

SHRI MANUBHAI SHAH: Sir, that is a much larger question, whether in order to avoid the payment of duty by the industry we will be able to become self-sufficient. Well, Sir, there are many more compelling reasons to become self-sufficient, but that is rather difficult. I may, however, assure him that whatever we produce here will be more expensive than the import plus duty.

SHRI B. D. KHOBARAGADE : May I know whether the new companies which were given licences to manufacture newsprint have taken any effective steps to go into production?

SHRI MANUBHAI SHAH: Well, Sir, out of the four, the Nepa Mills is taking steps. The mill in Punjab is also taking steps. But the other two mills are still under a sort of negotiation.

SHRI B. D. KHOBARAGADE: May I know whether, in view of this grave shortage of newsprint in the country, any efforts are being made to increase the import of newsprint? May I also know whether it is a fact that some North American countries have agreed to supply newsprint and, if so, whether we have accepted that offer from the North American countries?

SHRI MANUBHAI SHAH: Sir, our sympathy, as far as the Government is concerned, is the maximum as far as the newspaper industry is concerned, but looking to the foreign exchange shortage, there is no possibility of increasing the foreign exchange and whether it is a barter or a East European Trade Agreement, there is no difference between the foreign exchange and rupee payment as regards the import of any commodity.

AMALGAMATION OF SALES TAX WITH CENTRAL EXCISE

*512. **SHRI SITARAM JAIPURIA:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that representations have been received from various Trade Organizations suggesting the amalgamation of Sales Tax with Central Excise wherever applicable, as in the case of cotton textiles; and

(b) if so, by what time a decision will be taken in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI B. R. BHAGAT): (a) and (b) A statement is laid on the Table of the House.

STATEMENT

(a) Yes, Sir.

(b) The decision rests with the State Governments and so it is not possible to say what decision will be taken and when. Under the Constitution, sales-tax on intra-State sales is generally a State subject of taxation and the Central Government cannot replace sales-tax by additional excise duty on any commodity, without the concurrence of all the State Governments.

The question of extending the scheme of replacement of sales-tax by additional excise duty to a few more commodities of general consumption, was referred in 1959 to a Committee of Chief/Finance Ministers of States. No unanimous conclusion could, however, be reached on the extension of the scheme to other commodities and the Committee, therefore, recommended that the proposal might be dropped. The Government accepted the recommendations of the Committee and decided not to pursue the matter further.

SHRI SITARAM JAIPURIA: In the statement it is mentioned that it is only with the concurrence of the State Government that this can be done. May I know from the hon. Minister whether it is not a fact that when the sales-tax was amalgamated with Central Excise Duty in respect of cotton textiles in 1957, the State Governments did not concur in this

proposal and yet it was carried through resulting in the yielding of big revenue to the Government? Does the Government propose now to persuade the State Governments to agree to this proposal?

SHRI B. R. BHAGAT: The first part of his assumption is not correct. It is not true to say that the State Governments did not concur and we imposed the conversion of Sales-tax into additional Central Excise Duty on a number of items. Actually, the fact is, it was done with the full concurrence of the State Governments and, as I said in the statement, a committee was appointed with the late Dr. Roy as the Chairman and a number of other Chief Ministers, to go into the question of further extension of this conversion and that committee came to the conclusion that since the State Governments were not willing to have further conversion, we could not do anything further in this matter. In a matter like this, unless the State Governments agree, it is not possible to extend it.

SHRI SITARAM JAIPURIA: Is Government aware that there is large scale evasion of Sales-tax because of this anomaly and in view of that, does the Government propose to issue an ordinance to ensure that this is done?

SHRI B. R. BHAGAT: No, Sir.

SHRI A. D. MANI: The hon. Minister in his reply said that the co-operation of the States was called for. I would like to know whether any State has opposed amalgamation of the Sales-tax with the Central Excise Duty.

SHRI B. R. BHAGAT: As I said, not any State but many States have opposed this and the Committee under Dr. Roy's chairmanship, with several other Chief Ministers, came to the conclusion that we could not go further because of lack of agreement. The position is that even

if one State Government does not agree to the conversion, we cannot undertake the conversion of the sales-tax into Central Excise Duty.

SHRI DAHYABHAI V. PATEL: Is the hon. Minister aware that the sales-tax, if not paid for three years, becomes time barred and as such the State Governments are losing a lot of revenue? In certain cases, the time factor is connived at and it is allowed to become time-barred. Has the hon. Minister's attention been drawn to it?

