Sir, with these words, I request that the Bill be passed.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

THE MEDICINAL AND TOILET PREPARATIONS (EXCISE DUTIES) BILL, 1955

THE MINISTER FOR REVENUE AND DEFENCE EXPENDITURE (SHRI A. C. GUHA): Sir, I move:

"That the Bill to provide for the levy and collection of duties of excise on medicinal and toilet preparations containing alcohol, opium, Indian hemp or other narcotic drug or narcotic, as passed by the Lok Sabha, be taken into consideration."

Sir, this Bill is intended to help the pharmaceutical industry. Though this Bill is being piloted by the Finance Ministry and has also been styled as a Bill dealing with excise duties, in fact, the Central Government has got no revenue motive in piloting this Bill.

Under the 1935 Constitution, this item was in the Provincial List and the Provincial Governments were imposing duties on thee. articles at varying rates. There was no uniformity and the rate of duty was varying from one A-ovince *to* another. I shall be able to give you an idea of the rates of duty. The rate of duty for spirit contained in chloroform was Rs. 5 in Ajmer, Assam and Bombay, Rs. 40 in Bengal and Orissa, Rs. 17/8 in Madras and Madhya Pradesh and Rs. 24/6 in Delhi and Punjab. This was the condition before. The industry was feeling it very difficult and the Government of India was also faced with this difficulty. In 1937, there was a conference of the Excise Commissioners of different Provinces; they made certain recommendations but those recommendations were not implemented and, in the meantime, war also intervened. There was another conference in 1949. By that time, the Constitution was also passed and the framers of the Constitution took this difficulty into account and this entry was put in the Union List, i.e., List I, as entry 84 of the seventh schedule. After the passing of the Constitution, at the 1949 conference of the Ministers of different States, it was possible for them to make certain recommendations so that the Central Government could take proper action in the matter.

This conference set up an expert committee to look into the whole question. The expert committee submitted an interim report in 1951. The Central Government communicated these recommendations of the committee to the different State Governments which, more or less, implemented those recommendations and a sort of uniformity has thereby been effected. But that is only with the willing co-operation of the different States. There was no binding force; there was no legal authority behind this uniformity. In the meantime, another complication arose, namely the policy of prohibition. Different States have been showing varying degrees of enthusiasm and zeal for prohibition and naturally the policy and the rates of duty on these articles were varying from State to State. It has, therefore, become necessary for the Government to take legal authority so that the Government can control the rates of duty.

I should mention here that the pharmaceutical industry is an important industry of the country. We have about 1700 big or small pharmaceutical units with near about Rs. 25 crores invested and the Government cannot allow the fortunes of that industry to be endangered through different policies of the different States. Now, the Constitution has given the Central Government authority to fix the rate of duty on these

[Shri A. C. Guha.] articles but the duty will go to the State Governments. It will be collected by the State Governments also and it will go to the State Governments. That is why, as I said in the beginning, while piloting this Bill, the Central Government and the Finance Ministry have no revenue motive behind this measure. It is simply for the interest of the industry that we have taken up this measure.

The expert committee made a number of recommendations. Most of the recommendations belong to the sphere of the State Governments, so far as their implementation is concerned. I think about 21 of them have, more or less, been implemented or are in the process of being implemented and there are ten other recommendations which have not been implemented as yet. We are going to implement a few of them under this Bill; Government will have rule-miakkig power and those rules will implement some of the recommendations of that expert committee. Still, one very important recommendation remains, that is, in regard to Inter-State movement. The position here is very unsatisfactory. India is one country with one industrial policy and there should not be any barrier for the movement of goods produced in one part of the country to another part but still, there are some difficulties and those difficulties have further increased due to the prohibition policy. That part of the recommendation, I think, will be covered by a Bill which the Commerce and Industry Ministry will bring forward in the near future. I am here concerned with only two recommendations of the expert committee—prescription of the rates of duty on medicinal and toilet preparations containing spirit, etc., and drawing up a list of preparations liable or not liable to be used as alcoholic beverages. This will be done under clause 19, sub-clause (2)(xx). In the schedule we have prescribed certain rates of duty. This is the main purpose of this Bill and I should like to mention here the implication of some of the clauses.

I think there might have been some apprehension about the real implication of clause 3(2) wherein provision has been made for bonded warehouses. It has been represented to Government from a few quarters that the purpose of that clause is that all manufacturers will have to main-i tain a bonded warehouse. That is not at all the purpose of this clause. The purpose of that clause is to effect the collection of duty. This is how the provision reads: duty will be collected—"where the dutiable goods are manufactured in bond, in the State in which such goods are released from a bonded warehouse for home consumption, whether such State is the State of manufacture or not;". The duty will be collected in the State in which the bonded warehouse is located and from which the goods are released,

SHRI RAJENDRA PRATAP SINHA (Bihar): The word is "home consumption".

