is a sale in the course of export of those goods out of the territory of India."

Sir, it is true that many of the developing countries of the world do not levy any purchase or sales tax on items which they intend to export. But there is the basic difference. The

hon. Minister who has been representing our country at the various economic conferences of the non-aligned countries and have advocated that the developed countries are robbing the poor, developing countries of Asia and Africa by taking away their raw materials and sending them the finished goods. In view of this, I would like to submit for the hon. Minister's consideration that there must be a broad distinction made between the processed materials which we are sending for exports and the raw materials which we are going to export. It should be the policy of a developing country that it does not give too much impetus for the export of basic raw materials which are exhaustive in their character. I would like to quote the example of minerals. They are not exploited fully because we have not the infrastructure for the scientific development nor do we have the resources to use them industrially. We could develop these materials. But there is no meaning, in giving impetus or incentive for the export of the basic raw materials or minerals. Mother earth has given us all these benefits. So, I say that this incidence of taxation in our national economy must be considered. In bringing such a Bill forward, we have to think of the materials which are correlated, minerals and other materials which we want to export. I will give you one example. We sometimes export titanium or other kinds of atomic minerals, by which we think we can get a higher price for them. When they go outside, they become back after finished product it becomes a thousand times more valuable. In such cases, what is the necessity of giving this incentive?

Sir, I would like to put before you "this point. If we debar these States which are backward but which have got such minerals from imposing sales tax because we want to give export incentives, I feel that these areas "will be suffering much and they cannot build up their economy. Being

economically poor States, they cannot build up the momentum to mobilise additional resources for the greater development of the people who are there. So, this is one of the very important questions to be considered.

Sir I have got another apprehension also. The hon. Minister has spoken of bringing about uniformity in the levy of sales tax and also of bringing into the list new articles for imposing sales tax. At present, in our country there is no uniformity in regard to levy of sales tax in the different States. In many of the States sales tax is not levied on essential food articles like rice and others and also on other materials. In some of the other States sales tax is levied on such articles. Now, I apprehend that if these articles are brought under the purview of the Central sales tax, though there may be uniformity in the levy of sales tax, ultimately it will cause a rise in the prices of essential commodities. Will it not affect very much the sound policy we are following of checking the price rise and inflation in our country? So, these are the two very important points which must be considered while this Bill is passed, and the hon. Minister who is in charge of Revenue and Banking must look into it.

The other thing, is, naturally when we give some exemptions for export and when the States cannot levy sales tax, it will change the balance of present resources of the State. So, some concessions will go to some States. It will also benefit the small manufacturers. I submit that I do not oppose this. The small manufacturers must be given help and they must be given incentives to create greater generation of wealth for export. But at the same time, I would like to mention one minor point which might not be very essential in developing States. But in a small backward State like Orissa, many of

[Shri Santosh Kumar Sahu]

the mineral items go for export. and also go for manufacture in the country. Now, when you say that this export concession will be given not only to the ultimate seller but to any seller, agent or anybody ultimately after a chain of transaction before the real export then there will be a chain reaction which will ultimately lead to cheating of the State Government. I will tell you why. It is true that the Bill is a very pious Bill and it entrusts the collection of the Central sales tax to the sales tax authorities of the State. But when the commodity goes outside the State, the State Sales Tax Department has very limited purview and jurisdiction to control all these things. These things also must be looked into if you want that the whole of the benefit should go to the poorer States. As my hon. friend said, this Bill is definitely an ideal Bill in the sense that it seeks to have uniformity of taxation. So we must support it. There is no question of challenging it or anything like that. But it is very necessary that the hon. Minister should consider this question whether it limits the prospect of mobilisation of additional resources and affects the economy of any State in this country. Additional help should be provided to the States, taking into account their annual loss in these sources. The hon. Minister has been very kind in the Lok Sabha where he promised that they will look into the sufferings which Kerala State will undergo on this account. But it is not only a question of one State. In a federal structure, if you want to have a uniform policy of taxation, if you want to have sales tax laws to be made in such a way that they should give incentive for export, it is necessary that it must be done in the interest of the nation. But, at the same time, we must also look to the interests of the poorer States. The development of the States producing raw materials is also paramount to the development of the nation because if some areas lag behind, we cannot expect the whole country to prosper

So my fundamental point is that these things must be looked into when we finally consider this Bill.

The other aspect which I have mentioned is that the inclusion of the cereals under section 14 of the Act may affect the prices because there will be a tendency for imposition of taxes on the essential commodities which are not otherwise prevalent in all the States. Why is it prevalent in some States and why is it not prevalent in some other States? The States which were poor, which were depending on other States, did not want to tax because their economy is very poor and the purchasing power of the people is very poor. So, if we do not think of those people, these laws may ultimately have a tendency for inflation. This will be very much dangerous to the poorer people of the society. Pulses also are very essential as food because in India a lot of people get their life giving sustenance from the pulses. So pulses are an important item which must be included under the items of critical observation while thinking of rice, paddy and so on.

Then coming to the legalistic consideration, I would like to say that though this Bill has to be applauded because it has given a definition of "business", sometimes I feel it has gone too far in giving the definition. I may point out that in clause 2(a) (i) the term 'business\*' has been defined so as to include, among other things, even any adventure. In sub-clause (ii) the definition also includes any transaction in connection with, or incidental or ancillary to, such trade, commerce, manufacture, adventure or concern. I feel that by including the word "adventure" and later the words "any transaction in connection with or incidental or ancillary to, such adventure" we have gone too far. Actually we want more and more entrepreneurs. This definition will be more favourable to «stablished entrepreneurs than the new entrepreneur. The

:word "adventure" may be interpreted to mean anything and everything. That may be deleted.

In conclusion I would request the hon. Minister to consider these points in the proper perspective. Otherwise, *the* Bill is baser! en a scv.nd p. and I do not think there is any harm in passing this Bill. Sir, I support it.

SHRI U. K. LAKSHMANA GOWDA (Karnataka): Mr. Deputy Chairman, looking at the Bill and going through the provisions thereof, I say this Bill should not be opposed. As a matter of tact, the Central Sales Tax (Amendment) Bill, 1976, has come at a right time. Actually my friend Shri Mukherjee had to bring it as a consequence of certain legal pronouncement. I do not want to go into the legalities and other details which have been very correctly explained by my friends, Shri Anandam, Shri D. P. Singh and others. I see that many of my friends espousing the causes of their own States are very much aggrieved. I think my friend Shri Menon is going to speak on this and I have no doubt he is also going to do the same. This is because they have to establish their own *bona fides*. To that extent it is all right. But looking at the Bill, I do not think there is such a case at all either to find exemptions or to claim that this Bill takes away the revenue of the States and puts them into difficulties. I agree that the States will definitely face some revenue deficits or face some difficulties. In my own State of Karnataka we have coffee, silk and other things such as iron-ore which are exported. They will suffer just like Kerala, Maharashtra or Mysore. The remedy cannot be found by asking Shri Pranab Mukherjee to make a change in the Bill. In any case, we cannot change it because in the case of Money Bills we have no power. It is only for our psychological satisfaction, we are saying certain things. But, Sir, even otherwise, I am afraid, my friend cannot find any remedy for this because if you want to have a remedy,

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you will have to go into the fundamentals of it. When you are having the provision in the Constitution under article 286 which definitely says that no law of any State can have any say with regard to the Sales Tax, with regard to the items which are for export or for internal sales, what is the use of my Congress friends here trying to ask Mr. Mukherjee to make amendments? They must see that this Constitutional provision is amended. For even dinner and lunch the Constitution is being amended. Yesterday, Sir, for raising the age of retirement of the Chairman and Members of the State Public Service Commissions, a Constitutional amendment was brought forward by my friend, Shri Om Metha. If you want it, you must take it up in your party first and you must have article 286 amended so that all the sales tax revenue from any commodity which attracts sales tax goes to the States. Since this particular provision is there, there is absolutely no case for the State Governments, whether it is my State Government or any other State Government, to cry hoarse over it. So, that matter is settled. I am happy about this particular case because, from the export angle, it generates sufficient incentives for the export items. I know of one case which I can cite here. In the case of coffee, it is marketed by the Board, through co-operative marketing arrangements and through the growers' coffee pool. It is auctioned and sold. Even for the coffee which was sold for export, the State in which the sales took place levied the tax and the Coffee Board went in appeal because there was no amendment then. Now, Sir, I am glad that this thing has come and to that extent, relief will be provided and the commodity will attain a competitive charter in the export market. So, it is necessary that, where actual items of export are concerned, identification has to be made as to where the export has taken place. Earlier, the courts held a different view. The first sale would have taken place and somebody within the State would take it elsewhere.

[Shri U. K. Lakshmana Gowda] Karnataka would levy ten per cent of sales tax on coffee and on the internal sales it would be six per cent, or so and if somebody takes it to Madras, they would levy some thing and it would be in all sixteen per cent or so and it is passed on to the consumer. So is the case with rice and paddy which items were mentioned here. If it is seven per cent on paddy and another four per cent on rice, and if you go to some hotel and eat rice, you will have to pay another three per cent tax. So, I would say that there is no rationale behind this at all. If you ask me, I would say that my view is that there should be a Central sales tax and if each State views with the other States to levy multi-point sales tax on commodities from their own primary producers or from other States, it will unnecessarily lead to fleecing of the consumers and, therefore, I would say that there should be some rational approach. I am glad that at least now, in this Bill, some streamlining has been done. So far as the commodities which are going for export are concerned, provision has been made for export identification and you know definitely where it is going, so far as the sale of the commodities which are of national importance is concerned, I am glad that something has been done here also because you have a uniform four per cent and, therefore, you know where you stand. So far as the State revenues are concerned, I am also seriously concerned about it .....