SHRI B. R. BHAGAT: That is not a matter for us but for the State Governments to consider. It is not a matter for us.

श्री बिमलकुमार मन्नालालजी
चौरङ्गिया : क्या श्रीमान्, यह बतलायेंगे कि शासन ने इस प्रस्ताव की उपयोगिता के बारे में कोई जांच की अथवा नहीं और स्टेट गवर्नमेंट्स को क्या क्या एतराज हैं ?

श्री बी० आर० भगत : खास एतराज यह है कि उन के बजट में जो लचीलापन होता है सेल्स टैक्स से, वह जाता रहेगा । इसलिये अपने हक को वे छोड़ना नहीं चाहती ।

श्री बिमलकुमार मन्नालालजी
चौरङ्गिया : उपयोगिता के बारे में शासन ने कोई जांच की अथवा नहीं और इस का कोई लाभ होगा या नहीं ?

श्री बी० आर० भगत : सारी बातें जांच की गई और एक कमेटी के सुपुर्द की गई और कमेटी इस निर्णय पर पहुंची कि इस में कोई आगे कदम नहीं उठाया जा सकता क्योंकि यह सेल्स टैक्स राज्य सरकारों के मातहत है संविधान के अधीन । इसलिये जब तक उन की राय न हो इस पर हम आगे नहीं बढ़ सकते ।

श्री عبدالغली : کیا سرکار برائے گی

کہ پرائم منسٹر صاحب کے پاس یہ شکایت آئی ہے کہ ایک ہی ملہجنگ بورڈ میں ایک چھف منسٹر کے لئے پورے دس لاکھ صرف سٹیلز ٹیکس کا ہے اور وہ وصول نہیں ہو رہا ہے - اس کے پورے نظر کیا سرکار سوچ رہی ہے کہ کوئی ایسا اپناٹہ کیا جائے کہ سٹیلز ٹیکس کی بجائے ایک ایسا ٹیکس ہو کہ پورے کوئی کڑبڑ ہو ہی نہیں -

†[श्री बबुल गनी : क्या सरकार बतायेगी कि प्राइम मिनिस्टर साहब के पास यह शिकायत आई है कि एक ही मैनेजिंग बोर्ड में एक चीफ मिनिस्टर के लड़के पर दस लाख सिर्फ सेल्स टैक्स का है और वह बसूल नहीं हो रहा है। इस के पेशे नजर क्या सरकार सोच रही है कि कोई ऐसा उपाय किया जाय कि सेल्स टैक्स की बजाय एक ऐसा टैक्स हो कि फिर कोई गड़बड़ हो ही नहीं।]

श्री बी० आर० भगत : यह तो उन्होंने एक खास सवाल उठाया है। इस की पूरी सूचना मेरे पास नहीं है। मगर फिर भी जैसा मैंने कहा यह राज्य सरकारों के मातहत है और वही विचार कर सकती है।

SHRI B. K. P. SINHA: Sir, the hon. Minister said in his reply that unless all the State Governments agreed, it was not possible to go ahead with the scheme. May I know whether there is any difficulty in imposing this in those States which have already agreed? May I also know

whether the difficulties are constitutional, legal or administrative, in introducing this amalgamation schemes in those States which agree to this scheme?

SHRI B. R. BHAGAT: The difficulty is constitutional as well as administrative because if other States do not agree and one State agrees, the Central Excise Duty cannot be levied in one State and not in other States.

SHRI UMASHANKAR DIKSHIT: Sir, I want to know whether one Member can ask supplementaries on the same subject in connection with all the questions asked in this House?

(No reply)

SHRI BABUBHAI M. CHINAI: The hon. Minister said that a committee was appointed to review the whole position. Will the Government be pleased to state whether it will be able to lay the report on the Table of this House?

SHRI B. R. BHAGAT: There is no report of this committee. This was a committee of the Chief Ministers and others and it is not a public document in that sense. I have repeatedly, times without number, talked only about the conclusions of the committee. The committee did not submit any report.

SHRI BABUBHAI M. CHINAI: Even if the conclusions of the committee are laid on the Table of the House, we will know what the conclusions are.

SHRI B. R. BHAGAT: I have already said, Sir, that the conclusion of the committee was that they did not favour any extension of the scheme of conversion of sales-tax into Excise Duty.

*513. [The questioner (Shri S. C. Karayalar) was absent. For answer, vide cols. 3631—33 infra.]

†[] Hindi transliteration.