SHRI A. C. GUHA: That means, the consumption within the country.

SHRI RAJENDRA PRATAP SINHA: How can you do away with the bonded warehouse in every State?

SHRI A. C. GUHA: It is not compulsory for any pharmaceutical company to maintain a bonded warehouse in every State.

SHRI RAJENDRA PRATAP SINHA: Those who have not got a bonded warehouse will not be able to sell in that State.

SHRI A. C. GUHA: No, he may please see clause 3(2) (b) dealing with non-bonded warehouse manufacture.

MR. DEPUTY CHAIRMAN: Wait Mr. Sinha. Let him continue.

SHRI RAJENDRA PRATAP SINHA: I want an explanation, Sir.

SHRI A. C. GUHA: Take the Bengal Chemical and Pharmaceutical Co., Ltd. It has got three factories, one in Calcutta, one in Kanpur and one in Bombay. It may have a bonded warehouse in Delhi or anywhere. ,If the bonded warehouse is situated in the Delhi State, then the duty on *the* pharmaceutical drugs containing alcohol and narcotics, etc., released from the bonded warehouse at Delhi will be collected .and retained, by. the Delhi State.

. ; SHRI RAJENDRA PRATAP SINHA: Why?"' .....

3 pm

• SHSSJA. C. GUHA: . If the Bengal ,Chemical..,Works does not maintain any bonded warehouse in Delhi, it does not matter. It is not compulsory to- rthem to maintain a bonded warehouse i.here.

SHRI RAJENDRA PRATAP SINHA: ,But how can they sell, here

SHRI A.C GUHA Why not? The only thing is that the 'bonded ware-house is in culcutta, or it may not, have any bonded warehouse and in that case if you please read subclause (b) "where the dutiable good are not manufactured in bond, in the state, in. which, such goods are manufactured, the position is clear, ji^j^al Chemical might not have maintained.any bonded warehouse at all. Then for ,the goods that will be collected only Calcutta or Kanpur or Bom-

SHRI RAJENDRA PRATAP SINHA: I am to understand that Bengal Chemical can pay the duty in Calcutta, and sell the goods in Delhi?

^.Spra A. C. GUHA: Yes, if the ^.B^ngal - Chemical do not maintain any beaded warehouse, that will be the l-pftpiticgvun H they maintain a bonded l warehouse then the duty will be .coUect^d , in,, the 'State in which that warehouse is situated.

SHRI RAJENDRA PRATAP SINHA. And then it is free to move out from that State?

SHRI A. C. GUHA: Yes.

DP. R. P. DUBE (Madhya Pradesh) : What happens to other States where there is prohibition?

SHRI A. C GUHA: Prohibition? I am to say that this Bill is not going to take care of prohibition as such.

DR. R. P. DUBE: But the duties are different there.

SHRI A. C. GUHA: There *too* the duties will not be different as is the case now and this Bill is intended to have a uniform, duty.

Another point on which I apprehend there might have been some misunderstanding is about the Ayurvedic medicines. There also I think the provision of this Bill has not been properly realised. At present the duty on Ayurvedic medicines also varies from one State to another State and each State may put any duty as it likes. In fact, these duties are varying widely from one State to another State. This Bill only provides that even for Ayurvedic medicines which are potable, there will be a uniform duty and for those which are not potable there will not be any duty at all. So, for Ayurvedic medicine also this Bill is not making the position any the worse; rather this Bill will provide better facilities for Ayurvedic medicines also to have a sort of fair movement of goods and fair market.

Sir, with these few words I commend this Bill, and, as I have said in the beginning, it is not a revenue Bill as such because the Central Government won't ge% a single pie out of this Bill. This Bill is intended simply to help the industry and I can assure you the industry ha» welcomed this Bill.

DR. W. S. BARLINGAY (Madhya Pradesh): May I just ask one question? The hon. Minister will be pleased to find that in the Schedule a distinction is made in items (i) and (ii). (i) is "Ayurvedic preparations containing self-generated alcohol, which are not ,capable of being consumed as ordinary alcoholic beverages." (ii) is "Ayurvedic preparations containing self-generated alcohol, which are capable of being consumed as ordinary alcoholic beverages." Is it possible for the hon. Minister to enumerate which substances come under 2(ii), namely, those Ayurvedic preparations containing self-generated alcohol, which are capable of being consumed as ordinary alcoholic beverages, and whether there is any evidence to suggest that Ayurvedic preparations are being used to that end?