SHRI IRENGBAM TOMPOK SINGH-  
Revenues of your State?

SHRI U. K. LAKSHMANA GOWDA: Of all the States. My State is also losing. In spite of that, I am saying that this is a good proposal. What I am saying is this: If the State revenues fall, recourse should be had to article 269(g) and it should be seen that proper devolution takes place as it takes place in the case of excise duty where the

money is shared according to the number of products and the amount collected. So, let them do something, with regard to sales tax also. Actually, Sir, the sales tax came into existence in the regime of the late\* Rajaji when the Government thought, in 1947, that they would have wholesale prohibition and hence would be losing revenue and actually the State revenues started falling and so, this pernicious sale tax came into being. Every time there have been attempts to levy multi-point tax. After all, ours is a federal structure and if the States fall short of revenues, the Centre must make it up. I would suggest that this matter must be seriously taken up with the next Finance Commission and it must be decided as to how the devolution should take place. I would strongly support the uniform sales tax for the entire country on the different commodities which are coming from different States. Looking at their own revenue devolution must be made and they should be paid back for their developmental purposes, otherwise there is no question of doing that. Now the Planning Commission is every day asking the State Government to find their own resources and mobilise their own resources. As I understand, everybody in this House knows that one of the main sources of mobilising the resources in the States is the sales tax. And they go on increasing the sales tax. And they complain that it is not possible: This must be gone into and the Central and State Governments should sit together and find out how best it can be allocated among the different States and the Centre. So far as this is concerned, my friend, Mr. Ansari, made a point with regard to commodities of national importance. So many malpractices are there. If there is a uniform tax, those can be eliminated.

There is one difficulty with regard to export houses. My friend from Orissa made out that point. Now^

particularly, in the case of commodities like iron ore and others in places where there is competitive market abroad and incentives are provided, we must see that the incentives are not misused. That point should be properly clarified and it must be seen that malpractices do not take place. In the implementation of this Act, proper care should be taken and more study is necessary because this is the first time that this sort of differentiation has come in. I hope that proper streamlining will be done and States' revenues will be safeguarded, if not by this but by some other methods and by devolution of other duties. There is no use quarrelling over this.

So far as the penalty clauses also are concerned, it was also unfortunate that after the court's decision the State, had to pay back. Particularly, the State of Kerala would have to pay back crores of rupees as a result of the court's decision. Now this has been clarified. The assessment, reassessment or evaluation which was done by the States will be as good as being done by the Centre. Unless this is done, with the already depleted resources of the State Governments, you cannot expect them to pay back the accumulated arrears.

I am happy that clarifications, wherever possible, have been given to the necessary extent. In the implementation of the Act. I am sure, many of the difficulties will come in, and I hope the Minister will look into these in detail and whenever some malpractices, particularly with regard to identification of the export commodities by export houses and others come in, the Minister will come forward with appropriate amendments to plug such loopholes.

With these remarks, Sir, I support the Bill.

Thank you.

SHRI K. K. MADHAVAN (Kerala): Sir, I rise to give a word of caution in passing this amending Bill, from the point of view of the State which I represent, namely, Kerala. According to the provisions of the Bill, if this is passed and the Act comes into force, the biggest loser amongst the States would be Kerala. What the spokesmen of the State Government say is this.

The scheme adopted by the Kerala State, in the State Sales Tax Law, is largely a single point levy to enable it to tax goods effectively at an identifiable point and with an identifiable dealer, with lesser chances of evasion. In this scheme many small dealers are left out of the group. The peculiar problems the State Government will have to face do not seem to have been fully appreciated while drafting the amending Bill. Most of the exports from Kerala are plantation crops like pepper, ginger, cardamom, cashew and marine products. At present these items are liable to sales tax at the last point of purchase in the State i.e., purchase by exporters. They are the best identifiable persons and the levy will be effective. The State Government is getting an annual revenue of Rs. 23 crores from the above levy. This levy based on past experience has been in existence for the last twenty years and it did not have any adverse impact on the export trade mainly because we are having a near monopoly and the demand is not responsive to slight variations in prices. Our misgivings are based on the amendments to Sections 5 and 6 of the parent Act. Any sales tax for the purpose of export is barred by the bill amending section 5. It is barred under section 6 also if amended. Amendments to section 5 and section 6 are complementary. The single point tax that the Kerala State was levying on certain commodities which were exclusively their own stands to be eroded. That is the main grievance. We were exporting

[Shri K. K. Madhavan] so many commodities for centuries. The trade of Kerala *vis-a-vis* the Arab world, Rome, Greece and other countries in the west back to even the pre-Christian era. We are having thousands of years of trade relations in certain commodities which Kerala alone produces. For these commodities, even our export trade does not have to compete with any other country in the world. There is large number of items and the sales tax on their purchase has been curbed by the present Bill. That is why I say that Kerala, as a single State, will be the biggest loser.

Coming to facts, I would say that levy of taxes on purchases precluded to an export sale has been barred. All other sales taxes on those commodities are also barred. This is a pitiable position in which a small State like Kerala with major revenue from these items stand emaciated by this Bill. Kerala will have to face a lot of problems as a result of this Bill. From the point of view of practicability also, there is difficulty because the small producer or trader who has some trade relations with an exporter will not charge sales tax if the exporter—*vis-a-vis* that, this is the commodity which he intends to export. It is up to the exporter to export it or not to export it. He can evade tax that by some method. The result would be that the exporter will be able to get his commodities free of any tax from the producers or the intermediaries. At the same time, rubber is largely the monopoly of Kerala. The exporter can buy this commodity without any tax from the producer. At the same time, he can keep it away from export. He can sell it to the Rubber Board. The result would be that he would gain footways. He escapes the sales tax within the State. He can also get material gain by way of subsidy from the Rubber Board. These dubious methods are well known to our traders. So, what would be the

result? The State revenue will be eroded substantially, the Central Government will not get the revenue which they deserve to get, and the exporters will flourish at the cost of the State and the Central exchequer. The gainer will be a number of new export houses. So, this is what exactly I say. A re-thinking in the matter is necessary and urgently too. Sir, let me repeat. The net result of the Bill would be the loss of revenue to the State, the loss of a substantial part of it to the Centre by way of tax evasion; and the only gainer would be the exporter.

The legislation leaves out a number of lacunae. There are certain definitions which have been well-defined. But the most unfortunate part of it is that this Bill by implication provides for tax evasion by big business.

Now, regarding the loss of revenue to the State, Sir, Kerala is a State which has been continuously and successively having a deficit budget. It is very difficult for the Government of Kerala to find even ways and means on many occasions. Such a State is now being deprived of Rs 23 crores of revenue. The consequence will be that the development of the State would be substantially retarded and they will find it very difficult to compensate it by other taxation. On the one side, it will be an erosion of revenue and on the other side, it will be the retardation of Kerala's planned development. This is the unenviable position in which this Bill is going to place the small State of Kerala. This matter has to be very urgently looked into. If not at this stage, at least at the stage of implementation. It is the duty of the Central Government to look into the matter and help the small State. I would suggest that even at this stage it is up to the Central Government, it is up to the Minister who moved this Bill, to exempt certain commodities which Kerala exclusively produces and exports. That will be a very

wise policy. Even while implementing this legislation, this exemption can be given to certain commodities produced in Kerala or even in some other States also. There should be enabling provision<sup>10r</sup> that. This would be a wise course. I would suggest that this wise course should be adopted, and for that purpose, a re-thinking should be made on this subject. Thank you, Sir.

SHRI VISWANATHA MENON (Kerala): Sir, this Bill should have been drafted after consulting the various interested parties. Sir, usually, when such an important Bill is brought before the House, it is being sent to a Select Committee to discuss with the interested parties, and after the discussion, at the final stage, it will be drafted. But, unfortunately, Mr. Pranab Mukherjee, in his enthusiasm, has brought out a Bill which, from the discussion itself, you can see, Sir, is very controversial. Sir, I do not want to elaborate that point. But the main factor is that it affects or touches the Centre-State relationship. It touches the autonomy, the power of autonomy of what we have got. Such a controversial issue must have been discussed properly, and he should have brought a Bill which would be acceptable to all sections. By whipping his own party men he can get it passed, I have no objection. I am sure he can get it passed. But from his own party men the criticism has come pointing out how it affects their own States.

Sir, I do not want to elaborate the arguments about my State because already all the Members from Kerala representing various parties have come out against this Bill. They may not have used the words 'I oppose the Bill' but they have made their criticism in their own way.

Sir, Kerala is the State which contributes the largest amount of foreign exchange<sup>1</sup> earnings to the Central exchequer. Whatever small amount we

got for our own existence has also now been taken away. Sir, pinching the beggar's bowl is not socialism. Sir, what will be the position of the States? What are we to do? when such a controversial issue that touches the basic features of this country, the federal system, was being brought forward, the various State Ministers should have been consulted. According to my information, at least three Ministers from States have come to Delhi to protest against this matter. Sir, if that is the position, I think even now Mr. Pranab Mukherjee will think about this matter. Sir, for a small State like Kerala Rs. 23 crores is not a small amount and we are saying it with all seriousness because we are the maximum foreign exchange earners in India. We got Rs. 23 crores out of this and now you want to take it away also. What are we going to do? Whether the Congress rules or there is a bi-party rule or any other party rules there must be some development for that area. When we give so much amount to the Central exchequer by way of foreign exchange, more than Rs. 120 crores, and take some Rs. 23 crores by way of sales tax and you interfere and say that we should not take it, that is not justice. Sir, I do not want to go into the details because all the speakers, Mrs. Damodara Menon yesterday and Shri Madhavan and Shri Schamnad today, have placed our case nicely before the hon. Minister. In the Lok Sabha also we know that all the M.Ps. from Kerala have spoken against this measure. We would be happy if he showed a little bit of sympathy and considered our case as a special one.