SHRI A. C. GUHA: I think we have got several reports that Ayurvedic medicines are often misused in that way and many other drugs like that are also being misused for alcoholic preparations.

DR. W. S. BARLINGAY: I would like to know what are those preparations.

SHRI A. C. GUHA: I think among the Ayurvedic medicines, they are *asavas, arishtas* or something like that. I am not an Ayurvedic man. The hon. Member may refer to the expert committee's report and we have taken this on the expert committee's recommendations.

M!n. DEPUTY CHAIRMAN: Motion moved:

> "That the Bill to provide for the levy and collection of duties of excise on medicinal and toilet preparations containing alcohol, opium. Indian hemp or other narcotic drug or narcotic, as passed by the Lok Sabha, be taken into consideration."

DR. D. H. VARIAVA (Saurashtra): Mr. Deputy Chairman, the provisions contained in this Bill are very essential. It aims at a uniform duty on toilet preparations containing alcohol and other narcotic drugs and also medicinal preparations containing them; for, at present we find that there is a great disparity in the duties charged in different States and due to that medical men are greatly hampered in their work because one preparation which is sold in Bombay at, say, Rs. 5 is sold at Saurashtra at Rs. 3 or other preparations which are sold in Madras at Rs. 2 are sold in Bombay and Saurashtra for Rs. 5 due to the variations in duties. There is a great hardship not only to the doctors but to the general public which has to take medicines and when this disparity is there, it is very difficult for dispensing such things.

Another thing is that due to the prohibition policies there is such a strictness about medicinal preparations containing alcohol that at times it is very difficult for medical men to obtain these preparations. There are certain schedules and certain prices fixed for such alcoholic medicinal preparations, but if you go to the market you will see that these rules are flouted by the traders openly. Take, for example, tincture card. co. which is a very common medicinal preparation used in medicine and is scheduled to be sold at, say, about Rs. 2-8-0 but they openly demand about 4 to 5 rupees and the contention is that the traders do not get sufficient permits for importing this preparation from one State into another and so for that reason the stocks are not properly available. But if, say, instead of Rs. 2-8-0, Rs. 5 is paid* then this preparation becomes very readily available. So, by this Bill if the duties charged are equalised in all the States then it must also be compulsory for traders that they sell such preparations even in States where there is prohibition at the scheduled rates, and it is also incumbent on the Central Government to see that even in States where there is prohibition these preparations which are medicinal and

which don't come under the term of alcohol' as such should be freely allowed. I know that in many States where there is prohibition there is a great consumption of tinctures of every kind, particularly tincture card. co. tincture gingiberis and even spirit chloroform and due to prohibition people who are addicted to alcohol easily resort to such preparations. One day I was sitting in my consultation room and there was a bottle of tincture camph. co. on my table. A patient came and asked me -What is this?" I said, "This is tincture and I am going to prescribe it to you because you are suffering from cough". Then he said, "I take half of this bottle easily every few days in the company of my friend. So how is it going to do me good if you give only one or two drachms?" Such is the position that these tinctures now-a-days are consumed in a very large quantity instead of alcohol.

I think in many provinces where there is prohibition, the consumption of such tinctures has increased by about 300 to 400 per cent. However, in order to ease the situation both for the doctors as well as for the patients about these preparations, the Central Government should see that no trader sells such preparations above the scheduled price simply on the ground that they are not able to obtain these preparations or that they are unable to obtain the necessary permit or that there is delay in getting them.

There is provision here for searches and arrests but vexatious search and seizures should be stopped. I must say that lately, wherever there is prohibition, such vexatious arrests and searches have become very common. Even people going in the streets are stopped by the police and their mouths are smelt. They are arrested, searched and sent to hospitals for confirmation as to whether they are drunk or not. That should be stopped. Although prohibition is a provincial subject— I think now there is a committee \>*t* the Central Government sitting to consider these things— when prohibition is enforced throughout India, I think it will be very difficult to control these tinctures and such medicinal and toilet preparations which contain alcohol and other narcotic drugs, and I think the Central Government will have to bring certain measures to stop such vexatious arrests and searches.

Now, on medicinal and toilet preparations containing alcohol, which are prepared by distillation or to which alcohol has been added, and which are capable of being consumed as ordinary alcoholic beverages, there is a duty of Rs. 17/8 per gallon, whereas on Ayurvedic preparations containing self-generated alcohol, which are capable of being consumed as ordinary alcoholic beverages th# duty is only Rs. 3 per gallon. The strength is to be London proof spirit which means a certain quantity of alcohol which weighs exactly 12/13th parts of an equal measure of distilled water.