Sir, I agree that Central finance is the worry of the Centre. But the State finance also must be the worry of the Centre. Where shall we go if all the amount that we can make you take away? Where shall we go for the money. Do you want us to tax



[Shri Viswanatha Menon] the people on other things? What more taxes can we levy? In Kerala almost all sources of taxation have almost been exhausted. So, my humble submission is that in this particular case the reasonable and justifiable case of Kerala must be considered and the case of other States must also be considered and a viable m'dia should be found. By passing this Bill—it may come into force tomorrow—I would say that you will be doing harm to my State.

Sir, I once again request on behalf of the people of Kerala because there is no controversy on the issue that we are the biggest foreign exchange earners that our request may be considered favourably and the amendment suggested by our State Government may be accepted in some form or else some kind of a compensatory measure may be thought of. Otherwise, if you are going to implement it from tomorrow, I would say that it is going to affect the smooth relationship now existing between the Centre and the State.

**श्री रणबीर सिंह (हरियाणा) :** उप-सभापति जी, मैं केन्द्रीय विक्रय कर (संशोधन) विधेयक का समर्थन करने के लिए खड़ा हुआ हूँ। मैं यह मानता हूँ कि कर की नीति निर्धारित करते समय सिर्फ़ रुखा इकट्ठा करना ही उद्देश्य नहीं होता है बल्कि यह भी देखना होता है कि किसी चीज़ पर कर लगाने से हमारे विदेशी व्यापार पर उसका असर पड़ता है या नहीं और विदेशी बाजारों में हमारी चीज़ें योग्य ढंग से मुकाबला कर सकती हैं या नहीं। इसके अलावा कर लगाते वक़्त यह भी देखना होता है कि हमारी कर की नीति देश के हित में है या नहीं और उस कर लगाने से किसी प्रदेश या किसी प्रदेश की सरकार को किसी प्रकार का कोई घाटा तो नहीं होता है। इन सारी बातों को देखते हुए मैं यह महसूस करता हूँ कि हमारे वित्त मंत्रालय की कर की जो नीति है वह उपभोक्ताओं के हित की

नीति है। लेकिन जो लोग चीज़ें पैदा करते हैं उनके हित की नीति नहीं है। मैं समझता हूँ कि अगर पैदा करने वालों में बड़े-बड़े कारखानों का संबंध हो तो इसमें कोई एतराज नहीं होता। लेकिन देश के करोड़ों किसान जिस चीज़ को पैदा करें और जिसका आर्थिक स्तर बहुत ऊँचा न हो, उनको पैदावार की वस्तुओं पर कर लगाते वक़्त उनका ध्यान रखा जाना चाहिए। आज हमारे देश के अनाज की जो स्थिति है वह पिछले कुछ सालों से इस प्रकार की है कि बाज़ार में उपभोक्ताओं के लिए जो अनाज बिकता है वह पंजाब से आता है या हरियाणा से आता है। आप शायद जानते होंगे कि हरियाणा की सरकार के खिलाफ़ और पंजाब की सरकार के खिलाफ़ सुप्रीम कोर्ट में एक दावा हुआ। वह दावा धान और चावल दो अलग अलग वस्तुएँ हैं या एक ही वस्तु है, इस संबंध में था। इस बारे में सुप्रीम कोर्ट ने एक फैसला दिया था जो इस प्रकार है—

"That the issue whether paddy and rice was one single commodity or two has already been conclusively decided by the honourable Supreme Court in the case of Messrs. Ganesh Trading Company, Karnal versus the State of Har-yana, holding that paddy and rice were two separate commodities for the purposes of sales-tax."

उप-सभापति जी आप जानते हैं कि जहाँ तक पैड़ी (धान) का संबंध है, वह बाहर के प्रदेश में इस्तेमाल हो सकती है और हरियाणा में भी इस्तेमाल हो सकती है। उससे जो चावल बनेगा वह दूसरे प्रदेशों में भी इस्तेमाल हो सकता है। उस के ऊपर क्या सेल्स टैक्स लगना चाहिए, मैं समझता हूँ कि इसका फैसला वित्त मंत्रालय को प्रदेशों की सरकारों से सलाह-मशविरा करके तय करना चाहिए। लेकिन इस संबंध में कोई भी फैसला करते समय इसका भी ध्यान रखना चाहिए कि इस कर

प्रणाली से देश की पैदावार में किसी प्रकार की कोई कमी तो नहीं आती है। इस वक्त हमारे देश की आबादी 60-62 करोड़ तक पहुंच चुकी है। जिस वक्त हम आजाद हुए थे उस वक्त हमारे देश की आबादी तकरीबन 35 करोड़ थी। इस दृष्टि से हम देखें तो हमें पता चलेगा कि हमारे देश में अनाज की पैदावार कितनी बढ़ी है। जैसा मैंने कहा, वित्त मंत्रालय की नीति उपभोक्ताओं के हित की नीति है और इसलिए उसमें किसानों के हितों का ज्यादा ध्यान नहीं रखा जा सका। इसका नतीजा यह हुआ कि हमारे देश को 1946 से 1974 तक 11593 करोड़ रुपये से भी अधिक का अनाज, दालें और कपास बाहर के मुल्कों से मंगाना पड़ा। यहां तक कभी कभी चीनी भी हमारे मुल्क को बाहर के देशों से मंगानी पड़ी। मुझे इस संबंध में याद आता है कि अप्रैल 1974 के एक साल के अन्दर हमारे देश को 2 हजार 286 करोड़ रुपये का अनाज बाहर के मुल्कों से मंगाना पड़ा। इससे पता लग सकता है कि हमारे देश को अपने पैरों पर खड़े होने के लिये हमारे वित्त मंत्रालय की आर्थिक नीति क्या होनी चाहिए। देश के अन्दर पैदावार बढ़े। इसका नतीजा क्या होगा कि जो हरियाणा और पंजाब देश के लिये अनाज पैदा करते हैं, उनमें 4 करोड़ रुपये का घाटा अगले हरियाणा को है क्योंकि पैड़ी (धान) के ऊपर हमारे यहां 7 परसेन्ट सेल टैक्स था और अब अगर पैड़ी (धान) और चावल को एक वस्तु मान लें तो वह 4 परसेन्ट से ज्यादा टैक्स लगा नहीं सकते। तो इसलिये 3 करोड़ रुपये का घाटा उसमें ही हो जायेगा। सात से तीन परसेन्ट में घटेगा और क्योंकि इसके अलावा चावल पर बिल्कुल नहीं लग सकता तो दो करोड़ का उससे और घाटा होगा। मेरी जानकारी के अनुसार इसी तरह से पंजाब के अन्दर भी कम से कम आठ करोड़ रुपये का घाटा होगा। इस प्रकार पंजाब और हरियाणा दोनों को मिलाकर कुल 12 करोड़ रुपये का घाटा होगा और पंजाब और हरियाणा के अन्दर

जो सरकारें पैसा खर्चती हैं—आज से नहीं बल्कि पिछले 20-20 सालों से—50-52 परसेन्ट पैसा सिंचाई की सुविधा बढ़ाने के लिये खर्च होता है। कृषि की तरक्की के लिये हरियाणा के अन्दर चाहे वह कृषि का महकमा है, चाहे वह सिंचाई का महकमा है और चाहे वह बिजली का महकमा है, इन तीनों विभागों के ऊपर जितना पैसा खर्च करते हैं वह कुल का 75 फीसदी अनाज पैदावार बढ़ाने के ऊपर खर्च करते हैं, 75 परसेन्ट जो अनाज बाजार में आता है वह हरियाणा और पंजाब से आता है। इसका नतीजा यह होगा कि हम पैसा कम खर्च करेंगे और हमारे देश की जो पैदावार है वह बच जायेगी। लेकिन याद रखिये इससे यह देश कर्ज के नीचे दब जायेगा। यह देश अपने पैरों पर खड़ा हो सकता है और इस देश को बाहर से अनाज मंगाकर मकरुज होने की आवश्यकता नहीं है। अगर आप मकरुज रखना चाहते हैं और वित्त मंत्रालय यह समझता है कि उपभोक्ता ही इस देश के मालिक हैं और जो पैदा करते हैं, कुछ दोस्तों का कहना कि जिन के पास एक एकड़ है, जिनके पास दो एकड़ है, जिनके पास तीन एकड़ है, वे कहां अनाज बेचते हैं। एक-दो एकड़ पर जो अनाज पैदा करता है वह बाजार में नहीं बेच सकता है। जो ट्रैक्टर वाले हैं वे एक फीसदी ही हैं और फिर वही बचत कर सकेंगे और उनकी तादाद करोड़ों में हैं। तो क्या उससे देश यह समझता है कि देश के हित को देखते हुए, उनके हितों की रक्षा न करे और देश में अनाज और खेती की पैदावार कम हो ताकि देश को दूसरे देशों पर इस मामले में निर्भर करना पड़े।

[श्री रणवीर सिंह]

उपासभाध्यक्ष जी, मैं यह बताना चाहता हूँ कि कृषि मंत्रालय वित्त मंत्रालय से इस बारे में बात कर चुका हूँ। सेल टैक्स और दूसरे टैक्सों के बारे में उन्होंने इसके बारे में लिखा है उसको मैं सदन के सामने आपकी मार्फत निवेदन करना चाहता हूँ। यह षि मंत्रालय वा जहना है, मेरा नहीं।

"A rough analysis of the cost structure of tractors shows that while the increase in the cost is due to the rise in the cost of material and cost of production as compared to 1971, in the case of some models selected for the cost analysis, taxes and levies, alone account for 31.8 per cent of the retail price."

तो जिससे अनाज पैदा हो उसके ऊपर टैक्स लगायें और जो अनाज पैदा नहीं करते और जो आराम की चीजें हैं उनके ऊपर टैक्स न लगे।

इसी तरह से उन्होंने लिखा है :

"In view of the adverse effects of high prices of tractor and power tillers on agricultural production programmes, the Ministry of Agriculture had requested initially at the level of Minister to exempt tractors and power tillers from the levy of excise duty and to reduce customs duty on imported raw materials and components and also Central and State Sales Taxes at least to the pre-1971 level."

पर वह बात तो नहीं मानी गई लेकिन क्या माना जाता है उस देश के अंदर? वित्त मंत्रालय किस बात को कबूल करता है? वह तो—

"While in the case of luxury goods less essential such as T.Vs., refrigerators, automobiles, water coolers, etc., the Ministry of Finance have announced excise relief ranging from 5 per cent to 35 per cent, the relief that has been allowed in respect of tractors is negligible—in respect of tyres and tubes

only—which comes to hardly Rs-500 per tractor."

श्रीमन्, हमारी नीति अगर यही रहती है तो दुख लगता है। आप जानते हैं कि इसी सदन के अंदर कुछ दिन पहले चर्चा चली कि इस देश के अंदर कपास की पैदावार बढ़ी, और सवाल हुआ कि किसानों का कपास उठाया नहीं जाता है तो जो हमारे कामर्स मिनिस्टर हैं उनसे हमने पूछा कि वाटन कारपोरेशन को कितना रुपया कपास खरीदने के लिए दिया है, तो उन्होंने बताया कि 10 करोड़ और 10 करोड़ रु० में से उन्होंने साढ़े 3 या 4 करोड़ रु० का कपास खरीदा। जब मैंने पूछा कि सारी कपास को खरीदने के लिए कितना रुपया चाहिए, तो कहा 1000 करोड़ रु०। तो 1,000 करोड़ रु० वित्त मंत्रालय ने नहीं दिया। वित्त मंत्रालय हरियाणा और पंजाब के सेल्स टैक्स के अंदर की आमदनी को रक्षा नहीं करेगा। वह रक्षा करेगा उपभोक्ताओं की। नतीजा यह है कि जो हम देख रहे हैं। आप जानते हैं यू० एस० एस० आर० क्यों तरक्की कर सका? वहां जो कंज्यूमर गुड्स हैं, उन्होंने 20-25 साल तक कंज्यूमर गुड्स को पराह नहीं की। वहां पाउडर को फ्रिज है, पाउडर के ऊपर सेल्स टैक्स कम लगे इस बात की तो फ्रिज रहेगी लेकिन इस बात की फ्रिज नहीं है कि देश के अंदर अनाज पैदा कैसे होगा? इस देश के अंदर कपास कैसे पैदा होगा, चीनी ज्यादा से ज्यादा पैदा कैसे होगी? वह कपास खरीदा नहीं गया; नतीजा यह हुआ है कि किसानों ने कपास कम बोया और आज हमारी कामर्स मिनिस्ट्री के अफसर मारे-मारे फिरते हैं। जब हम मास्को में थे तो हमें बताया गया कि मास्को के अंदर भी वे आए हए थे और वे इस बात की फ्रिज में हैं, यह चाहते हैं कि यह कपास उन को मिल जाए। और जो कपास मिलती भी है तो वह हिन्दुस्तान के किसान के कपास के मुकाबले में ड्योड़ी कीमत की है। लेकिन हिन्दुस्तान के किसान को पैसा नहीं देना चाहते, हिन्दुस्तान के किसान

की फिक्र नहीं। अमरीका का किसान जो खराब गेहूं देता है उस को 125 रु० फी क्विंटल देगे लेकिन हिन्दुस्तान के किसान को अगर 5 रु० क्विंटल और देने की बात आए, ट्रैक्टर के ऊपर सेल्स टैक्स घटाने की बात आए, और टैक्सेज घटाने की बात आए, तो वित्त मंत्रालय की समझ में वह बात नहीं आती है। वित्त मंत्रालय रेफीजरेटर के ऊपर, कार के ऊपर रियायत दे सकता है लेकिन ट्रैक्टर जो देश के अंदर पैदावार बढ़ाए उसके ऊपर रियायत नहीं दे सकता है।

श्रीमन्, इस तरह से मैं आपसे निवेदन करना चाहता हूँ, जरा इस बात के ऊपर हमें सोचना होगा कि क्या आप यह चाहते हैं कि पंजाब और हरियाणा अनाज पैदा करना बन्द करें? अभी चीनी का सवाल आप ले लीजिए। पिछली दफा क्या हुआ? गन्ने की कीमत पूरी नहीं अदा की जाती, गन्ने की कीमत ठीक नहीं अदा की जाती। इस देश के अन्दर कोई भाई 8 रु० 25 पैसे फी क्विंटल के हिसाब से गन्ना न खरीदता है न देता है। 3 P.M. लेकिन ये 7 रुपया 25 पैसे करना चाहते हैं। हम उनसे कहते हैं कि अगर आप सक्सीडाइज्ड चीनी देना चाहते हैं तो कुछ भाइयों को दो जिनको 200-400 रुपए तक तनख्वाह मिलती है। आज तो 3500-4000 रुपए पाने वाले जज, सेक्रेटरी बड़े-बड़े तनखादारों को चीनी कम कीमत पर दो जा रही है। यह वित्त मंत्रालय की आर्थिक नीति है। इसका नतीजा क्या हुआ है? पिछले साल उससे पिछले वाले साल के मुकाबले 4 लाख टन कम चीनी पैदा हुई। अगर यह 4 लाख टन चीनी बाहर जाती तो हिन्दुस्तान को 300-400 करोड़ रुपया मिलता।

अनाज के बारे में तो आज हालत यह है कि सरकार के पास रखने के लिए जगह नहीं है। हवाई अड्डों में, स्कूलों में अनाज रखा जा रहा है और वह अनाज किसके लिए है? वह हिन्दुस्तान के लोगों के लिए नहीं होगा, वह तो खराब

करने के लिए है। अब नया फसल आ रही है चावल की। उसको कहां रखेंगे? उसको बाहर भी नहीं भेजेंगे। 7 हजार करोड़ रुपए के विदेशी कर्ज को चुकाने के लिए अनाज बाहर नहीं भेजेंगे क्योंकि उपभोक्ता कह सकते हैं कि उनको मिलने वाले अनाज के भाव बढ़ जायेंगे। उपभोक्ताओं का हित सामने रखना चाहिए। लेकिन जो देश का हित है वह सबसे आगे होना चाहिए। कर्ज को अदा करने के लिए किसान की पैदावार को बाहर भेजने के लिए तैयार नहीं; आयात को कम करने के लिए भी तैयार नहीं। वित्त मंत्रालय की यह नीति इस देश को आर्थिक तौर पर कमजोर बना रहने देगी या इस देश को अपने पैरों पर खड़ा करने लायक बनायेगी, यह मैं वित्त मंत्री जी से प्रार्थना करता हूँ कि वे सीचे और जो पिछले 25-30 साल में कर लगाने की नीति रही है उसको छोड़ें।

इसके साथ साथ मैं उनसे प्रार्थना करना चाहता हूँ कि अगर आप चाहते हैं कि पंजाब और हरियाणा से गेहूं मिलता रहे, चावल मिलता रहे तो जो उनको घाटा हो रहा है उसको आप पूरा करें। मुझे खुशी है कि वित्त मंत्री जी के प्रदेश के अन्दर भी गेहूं पैदा होना शुरू हो गया। दूसरे प्रदेशों में भी हो सकता है। वहां जमीन के नीचे मीठा पानी है। हमारे यहां तो जमीन के नीचे खारा पानी है। हमारे यहां फसल पैदा करने के लिए साढ़े 4 सौ फीट जमुना का पानी ऊपर उठाना पड़ता है। बंगाल में, आसाम में, उत्तर प्रदेश में तो दस हाथ के नीचे पानी मिल जाता है। हमें खुशी है कि बंगाल की सरकार ने अनाज की पैदावार बढ़ाई है। उड़ीसा की भी यही हालत है। दूसरे प्रदेश भी बढ़ायें, लेकिन मैं यह कहता हूँ कि जब तक वे नहीं बढ़ाते क्या आप अनाज के आयात को पसन्द करेंगे या इस बात को पसन्द करेंगे कि जो हरियाणा को 4 करोड़ का और पंजाब को 8 करोड़ का घाटा है उसको पूरा करें? यह 12 करोड़ देने के लिए तो रिजर्व बैंक को सिर्फ कागज छापना होगा। आपने

[श्री रणवीर सिंह]

इस कानून से हरियाणा और पंजाब की टैक्स की शक्ति को छीना है उसको आप कम्पेनसेट करेंगे या नहीं; मेरी आपसे प्रार्थना है कि आप इसके ऊपर विचार करें। अगर इस कानून को बदलने की आवश्यकता हो तो बदलने के लिए संशोधन लाइए और अगर बदले बगैर यह कर सकते हैं तो कर दीजिए।