Now, there is a discrepancy. For ordinary medicinal and toilet preparations the duty is Rs. 17/8 while for Ayurvedic preparations it is only Rs. 3. These Ayurvedic preparations containing self-generated alcohol can also have a percentage of alcohol which is almost as large as other medicinal preparations which are distilled or to which alcohol is added. So I cannot understand why this difference should be there. The hon. Minister said that they drew up this Schedule after consulting the expert committee and I would like to know what were the reasons for the committee to recommend this disparity between Ayurvedic and other preparations.

Now, it is a common practice in many States, particularly where there is prohibition, to pass time after time certain laws or resolutions to prevent the sale of certain tinctures and evo>» certain Ministers of certain State* have requested the medical profes-

[Dr. D. H. Variava^ sion that the doctors should stop prescribing any tinctures of other medicinal preparations which Contain alcohol. I think that is a tall order. Of course, I have nothing to say against prohibition and we are not discussing prohibition now. This is a Bill for the equalisation of duties on medicinal and toilet preparations containing alcohol. When prohibition becomes more general, I think it will become very difficult for medical men the patients "and the general public to obtain . medicines which contain alcohol. I think a line should be drawn between medicinal preparations containing alcohol and consumption of pure, spirit. A rule should be made that under no circumstances can any Government or any Department of Government compel people not to use medicinal preparations containing alcohol, otherwise * will become obnoxious. Sometimes doctors find it very difficult to prescribe such tinctures and medicines and then I think in disgust they stop dispensing such things. The doctors have to maintain long lists of how much they have given to each. In certain States it is incumbent upon the doctor to keep a list of tinctures ihat he has used and given to each of his patients. Sir, consider a medical man having practice in a thickly populated locality where he has got to prescribe to about 100 to 150 patients per day with only one compounder. I think it will be very difficult for him to keep such a list of how much he has used, how much is remaining with him and so on. So, when this Bill is passed it must be seen that obnoxious searches and arrests are strictly prohibited.

There is the power to make rules and it is stated that the rules made by the Government shall be laid before both Houses of Parliament. There are certain medicinal preparations which contain a large quantity of alcohol but at the same time which are very effective and they are absolutely necessary for the purpose of dispensing and for the treatment of patients. If such things are included in the Schedule, the Government must see that they frame their rules in such a way that in'areas where there is prohibition no difficulty is felt by the doctors as regards these preparations. The rules- must be liberally implemented. They must also see that these > preparations which- " a«e included in the Schedule are readily available both to the doctors' and to the patients. With these words, I recommend this Bill to the House.

SHHI RAJENDRA PRATAP SINHA: Mr. Deputy Chairman, I crave your indulgence to take you to the histori cal background of. this measure. It is important that we should consider the historical background of this Bill, not only in. order to appreciate the genesis of this Bill but also in order to appreciate the criticism that I pro pose to offer on this measure.

The importance of spirituous preparations in the pharmaceutical industry is well known to hon. Members of this House. It is not only important from the point of view of medicine but it has assumed an additional importance because of the abuse that these preparations could be put £6 in a prohibition State as has been pointed out by my friend who comes from a prohibition State. The pharmaceutical industry has recently grown up in this country and it is still in a state of infancy. The industry grew up largely under the protection offered to them by the abnormal situations created by the last war. And tod^y they are facing innumerable difficulties and find it almost impossible to face competition not only from the imported stuff but from their big brothers. The small concerns which grew up during the war-time cannot face the competition from their big brothers both of the foreign and indigenous varieties. The Pharmaceutical Enquiry Committee report states at page 19 that the number of large-scale concerns is only 75 all over the country, while the small-scale concerns number 1,568. My hon. friend, the mover of this

Bill, has quoted figures with regard to 'te pharmaceutical industry,' but I would -likre -him and the House to analyse'the importance of the different typiSS" of the indigenous industry m this- country. -,

As I have said, the number of small concerns is very large. In the report, at page 21, you will find that Ihe large-scale private enterprise under foreign control and/or collaboration • is only 28, whereas the large-scale private enterprise under Indian management is 54; and small-scale private enterprise is 1,550. Now, Snf let us see the capital invested in these different types of undertakings. The capital invested in the foreign concerns is Rs. 6,90,00,000; in the large-scale private - enterprise under Indian management it is Rs. 9,25,86,000; and in small-scale private enterprise it is Rs. 6 crores: So, you will find that even looking from the point- of view >of the capital invested, the small-scale private enterprise is not small. They have put in an equal amount of capital as the foreign concerns, although the number of " foreign concerns is only 28 and. that of the small-scale private enterprise is 1,550.

Now, Sir, look at this question from the point of view of sale value of products, sold in 1952. . You will find that the sale made by the foreign concerns of India is of the order of Rs. 13.13.49,000 and those made by the Indian, large scale concerns is Rs. 13,38,00,000. You will .find they are identical more or less with the- sale value of products by the large-scale private industry, whether in foreign hands or in Indian hands. Now, the small-scale private enterprise sales in 1952 were Rs. 7 crores, practically half—if you take individually the big enterprise, Indian-managed and foreign-managed. This shows that although their number is large and although you will find later on in this particular report that they have . a good capacity to increase their production, they are not able to do so in the face of the competition from these large concerns. Therefore, their capacity remains idle. From the national point of view, the role of the small-scale industries is more important than the role played by the larger industries. The large-scale foreign industries consumed indigenous raw materials in 1952 of the value of Rs. 59,72,000; whereas they consumed Rs. 4,17,00,000 worth of imported raw materials. If you look at the large-scale Indian-managed industry the position is that they consumed Rs. 1,73,00,000 worth of indigenous' raw materials; whereas they consumed Rs. 2,23,00,000 worth of imported raw materials in their manufacture. Now, look at the small-scale private enterprise. Their consumption of indigenous raw materials and indigenous herbs was of the'order'Of Rs. 2,50,00,000 and as compared to this, they consumed only Rs. 70 lakhs worth of imported raw materials. You can realise now the importance of the small-scale industry and the amount of employment not only in their own concerns, but also in the subsidiary concerns that they provide.

Sir, I place these figures in great detail so that a little later, when I point out how this measure that is before us is going to affect adversely ' the small-scale industries, you will be able to appreciate the position. With this end in view, I have quoted at length these figures so that the House may appreciate the very great importance of the small-scale industries which will be adversely affected by this measure that my hon. friend is piloting today.

From the very inception, the pharmaceutical industry has been suffering from two main difficulties. Firstly, as was pointed out by the non. mover himself, there were varying and different rates of duties imposed by the different States—the princely States and the Provinces in the old days. And secondly, each Province or princely State had its own rules for the manufacture of preparations containing alcohol. Now, this created difficulties in the development

- [Shri Rajpndra Pratap Sinha.] of the industry and placed the indigenous industry at a great disadvantage in competing with the imported stuffs which were allowed free movement all over the country without any restrictions. The expert committee, to which my hon. friend referred, points out in the very first chapter: "the diversity in the rules for the manufacture of these preparations and the different rates of duty and licence fee\ in force, created bottlenecks in the inter-State transport of these goods. The fact that the imported goods after payment of duty at the port of entry were allowed freedom of movement in the whole country made the position still worse." I would like to examine whether the present measure is going to ease the situation, remove the bottlenecks; or the present provisions in the Bill will increase the bottlenecks. That is the point that I would like to examine.

As has been pointed out by my hon. friend, in response to the agitation carried on by the industry, the Government of India in 1937 called an All-India Excise Conference. This conference examined in very great detail this question and the difficulties which this industry was put to.

Now, let us examine what were the main recommendations of this conference. I want to point out to the House that there have been uniform recommendations throughout and therefore all these recommendations have assumed very great importance, after repeated recommendations which have come from various conferences and the expert bodies. Sir, what were the recommendations? The main recommendations were that as usual, there should be uniform rates of duty imposed in the different States, and there should be concessional rates of duty on medicinal preparations which were not liable to be misused as alcoholic beverages. Then, the 1931 Conference also recognised the importance of facilitating easy movements between different Provinces and it recommended the reduction of formalities in respect of inter-State movement to the minimum. And thirdly, Sir, they accepted the principle of the levy of duty at the source 01 manufacture. That is very important from the point of view of the present measure. They also accepted the principle of securing the transfer of duty to the province of consumption. The main result which emanated from the 1937 Conference was the formulation of the reciprocal arrangements for the inter-State movement of spirituous preparations. And secondly, the practice of collecting duty at the source of supply, that is to say, the source of manufacture, and subsequent payment to the authorities of the Province or the State in which the article was consumed was introduced. These were the most important recommendations and the most important results which flowed out of the 1937 Conference.