आज केरल प्रदेश के सदस्यगण बहुत बोले। उनका भी एक ही कहना है कि वे केरल के अन्दर बहुत सी चीजें पैदा करते हैं, चाय, काफी और दूसरी चीजें। उनको दिखाई देता है कि इस नीति से वहाँ का जो पैदा करने वाला है उसको घाटा होने वाला है, वहाँ की सरकार को घाटा होने वाला है। मैं आपसे एक ही निवेदन करत हूँ कि पंजाब और हरियाणा का मुझे ज्ञान है—दूसरे प्रदेशों का मुझे ज्ञान नहीं है—आपके इस सेल्स टैक्स संशोधन विधेयक से, जो यह सदन पारित करने वाला है, जिस जिस प्रदेश को जितना-जितना घाटा होता है उतना घाटा आप पूरा करने की जिम्मेदारी लें। वरना एक तरफ तो आप उनसे कहते हैं, दबाव देते हैं कि अपनी आमदनी बढ़ाओ और दूसरी तरफ उनकी आमदनी के जरिए छीनते हैं। ठाढ़ा मारे रौने न दे, चक्की घिसते पीस न देना तो वह मारे भी और रौने दे नहीं। इस लिये केन्द्र का जो वित्त मंत्रालय है अगर वह प्रदेशों के आर्थिक ढाँचे से इसी तरह से खिलवाड़ करना चाहता है तो उन का नतीजा अच्छा नहीं होगा। मैं मानता हूँ कि हमारे वित्त मंत्री जी बड़े समझदार हैं और सुब्रह्मण्यम् जी और हमारे प्रणव मुर्जी और वहिन मुशीला जी बहुत समझदार हैं और वह वित्त मंत्रालय को मजबूर करगे कि वह ऐसी नीति अपनाये कि जिस से देश की पैदावार बढ़े। पैदावार बढ़ेगी तभी महंगाई घट सकती है, देश की पैदावार घटने से महंगाई कमी नहीं घट सकती और उस से उपभोक्ताओं की सेवा

भी नहीं होगी और न उसी से देश की ही कोई सेवा होगी।

[The Vice-Chairman Shri Lokanath Misra) in the Chair].

SHRI S. W. DHABE (Maharashtra): Mr. Deputy Chairman, Sir, we are discussing the Central Sales Tax (Amendment) Bill, 1976. Some suggestions with respect to this Bill have already been made. Sir, the first question which I would like to raise is about the validity of sub-clause (3) of clause 3 of this Bill. The deeming provisions here interfere with the provisions of article 286 of the Constitution. Sir, article 286 states:

"286. (1) No law of a State shall impose, or authorise the imposition of, a tax on the sale or purchase of goods where such sale or purchase takes place—

(a) outside the State; or

(b) in the course of the import of the goods into, or export of the goods out of, the territory of India.

\* \* \* \* \*

(2) Parliament may by law formulate principles for determining when a sale or purchase of goods takes place in any of the ways mentioned in clause (1)."

Therefore, Sir, the power to Parliament under sub-clause (2) of article 286 is to formulate the principles for determining the sale or purchase of goods, but there is no mention in article 286 to make any legal provision in regard to sales. Sir, I am reading sub-clause (3) of clause 3 of the Bill. I quote:

"Notwithstanding anything contained in sub-section (1), the last sale or purchase of any goods pre-

ceding the sale or purchase occasioning the export of those goods out of the territory of India shall also be deemed to be in the course of such export, if such last sale or purchase took place after, and was for the purpose of complying with, the agreement or order for or in relation to such export."

Sir, there are two things. One is the deeming provision, by which it is meant that it shall be in the course of such export. And, secondly, Sir, even if the\* agreement takes place, for the purpose of the agreement, any order for or in relation to such export, may be considered as an export under the legal provisions of this clause. Sir, under the Bombay Sales Tax Act, a specific time-limit was given that within 9 months if the export does not take\* place, the State Government has the right to charge sales-tax at 8 per cent. Now, Sir, this provision is likely to be misused and it is not going to benefit us. I can understand if the provision was made in favour of STC or MMTC, but it is going to help big export houses. We have not till now nationalised the whole of our export business. There are many big export houses which will make large sums of money because of this clause by under-invoicing and by under-valuation. Therefore, the very purpose for which clause 3 is going to be enacted is not going to benefit at all either the Government or the public sector but it is going to benefit the big monopolists or the big business houses who run export houses in big cities like Bombay, Calcutta, Madras and Delhi. So in order to make it an effective provision, it should have mentioned a time-limit. There is no time-limit within which it will be considered whether it is an export house or not. I make an agreement for export today; for five years? I keep quiet and do not export. I enter into another export agreement and keep quiet for another five years. So, there are two aspects. Firstly

this clause not only deprives the State of their power to levy sales tax on their export. Secondly, the situation will be exploited by the big export houses for the simple reasons that there is no time-limit mentioned in clause 3. This deeming provision, I am afraid, violates the provision in article 286(2). It can only prescribe a condition how the export should take place. There is an agreement of sale, it is supposed to be for export. How can an agreement of sale or agreement of export be considered in point of law or fact that export has taken place? Therefore, my colleagues from Gujarat, Kerala, Orissa and other States have said that not only are the revenues affected but there are also many infirmities in the law. I appeal to the Minister to consider the very wide repercussions. There is nobody except the big business houses which are running export houses will benefit. This will deprive a large number of coastal States of the revenue which is their legitimate due. So far as Maharashtra is concerned, on this account alone it will be losing Rs. 25 crores.

Another important section is Section 14 of the parent Act which speaks of the power given to the Government to declare some goods of special importance in relation to inter-State trade and commerce. And Section 15 says that they will be levied a tax at 4 per cent. So far as Bombay is concerned, this Bombay High crude oil which is a newly started industry there has got today a potential of 10 million tonnes. In Gujarat today five million tonnes of crude oil is produced and in Assam we produce five to six million tonnes. Fifty per cent of the Bombay crude oil is utilised in refineries and used by manufacturing industries in and around Bombay. For this purpose, the Maharashtra Government Sales

[Shri S. W. Dhabel Tax Act gives power to the States Government to tax it at 8 per cent. Now, under this new addition to Section 14, crude oil has been added in the category of declared goods for inter-State trade and commerce apart from other things. My friend from Haryana, Shri Ranbir Singh, spoke about other articles. But crude oil has also been included. So, the Government of Maharashtra will be losing 50 per cent of sales tax. Not only that, the inter-State sales tax also will be reduced to 4 per cent. In Maharashtra, there are "big projects like the petro-chemical complex, which are going to come up in the Colaba District. There are other industrial complexes which are going to come up by using the crude oil from Bombay High. There is also an ambitious plan for the development of new industries based on the oil in Maharashtra. All these programmes will be affected because one of the main sources of revenue is going to be affected by this new legislation. Therefore, Sir, it is very necessary that before we pass this legislation, it should be considered as to what will be its effect on the States. One of our colleagues, Mr. D. P. Singh, said that when the Centre is passing a legislation, he did not mind if the States lost some revenue. But that is not a correct approach to the problem. Sir, under article 1 of the Constitution it is stated that India shall be a Union of States. Therefore, the interests of the States are the real authorities or the decentralised agencies to run the administration, should be safeguarded, and it is the duty of the Central Government to see that their revenues are not affected. I am really sorry to say, subject to correction by the Minister, that this Central Sales Tax (Amendment) Bill has been brought without consulting the State Governments and the Chief Ministers. It has been our convention to have Chief Ministers' Conferences from time to time.

On many matters, they are consulted. This matter of sales tax affects Maharashtra, Karnataka, Orissa and other States. If there has been no consultation, I will request the hon. Minister to defer consideration of this Bill because Chief Ministers' Conferences are held every month in Delhi and the hon. Minister can consult the Kerala Chief Minister, the Maharashtra Chief Minister and others. If the Bill is passed in consultation with them, I think this discontent which is now growing in this matter of taxation policy will go away. And I think it will go a long way towards co-operation between the States and the Centre in this matter.

Lastly, my friend from Orissa, Mr. Sahu, has raised a very fundamental question as to why we should export raw materials. This is a very important aspect of our national economy. We are exporting oil. We are exporting iron ore. The best iron ore produced in Goa or Orissa or Madhya Pradesh is sent to Japan. And from Japan we purchase manufactured goods which are 50 times more costly. We are required to pay very heavily for the same. Therefore, the export policy of the Government should not be based on the export of mere raw materials. It should be based on the export of manufactured goods. On the contrary, the policy should be to conserve the raw materials, if necessary even at the cost of making less exports. The export of raw materials for the time being may help the country. But ultimately if raw materials like iron ore or crude oil are exhausted, we will be in difficulties. We know what has happened to the fuel policy of the world. Countries which have a monopoly in petrol could hold to ransom countries like India and others. Naturally in developing countries, it should be our cardinal principle to conserve raw

materials and they should not be used for export promotion. It has been stated in the Statement of Objects and Reasons of this Bill that this has been brought forward to remove restrictions and to encourage exports I think this Bill has got many aspects which have been discussed by other Members and which require reconsideration, rethinking and consultation with the State Governments. I therefore, appeal to the Minister again: Let this Bill be deferred and let the States concerned, coastal States like Maharashtra, Kerala, Gujarat and others be consulted before getting this Bill passed finally. Thank you.

**श्री कल्प नाथ राय (उत्तर प्रदेश) :**  
आदरणीय उपसभाध्यक्ष जी, मैं वित्त मंत्री द्वारा प्रस्तुत सेंट्रल सेल्स टैक्स का समर्थन करने के लिये खड़ा हुआ हूँ। यह बड़ी खुशी की बात है कि अन्तराष्ट्रीय बाजार में हिन्दुस्तान के सामानों की बिक्री को बढ़ाने के लिये और फॉरेन एक्सचेंज क्राइसेज की समस्या को हल करने के लिये बेल्लेस्ट आफ ट्रेड को अपने देश के पक्ष में लाने के लिये यह विधेयक मंत्री जी द्वारा प्रस्तुत किया गया है। आप जानते हैं कि पिछले साल 1975-76 में 1050 करोड़ रुपये के बेल्लेस्ट आफ ट्रेड का डेफिसिट हमारे इम्पोर्ट-एक्सपोर्ट में था। पिछले तीन महीनों में 100 करोड़ का बेल्लेस्ट आफ ट्रेड सरप्लस हुआ है, हमारी अच्छी एक्सपोर्ट नीति होने के कारण।

आदरणीय उपसभाध्यक्ष जी, आज अन्तराष्ट्रीय बाजार में दुनिया के विभिन्न देशों के द्वारा एक बहुत जबरदस्त कंपिटिशन है अपने मुल्क के रुपये को मजबूत बनाने के लिये और अपने विदेशी व्यापार को बढ़ाने के लिये। ऐसी स्थिति में सेंट्रल सेल्स टैक्स एक्ट जो लाया गया है जिसमें यह है कि

कुछ वस्तुओं पर प्रांतीय सेल्स टैक्स हटा कर स्टेट ट्रेडिंग कारपोरेशन के माध्यम से और एक्सपोर्ट हाउसेज के माध्यम से अन्तर-राष्ट्रीय बाजार में इन सामानों को ज्यादा से ज्यादा बेचा जाए, उसके बदले में हम को ज्यादा फॉरेन एक्सचेंज मिले और इसमें से हिन्दुस्तान का अर्थ-व्यवस्था सुदृढ़ होगी और राष्ट्र ताकतवर बन सकेगा।

मैं बधाई देता हूँ वित्त मंत्री जी को जिनके प्रयासों से हिन्दुस्तान के अन्दर 15 सौ करोड़ रुपये का ब्लैक मनी बाहर आया और इस प्रकार से 15 सौ करोड़ रुपये हमारे हाथों में आया। इस ब्लैक मनी के कारण हमारे देश में इन्फ्लेशन बढ़ रहा था। हमारे देश में जो बड़े-बड़े सट्टेबाज और जखीरे बाज लोग हैं वे इस देश की अर्थ-व्यवस्था को नष्ट करना चाहते थे। एया तरफ तो हमारे देश में यह स्थिति थी दूसरी तरफ हमारे देश के एक्सपोर्ट के लिए एक क्राइसेज पैदा हो गया था। सट्टेबाजों, चोरबाजारियों और तस्करों के कारण हमारे देश का अर्थ-व्यवस्था नष्ट-प्रायः हो गई थी। हमें 13 सौ करोड़ रुपये का विदेशी कर्ज देना पड़ा या चीजों की खरीद-फरोकत करना पड़ी और दूसरी तरफ एक हजार करोड़ रुपये का विदेशी से अनाज मंगाना पड़ा। इसके कारण हमारे देश के फॉरेन एक्सचेंज के लिए एक बड़ा जबरदस्त क्राइसेज पैदा हो गया। इसके परिणामस्वरूप एक तरफ तो हमारे अन्तराष्ट्रीय साख गिरा, दूसरी तरफ हमारे देश के सट्टेबाजों, जखीराबाजों और तस्करों ने इस देश की अर्थ-व्यवस्था को नष्ट करने की कोशिश की। मैं श्री प्रणब मुकुर्जी साहब को इस बात के लिए बधाई देता हूँ कि उन्होंने इन सब का अंत कर के इस देश की अर्थ-व्यवस्था को सुदृढ़ बनाया। आज हमारे देश के सामने सबसे बड़ा सबाल एक्सपोर्ट को बढ़ाने का सबाल है। हमारे



[श्री कल्प नाथ राय]

बहुत से साथियों ने अपने भाषणों में अपने अपने प्रान्तों की बातें कहीं हैं। मैं उन से पूछना चाहता हूँ कि जब किसी व्यक्ति के हित में और गांव के हित में कोई संघर्ष होता है तो हमें किस के हित को सर्वोपरि मानना चाहिए? मैं समझता हूँ कि गांव का हित सर्वोपरि होना चाहिए। इसी प्रकार से अगर देश के हित में और प्रान्त के हित में कोई संघर्ष हो तो हमें देश के हित को सर्वोपरि मानना चाहिए। यहां पर देश के हित के सामने प्रान्त के हित की बात उठाना मुनासिब बात नहीं है। यहां पर कहा गया कि इस बिल के कारण केरल को 23 करोड़ रुपये का घाटा होगा और महाराष्ट्र को 24 करोड़ रुपये का घाटा होगा और इसी प्रकार से गुजरात को भी करोड़ों रुपये का घाटा होगा। मैं पूछना चाहता हूँ कि सेन्ट्रल सेल्स टैक्स से जो आमदनी होती है क्या वह आमदनी प्रान्तों को उनके हिस्से के अनुसार नहीं दी जाती है? क्या फाइनेन्स कमिशन और प्लानिंग कमिशन द्वारा प्रान्तों को रुपये का जो आवंटन होता है और जो इस प्रकार की दूसरी छोटी-छोटी बातें हैं उनको उठाना उचित है? मैं नहीं समझता कि हमारे लिए इस प्रकार के सवाल इस मौके पर उठाना कहां तक उचित है। हमारे लिये यह बात उठाना भी शोभा नहीं देता है कि महाराष्ट्र सरकार को फाइनेन्स कमिशन ने नॉन-प्लान एक्सपेंडीचर में कितना रुपया दिया और प्लान एक्सपेंडीचर में कितना रुपया दिया? इसी प्रकार से केरल सरकार को नॉन-प्लान एक्सपेंडीचर में कितना रुपया दिया और प्लान एक्सपेंडीचर में कितना रुपया दिया क्या इन सारी बातों का हिसाब हमारे मित्रों के पास है?

SHRI GULABRAO PAXIL: How much income-tax you are getting from the Bombay city of Maharashtra?

SHRI KALP NATH RAI: Bombay is a city of India. It is not of Maharashtra alone.

बम्बई को मैं एक अन्तर्राष्ट्रीय शहर मानता हूँ। बम्बई हिन्दुस्तान का एक बहुत बड़ा शहर है।

**उपसभाध्यक्ष (श्री लोकनाथ मिश्र):**

श्री कल्पनाथ जी, आपका टाइम खत्म हो रहा है साढ़े तीन बजे मिनिस्टर साहब ने बोलना है, इसलिए आप अपना भाषण जल्दी समाप्त कीजिए।

**श्री कल्प नाथ राय :** मैं यह निवेदन करना चाहता हूँ कि प्रान्तों के सेल्स टैक्स के बारे में सेक्शन 14 में प्रावधान किया गया है कि कुछ ऐसी चीजें होंगी जिन पर 4 प्रतिशत सेल्स टैक्स होगा और जो खरीद फरोख्त होगी और जिन चीजों का एक्सपोर्ट होगा उसमें 4 प्रतिशत घनराशि रिफण्डेबल होगी। मैं समझता हूँ कि इस प्रकार के प्रावधान से एक्सपोर्ट को बढ़ावा मिलेगा। इसके साथ मैं वित्त मंत्री जी से यह निवेदन करना चाहता हूँ कि स्टेट ट्रेडिंग कारपोरेशन के माध्यम से हमारे देश में बहुत सी वस्तुओं का व्यापार होता है और एक्सपोर्ट भी होता है। हमारे देश में समाजवाद समाज की व्यवस्था है। ऐसी हालत में मैं चाहता हूँ कि अगर हम हिन्दुस्तान की अर्थ व्यवस्था को ठीक करना चाहते हैं तो हमें स्टेट ट्रेडिंग कारपोरेशन के माध्यम से ही एक्सपोर्ट करना चाहिए। आप एक्सपोर्ट हाउसेज के माध्यम से, मोनोपली हाउसेज के माध्यम से चीजों का एक्सपोर्ट कर रहे हैं, इससे हिन्दुस्तान में टैक्स एवजेन बढ़ेगा और हिन्दुस्तान के 50 मोनोपली हाउसेज में जो हिन्दुस्तान की 50 प्रतिशत दौलत इकट्ठा है, को बढ़ावा मिलेगा। मोनोपली हाउसेज टैक्स की चोरी में माहिर हैं। के० के० बिरला की टैक्स चोरी जगत विख्यात है। ऐसे बहुत से मोनोपली हाउसेज हैं जिन्होंने बड़ी बड़ी चोरियां की हैं।

मिर्जापुर के कालीन उद्योग में लगे मजदूर जो अपनी बनी चीजों को एक्सपोर्ट करना चाहते हैं उससे हमारे देश की हुकुमत को हजार, दो हजार करोड़ रुपये का फायदा एक्सचेंज मिल सकता है। इस उद्योग में मजदूरों का बहुत शोषण होता है। इसलिये इन चीजों का एक्सपोर्ट इन हाउसेज के माध्यम से समाप्त किया जाना चाहिए। मैं आपसे निवेदन करना चाहता हूँ कि एक्सपोर्ट हाउसेज के माध्यम से नहीं बल्कि स्टेट ट्रेडिंग कारपोरेशन के माध्यम से हिन्दुस्तान की बनी हुई चीजों को अन्तरराष्ट्रीय बाजार में बेचना चाहिए, तभी हम ज्यादा से ज्यादा फायदा एक्सचेंज कमा सकेंगे और बैलेंस आफ पेमेन्ट में सरप्लस की स्थिति पैदा कर सकेंगे। आप इन एक्सपोर्ट हाउसेज और मोनोपली कारपोरेशन से जो संबंध रखते हैं उन लोगों की मौका दे रहे हैं, जिसके पास 15 सौ करोड़ रुपये कर की बकाया निकली है, उनको यदि आयरन और बेचने के लिये, उनको हिन्दुस्तान का रा-मैटीरियल बेचने का मौका दिया जायेगा तो वे 45 सौ करोड़ रुपये की चोरी करेंगे और दुनिया के कैपिटलिस्ट लोगों और मोनोपली हाउसेज से साठ-गांठ करके हिन्दुस्तान की अर्थ व्यवस्था को नष्ट कर देंगे।