Now, these two factors helped a good deal in removing the difficulties with respect to inter-State movements. The advantages were, however, nullified to a very great extent by the failure of some of the States in fully implementing the recommendations of the 1937 Conference. The details of these arrangements became so elaborate as to become cumbersome. Now, the difficulties. which the industry faced prior to the Conference of 1937, gradually reappeared. And with the attainment of independence, the industry started agitating, and a conference was called in the year 1949 known as the All-India Excise Conference. Now, if you examine the recommendations of this Conference, Sir, you will find that they are all on identical terms as the recommendations of the l'J37 Conference. They also recommended a uniform rate of duty in the different States and a concessional rate of duty or. such preparations as had therapeutic value and were not liable to be misused. And the 19<t9 Con-

ference also emphasised that there should be uniformity in the rules pertaining to the manufacture, sale and inter-State import and export rade. And finally, the 1949 Conference also recommended that the collection of duty should be at the source of supply, that is to say, in the State in which the manufacture takes place.

Sir, I will again quote from this expert committee report. This was the recommendation of the 1949 ' Conference. They say that there should be a uniform procedure for adjustment of duty between any two Governments, *viz.,* reciprocal arrangements for the collection of duty at the source of supply and the subsequent payment to the authorities of the Provinces or States or Union of States in which the articles are consumed. The importance of this Conference can be realised from the fact that it was attended, as has been stated in this report, by the Ministers and the Commissioners of Excise from all the Provinces. Now remember, Sir, that in 1949 we had the national Government. It was not the conference representative of foreign Governments but it was the conference representative of our own national Government, the Congress Government. And the recommendations that I have quoted to you just now were their own recommendations.

Now, in pursuance of the recommendations of this Conference, the Government appointed an expert committee in 1950, to which our friend has referred. I have gone through the recommendations of this committee also, and their recommendations were also on identical lines. Their recommendations were: The uniform rates of duty in all the States, and the concessional rates of duty for medicinal preparations not liable to be misused. And I am very happy to find that so far as this aspect of the recommendations is concerned, it is now being fully implemented under the provisions of this Bill. But there are other equally important recommendations of this expert body, which are in line with the recommendations of the conferences of 1937 and of 1949, and which are not being implemented under the provisions of this Bill.

As I have already pointed out to you, Sir, the other point was to afford all facilities in respect of inter-State movement and the removal of all bottlenecks that might be there in the inter-State trades. Now, the expert committee examined these questions in very great details, and in order to remove all bottlenecks in inter-State trade, they' recommended that the Government should prepare two lists. One list should contain the restricted medicines, and under this list all those medicines, which are liable to be used by addicts as alcoholic beverage in the 'prohibition' States, should be placed. The committee, with the help of the Drug Controller has drawn up a complete list of all those drugs and preparations which will be placed under the 'restricted medicines' list. And the second list was to be a list of unrestricted medicines which had only therapeutic value and which were not liable to be abused in a 'prohibition' State. Now, the committee recommended that all restrictions on the movement of unrestricted medicines or toilet preparations should be immediately and forthwith removed in order to help the growth of the industry, in order to help the inter-State trade and in order to put the indigenous manufacture at par with the imported stuff. Now. Sir, I will quote to you again from the expert committee report in order to emphasise my point. It is stated here that "The Committee was unanimous in its opinion that so far as the unrestricted drugs and preparations are concerned, there should be no restriction whatever on inter-State movement; once the duty has been paid." But this recommendation is not being implemented here. They are still

[Shri Rajendra Pratap Sinha.] having in these provisions all kinds of bottlenecks which will hamper the growth of inter-State trade in these unrestricted medicines. As I have already pointed out to you, the duty on the imported stuff is paid once at the port of entry, and then it is allowed a free movement all over the country. The Pharmaceutical Enquiry Committee report says at page 94:

"The whole procedure is very cumbersome and annoying, causing needless trouble to the manufacturers. Preparations containing alcohol imported into the country and for which customs duties have been paid at the port of entry have no restriction in their movement to any part of the country. This places similar products made in the country at a disadvantage as compared with the imported article."

Now, these recommendations of the Committee are not being implemented here. My interpretation of clause 3 is this. First, I will read out the clause:

"The duties aforesaid shall be leviable—

(a) where the dutiable goods are manufactured in bond, in the State in which such goods are released from a bonded-warehouse for home consumption, whether such State is the State of manufacture or not."

The whole trouble arises from the words "home consumption".

SHRI A. C. GUHA: 'Home consumption' means really consumption within the country, *i.e.,* not for export.

SHRI KISHEN CHAND (Hyderabad): Not within the State?

SHRI A. C. GUHA: Articles to be exported are not subject to any excise. There may be some bonded articles released from a bonded-warehouse for export, but these are not subject to excise duties. Home consumption means goods intended for consumption within the country, may not be within the State itself.