इसलिए मेरा कहना है कि एम० एम० टी० सो० और स्टेट ट्रेडिंग कारपोरेशन के माध्यम से वैज्ञानिक ढंग पर आपको हिन्दुस्तान को ट्रेड को विकसित करना चाहिए। यही मेरा आपसे निवेदन है।

दूसरी बात, साहू साहब ने बड़ा ही बुनियादी सवाल उठाया है कि रा-मैटीरियल के एक्सपोर्ट को हमें बढ़ावा नहीं देना चाहिए। आखिर अंग्रेजों ने हिन्दुस्तान का सारा रा-मैटीरियल लूट करके इंग्लैंड मैनचेस्टर को बढ़ाया था और सारी दुनिया में अपना साम्राज्यवाद और पूँजीवाद कायम किया था। हिन्दुस्तान

का मैनफैक्चर्ड गुड्स ही दुनिया के मार्केट में बिके जैसे कि हमारे देश के इंजीनियर खुद आज एशिया और अफ्रीकी राष्ट्रों में शुगर मिलें, कपड़ा मिलें, और बहुत सी मिलें लगा रहे हैं। अफ्रीका, तंजानिया और एशिया के विकासशील मुल्कों में हमने लगभग साढ़े 6 करोड़ रुपये के इंजीनियरिंग गुड्स का निर्यात किया है, जिसके माध्यम से हिन्दुस्तान की इकानामी मजबूत हुई है। जिस मुल्क का रा-मैटीरियल एक्सपोर्ट होगा और फिनिशेड गुड्स का इम्पोर्ट होगा उस राष्ट्र का प्रवेश दुनिया में होने वाला नहीं है। आज की दुनिया में रूस और अमेरिका अपने अपने ढंग से पूरी दुनिया की इकानामी पर हावी होना चाहते हैं और विशेषकर अमेरिकी साम्राज्यवाद अपने न्यूक्लियर बमों के बल पर तेल उत्पादक देशों को यह कहते हैं कि अगर तेल की सप्लाई नहीं करोगे तो उसका बुरा परिणाम होगा। तो हमें हिन्दुस्तान की फिनिशेड गुड्स को दुनिया के मार्केट में बेचने को प्रोत्साहन देना चाहिए और रा-मैटीरियल को एक्सपोर्ट करने की प्रक्रिया पर रोक लगानी चाहिए। मैं, इस संबंध में साहू साहब द्वारा जो बुनियादी प्रश्न उठाया गया है उसका संमर्थन करता हूँ।

आदरणीय उपसमाध्यक्ष महोदय, आखिरी बात मुझे यह कहनी है कि उन सामानों पर जिनकी दुनिया में मांग है को बढ़ावा दिया जाय। आज दुनिया के बाजार में चीनी की बहुत मांग है। प्रधानमंत्री जी ने अपने भाषण में कहा कि मैं हिन्दुस्तान की जनता से अपील करती हूँ कि जो लोग दो चम्मच चीनी का इस्तेमाल करते हैं वे एक ही चम्मच चीनी का इस्तेमाल करें जिससे कि हमारा विदेशी विनिमय बढ़े। 3 सौ करोड़ रुपये का फायदा एक्सचेंज चीनी के कारण हिन्दुस्तान को मिलता है। यदि आप चीनी मिलों का राष्ट्रीयकरण करके, गन्ने के दामों को बढ़ायेंगे तो न केवल 3 सौ करोड़ रुपये

[श्री कल्प नाथ राय]

का फारेन एक्सचेंज बल्कि 320 करोड़ रुपये का फारेन एक्सचेंज हिन्दुस्तान के किसान दे सकते हैं। इन बुनियादी चीजों के अलावा अन्य पैदावार जिनसे अन्तरराष्ट्रीय बाजार में फारेन एक्सचेंज मिलता है, उनकी कीमतें बढ़ने पर विचार कीजिये ताकि लोग ज्यादा से ज्यादा इन चीजों को पैदा करें और अन्तराष्ट्रीय बाजार में वह सामान बिक और हमें उसके माध्यम से हायस्ट एकाउन्ट आफ फारेन एक्सचेंज प्राप्त हो सके। इसलिए उन सामानों का आपको ध्यान रखना होगा जिनकी दुनिया के बाजार में जरूरत है।

आदरणीय उपसभाध्यक्ष महोदय, अंत में एक बात कह कर मैं खत्म कहना। अभी रूत की टीम हिन्दुस्तान आ रही है, रूवल रूपी रेशियों को तय करने के लिए और अर्थशास्त्र के विद्वान, हिन्दुस्तान के कम्प्युनिस्ट भी, इस बात को जानते हैं कि रूवल-रूपी रेशियों का जो संबंध स्थापित करने की बात हो रही है, यदि आपने रूमी टर्म के अनुकूल रूवल की कीमत को बढ़ा दिया और पर की कीमत को नहीं बढ़ाया तो हिन्दुस्तान की अर्थ-व्यवस्था सम्पूर्ण रूप से नष्ट हो जायेगी इसलिए मेरा आपसे निवेदन है कि अगर रूमी टीम यहां आकर रूवल के दाम को बढ़ाना चाहती है तो आपको हिन्दुस्तान की सामानों के दाम उसी मात्रा में बढ़ाने चाहिए— जो सामान रूत को आते हैं उसके दाम— ताकि हमारे रुपए में और रूवल में संबंध बैलेन्स बनाया जा सके, जिससे हम अपनी अर्थ-व्यवस्था को सुदृढ़ बना सकें।

आदरणीय उपसभाध्यक्ष महोदय, अंतिम बात मुझे यह कहनी है कि स्ट्रेट ट्रेडिंग कारपोरेशन के माध्यम से एक्सपोर्ट को बढ़ाया जाए एक्सपोर्ट हाउसेज को नेशनलाइज करके। सम्पूर्ण एक्सपोर्ट केवल राज्य के माध्यम से किया जाए। मोनोपोली एक्सपोर्ट हाउसेज द्वारा टैक्स की चोरी को रोकने के

लिए कड़ा नियंत्रण लगाया जाए वरना इस देश को लूट कर खा जायेंगे। हिन्दुस्तान की कनिस्ट गैस को दुनिया की मार्केट में आगे बढ़ने के लिए प्रोत्साहन दिया जाय और रा-डीरियल को दुनिया की बाजारों में जाने से रोका जाए।

इन शब्दों के साथ मैं वित्त मंत्री महोदय का धन्यवाद देता हूँ और चाहता हूँ कि हिन्दुस्तान एक अग्रणी एक्सपोर्टिंग कन्ट्री बन सके और हम अपनी फारेन एक्सचेंज क्रेडिट पर बुनियादी रोक लगा सकें और अपने देश की अर्थ-व्यवस्था को इतना विकसित बना सकें कि हम एशिया और अफ्रीका के राष्ट्रों का नेतृत्व करने की हैसियत रख सकें। धन्यवाद।

SHRI PRA.NAB MUKHERJEE: Mr. Vice-Chairman, Sir, I am grateful to the hon. Members who have made their observations on the proposed amendment of the Central Sales Tax Bill. Sir, in this connection certain very important and basic issues have been raised, particularly with reference to the federal structure of the taxation. Somehow in the views expressed by some hon. Members it has been pointed out that by inserting certain provisions in the amending Bill we are going to deprive the States of their legitimate shares and we are debarring the States from imposing sales tax, which is their prerogative.

I would like to draw the attention of hon. Members to Section 3 of the amending Bill which says goods shall also be deemed to be in the course of such export. Mr. Vice-Chairman, Sir, you are well aware, as I have also mentioned in my introductory speech, that this has arisen out of the judgment given by the Supreme Court in the case of Mohammad Sa-rajuddin versus State of Orissa. Therefore, only at one stage, before the actual export takes place, the

State Governments would be debarred from imposing sales tax. So far as the competence of the Government of India is concerned, Sir, it is basically inherent in article 286 of the Constitution which empowers this Parliament to formulate the principles which should govern the sale or purchase of the goods with reference to import and export and with reference to inter-State trade. Therefore, the power defined in the Constitution and the items enlisted in the Schedule of the Constitution clearly demarcate the areas of operation of the State Government and the Government of India. So far as sales tax relating to export import trade is concerned and so far as sales tax relating to trade between various States within the country is concerned, this is the exclusive jurisdiction of the Central Government. That power is derived from article 286 of the Constitution and we are not going to disturb it. What we are trying to is just to formulate the principles of sale or purchase relating to exports which has been necessitated as a consequence of a judgement given by the Supreme Court in a particular case. As a result of the measures which we are competent to take and which we are aiming to have through this amending Bill, certain State Governments may suffer. I do not rule out that possibility. I had a detailed discussion with the Members from Kerala not only on the floor of the other House, but in my room and in the room of the Prime Minister. I had a discussion with the Finance Minister of Kerala. I do appreciate the genuine difficulties which the Kerala Government will face as a result of this Bill because the case of Kerala is peculiar. Most of the items on which they were imposing sales tax till today under their single point taxation system will be debarred from the imposition of sales tax if this Bill is given effect to in the form of an Act. But, that is not the case all over the country. That has to be kept in view. Multi-point taxation system or sales tax at the point of last sale or purchase immediately preceding

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export is not the same all over the country. The cases in which the point where taxation is levied is not one and where the multi point tax systems are there, do not fall within the purview of this amending Bill. The State Governments are not precluded from imposing sales tax at those levels. They are fully entitled to do it. We are not touching a single power of the State Government by amending the provisions of the Central Sales Tax Act. What we are doing, we are entitled to do. We are provided with that power by the Constitution under article 286. It is necessary as a result of a judgment of the Supreme Court. Why is it necessary? It is necessary because of the judgment. I would not like to quote the figures. I quoted them in the other House. Whatever some of the hon. Members might have said, even in the case of some of the traditional commodities exported from Kerala if we make a comparative study between the volume of trade between 1974-75 and 1975-76, we will find that there has been a reduction. Sometimes we talk in terms of value and sometimes we talk in terms of quantity. We may have higher appreciation in terms of value because of the inflationary trends in the world markets. But it has been reduced in terms of quantity. Therefore, it is not a fact that these are the items in which we have a monopoly. It is wrong to say, therefore, that even if we have sales tax and as a result of this incidence of sales tax, the exportable price becomes more, it will not affect our export trade. I am unable to accept that position.