SHRI RAJENDRA PRATAP SINHA: That is very good. Am I to understand from the Minister that any concern, whether big or small, will be in a position to sell their products anywhere in the country once they have paid the duty at the place of manufacture[9]

SHRI A. C. GUHA: The wording is quite clear here. "The duties aforesaid shall b,e leviable..... in the State in which such .goods are. releas$_r$ed from a bonded-warehouse for home consumption, whe^tyer, sucfr.$_r$. State is the State of manufacture 'or ,not." In the, case of the Bengal Chemicals, if the goods are taken , qut of a bonded-warehouse in Delhi, the dut^ will be collected in .the Delhi,State.

SHRI RAJENDRA PRXTAP SINHA: The difficulty is nof .with regard to the duty bui with regard to the movement^, Will $_r$ there, be any control on movement?

SHRI 'A. C. GUHA: We are hot by this Bill 'going ' to' do anything with regard to inter-State movement, *iox* which the Commerce'and Industry Ministry is expecting to /bring forward a Bill shortly. ' .

SHRI RAJENDRA PRATAP SINHA': Then, my contention is correct, it appears. If the goods are manufactured in Calcutta under bond and are taken out from bond at Calcutta, theV cannot go but of Calcutta.

MR, DEPUTY CHAIRMAN: What do you mean by 'manufactured under bond'? .

SHRI A. C. GUHA: When .certain articles are manufactured under bond, there is a particular procedure to be followed. Whenever certain raw materials are kept under bond and when those raw materials are released from a bonded-warehouse,

an excise officer is present when these articles are taken out, or when manufactured goods are put in or taken out of a bonded-warehouse.

MR. DEPUTY CHAIRMAN: There are two categories. The duty is leviable (i) where the article is manufactured in bond, and (ii) where it is not manufactured in bond. If the article is manufactured in bond, the duty is leviable in the State in which it is released for home consumption. Where an article is not manufactured in bond, the duty is leviable in the State in which it is manufactured.

SHRI RAJENDRA PRATAP SINHA: So far as (b) is concerned, there is no difficulty. My point is very simple.

MR. DEPUTY CHAIRMAN: What is your difficulty?

SHRI RAJENDRA PRATAP SINHA: J will explain. Suppose a concern manufactures an article in bond in Calcutta. It pays the duty there and takes it out.

MR. DEPUTY CHAIRMAN: Your question is whether it is again leviable in the other State or not.

SHRI RAJENDRA PRATAP SINHA: In such a case, there should be no restrictions whatsoever. So far as the movement of the other case is concerned .....

SHRI A. C. GUHA: I repeat that it is beyond the scope of this Bill. This Bill is not intended to regulate inter-State movement. This has nothing[1]) to do with inter-State movement for which the Ministry of Commerce and Industry, as I have already said, is intending to bring forward a Bill in the Parliament shortlv.

SHRI AKBAR ALI KHAN (Hyderabad): *It* should be part of this Bill.

There is much in what our hon. friend, Mr. Sinha, says.

SHRI RAJENDRA PRATAP SINHA: My Doint is this: The Government wants to treat the whole question differently from the manner recommended by the expert committee, by the 1949 conference and the 1937 conference. The whole burden of their recommendation is this: Collect the duty where the goods are manufactured. After that, let it go free. That is the recommendation of the 1949 conference and the 1937 conference, but the expert committee went further. They divided the medicines into two categories; restricted and unrestricted. With regard to the unrestricted medicines, once the duty is paid, do not bother about it. Let it stand on the same footing as the imported stuff. Let there be no restrictions on the movement of both. My hon. friend says that he will collect the duties and then have the movement of these goods covered by another Bill.

MR. DEPUTY CHAIRMAN: That is only for export and import.

SHRI RAJENDRA PRATAP SINHA: The position about inter-State movement is not clear.

MR. DEPUTY CHAIRMAN: This Bill does not deal with inter-State movement.

SHRI RAJENDRA PRATAP SINHA: That is what I want. They should have a provision for that in this Bill itself. The Commerce and Industry Ministry should not come in at all in the case of these products for which the duty has already been paid. The Commerce and Industry Ministry should not come in the way of these products as they do not come in the way of the imported stuffs. Their whole idea is this. They want to pass *on* the benefit of the excise to the State which is consuming the products, and if this is the view, they must have some control over the movement from one State *to* another.

[Shri Rajendra Pratap Sinha.] They must maintain accounts and other things. They want to be very punctilious about this question. They do not want to give anything more or less to the consuming State. We say, "No, go by averages. You remove all restrictions once the duty has been paid." Then alone you will be placing the indigenous manufacturer and the imported stuff at par. Otherwise, it will not be possible.