Secondly, I could have considered their suggestion about making a provision in the Bill which would enable the Government to exclude certain items from the purview of the amending Bill. But the law is very clear on this point. We have obtained the advice of the Law Minister not only now but in a similar case in respect of aviation fuel. The interpretation of law made by no less a person than the Law Minister of the

[Shri Pranab Mukherjee] country clearly indicates that we cannot make any discrimination in this respect because it is the Parliament which formulates the principle which will be a guideline to us. Sir, I would like to quote a few lines from those observations because it is important, and somebody has the impression that if the Government so desire, they can make that enabling provision which would help to exclude certain items. Sir, I quote:

"The proposed amendment to the Central Sales Tax Act is rentable to power conferred on Parliament by article 286 (2) of the Constitution. This enables the Parliament by law to formulate principles for determining when a sale or purchase of goods takes place outside the State or in the course of import of goods into or export of goods out of the territory of India. Parliament can formulate general principles which can be applicable to all sales and purchases but it would not be open to it to lay down a principle applicable only to one commodity or a class of commodities."

Therefore, in that context, Sir, perhaps, we cannot insert a clause which would enable the Government to take out any particular commodity or a class of commodities from the purview of this clause.

Sir, regarding the declared goods, certain hon. Members and particularly the lady Member from Gujarat took a very strong exception. I am really surprised, Sir, that if this view is taken, I am sorry, the whole concept which we are developing will be shattered. Is it because of the fact that certain public sector projects are established in certain areas as a result of which, a certain amount of imported materials will come there and which will be manufactured or processed there, and because of certain economic reasons, at the cost of the exchequer of the whole nation, that they would like to impose sales tax, which affects the entire economy, on that particular commodity, as they

like? So far as crude is concerned, Sir, the total sales tax imposed by the Gujarat Government was in the order of 8 per cent, and when we wanted to bring it as 'declared goods'—and the sales tax will be reduced from 8 per cent to 4 per cent—we took into account what would be the total deduction. There is no denial of the fact that as a result of that deduction, they will get less sales tax. But the amount of royalty which they get will be much more. I would just like to quote the figures for the information of the hon. Members. The additional royalty income which they get would be Rs. 10.80 crores, and their deduction in sales tax would be Rs. 4.80 crores. Therefore, there will be a net gain of Rs. 6 crores. I wish that if this formulation could have been applied to many States, instead of criticising the Government for this policy, they would have welcomed us and they would have congratulated the Ministry. Perhaps, the hon. Member has not realised the problem in its proper perspective. We shall have to keep it in mind. It is true, it is an important area where the State Government can fall back upon, and the State Government can enhance their resources. But, Sir, in the principle of taxation, there are certain limits beyond which we cannot go. Out of your own experience, Mr. Vice-Chairman, Sir, you are well aware that in certain areas, some distortion has taken place so far as the sales tax is concerned, as it was very correctly pointed out by Mr. Lakshmana Gowda. If you impose sales tax at the paddy stage, then at the rice stage and then at the cooked food stage, the total incidence that will be passed on to the consumer would be detrimental to the interests of the community. And this has to be kept in mind. Sir, Mr. Chaudhary is not here. As you know, Sir, in this country, there is not a separate class as a consumer or a producer. A producer of a particular commodity is the consumer of all the rest of the commodities. Therefore, there is not a single person in this country who is not a consumer of a commodity or a

class of commodities. Therefore, Sir, if such a distortion takes place, it would be the responsibility of the *Government* of India to take it into account and come forward with remedial measures. What we have done is just that; nothing more and nothing less.

Some hon. Members have suggested the postponement of the discussion because we did not discuss with the State Governments. We did. We discussed with the various State Governments at the officers level. On certain other items I myself took it up, particularly in regard to rice and paddy. We took up the matter with the Chief Ministers and the Finance Ministers. Some of them agreed. Some of them did not agree. And, this is not merely a question relating to these particular items. It is known to you that some of these items have been discussed for almost five to six years. Babuji as Food Minister has taken it up with the State Governments. It has been taken up in the conference of the State Chief Ministers. It has been taken up by me or by my predecessors so as to bring about some amount of uniformity in the elements of sales tax. The problem is even in respect of the Delhi Sales Tax Bill. Perhaps you will remember that the provisions of the Delhi Sales Tax Bill are to some extent contradictory to the interests of the neighbouring States and it would be our effort to see to what extent we can narrow down these contradictions and bring about some amount of uniformity. Efforts in this direction are constantly being made and the views of the State Governments are taken into account. But that does not mean that if they oppose and yet we find something is justified we shall not impose that. After all, at a certain stage we shall have to arrive at some finality. Otherwise what would be the effect? Even Mr. Kalp Nath Rai and Mr. Lashmana Gowda very rightly demanded that more and more goods should be canalised through public sector institutions like

the STC but as a result of the judgment of the Supreme Court even the STC will have to pay the sales tax and after all from where will the money come? It will come from the public exchequer. Therefore we shall have to take a total view. I do agree that there will be some difficulties as a result of the provisions of this enactment in respect of certain State Governments, particularly Kerala. But by amending the provisions of the Central Sales Tax Act and not by discussing the provisions therein that problem cannot be sorted out. This is basically a question of resources. We have to see how we can provide alternate sources. What could be the formulation? In what way they can be made good of the losses which they are incurring in this particular area? That is a matter and a larger issue which shall have to be taken into account and, as I have mentioned on an earlier occasion on the floor of the Lok Sabha, this matter will have to be considered by the Planning Commission and the Ministry of Finance in consultation with the State Governments. Therefore, this is a problem which we shall have to take into account. The hon. Members mentioned that we are depriving the State Governments of their revenue. Here, Sir, I would like to submit most respectfully that after all it is the Government of India which has to meet the responsibility. It is true that sometimes we try to bring about some amount of discipline either by putting restrictions on overdrafts or by requesting them to confine themselves to the ways and means positions which has been prescribed. But when a State

incurs a huge deficit after all no State is being declared insolvent. We have to find out certain resources, we have to find out certain alternatives and we are making that exercise constantly. But unless and until we bring some amount of fiscal discipline, I am afraid, Mr. Vice-Chairman, the results which we have

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been achieving and which we have achieved on the economic front will be lost. That is why this is a serious problem. No doubt the problem of ways and means, of finding alternative resources, is a peculiar problem with special reference to Kerala because of its tax structure at the single point level. Therefore this matter will be looked into. The next Finance Commission is being set up. I hope they will also consider it and the problem would also be tackled by the Planning Commission and the Finance Ministry in consultation with the State Governments. Therefore, I do not feel that there is much need to be alarmed, which requires the postponement of the discussion of the Bill or to make an enabling provision in the Bill itself so that we shall have to take the opinion of the State Governments. Their views have been taken into account. They have given particular views and reasons for those views. To whatever extent it was possible for us to accommodate those suggestions, we have done. But to the extent to which we could not do, most humbly and respectfully I may submit, Sir, that it could not be done and their views could not be accommodated.

Sir, certain other issues have also been raised. Strictly speaking, those issues do not come under the purview of the discussion on this Bill. Now, whether we should have a policy of export of raw materials or of finished products, is undoubtedly a larger issue. I would only submit that nobody wants to export raw materials if they have the capacity to convert that raw material into finished goods. But with it, the larger questions of resources, capabilities, infrastructure, level of industrial development etc., are intimately connected. Therefore, formulating a policy like that—we

should not export raw materials and we shall export finished goods—may sound very nice but to some extent, it may be unrealistic if we do not have the necessary supporting infrastructure to convert the raw materials into finished goods. That too has to be kept in mind. However, this is a larger issue and, strictly speaking, it does not come within the purview of my Ministry.

"With these words, Sir, I hope that I have covered the salient points which the hon. Members mentioned. I hope that they will give their unanimous approval to the provisions of the Bill. Thank you.

THE VICE-CHAIRMAN (SHRI LOKANATH MISRA): The question is:

"That the Bill further to amend the Central Sales Tax Act, 1956, as passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI LOKANATH MISRA): We shall now take clause-by-clause consideration of the Bill.

*Clauses 2 to 9 were added to the Bill.*

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

SHRI PRANAB MUKHERJEE: Sir, I move:

"That the Bill be returned."

*The question was put and the motion was adopted.*