Sir, I have been pointing out to you at length and I hope now the point will be clear to my hon. friend which I am making out. Now it is very evident from the statement made by my hon. friend that they have in view to bring in another measure for controlling the movements of the duty-paid alcoholic, medicinal and toilet preparations which we don't want. You can only remove that if we alter the whole basis of levying the duty. The duty should be levied at the source of manufacture and collected there. Now, how you allocate it is your concern. Let the industry be not bothered any more after that. That is the point that I would like to emphasise. The 1937 and 1949 conferences emphasised this point and unless the whole measure is viewed from that angle, the indigenous industries cannot be helped.

What are the consequences that will follow from this Bill? I have pointed out to you the importance of the small-scale industries—their large numbers and also their importance from the point of view that these small-scale industries are consuming more of the indigenous raw materials. My fears are that this Bill is definitely going to place them at a^ disadvantage. What is going to happen is this. My friend, who is very anxious always to help the big industries, naturally quoted the example of a very big Indian manufacturer, *viz.,* the Bengal Chemicals or something like that. But the difficulties of the small concerns don't DOther them. What will happen now? The small manufacturer will not be in a position to sell his produce outside his own State. This is going to Slow out of this provision. What is going to happen? This is going to help the big Indian and foreign manufacturers in this country who have big capital resources at their command, with all the big production and... v..

SHRI H. P. SAKSENA: Will you kindly explain how the small manufacturer will not be able to sell his products outside his own State?

SHRI RAJENDRA PRATAP SINHA: I am going to explain that. I am glad that the hon. Member is showing so much of interest in the discussion that is going on. The big business will maintain all over the country bonded-warehouses in all the States because they have the capi tal resources. They can increase their production ten-fold in no time because they have the technical know-how, »they have the machinery and they have the capital. Now it will be very easy and this is what they are going to do and send all their products.....

MR. DEPUTY CHAIRMAN: I am afraid the explanation given by the hon. Minister is not correct.

SHRI RAJENDRA PRATAP SINHA: I will tell you the implications of it. I know what is at the back of your mind because it is wrongly put before you.

MR. DEPUTY CHAIRMAN: Please hear me first. I think the explanation given by the hon. Minister may be wrong. You read the explanation that is given to clause 3 (3).

SHRI RAJENDRA PRATAP SINHA: I have read that »nd I have also read the measure that bas been introduced in order to control the inter-State trade. Now I can pass on to you the Bill that has been introduced in the other House. I would like you to read the two Bills together and then you can appreciate the criticism that I am offering. That is a very important point

MR. DEPUTY CHAIRMAN: All right, please go on.

SHRI RAJENDRA PRATAP SINHA: What will happen is that all these manufacturers will have bonded-warehouses in every State and they will send their products there and.....

MR. DEPUTY CHAIRMAN: Where do warehouses come in under the explanation?

SHRI RAJENDRA PRATAP SINHA: I would draw your attention to clause 3(2) (a).

MR. DEPUTY CHAIRMAN: It says in the explanation:

> "Dutiable goods are said to be manufactured in bond within the meaning of this section if they are allowed to be manufactured with out payment of any duty of excise leviable under any law for the time being in force in respect of alcohol, opium, Indian hemp or other ..... etc."

SHRI RAJENDRA PRATAP SINHA: This has nothing to do with warehouse at all. This does not apply to what I am saying. The duty is to be paid by all. There is no trouble with regard to that. What I am pointing out is that once the duty is paid, there should be no trouble with regard to inter-State movement.

SHRI A. C. GUHA: Sir, he has been shifting from one point to* another. Just now he was developing the point as to how this Bill wilt affect adversely the small unit. Again he is going to inter-State movement.

MR. DEPUTY CHAIRMAN: Let him go on in his own way.

SHRI RAJENDRA PRATAP SINHA: My friend does not under stand as to how the small man will be affected. I am pointing out what will happen by these two measures. I was stating that these two Bills to gether—the Bill that is likely to come and the Bill that is before us .....

MR. DEPUTY CHAIRMAN: That is hypothetical. We don't know what the provisions will be.

SHRI RAJENDRA PRATAP SINHA: I have got the provisions because that has been introduced In the other House and circulated to us.

MR. DEPUTY CHAIRMAN: That is right.

SHRI RAJENDRA PRATAP SINHA: What is going t<5 happen is this. All the big manufacturers will have bonded-warehouses in all tne States and they will send their goods there. They will be saving a capital outlay on the duty. That is advantage No. 1 which the big business will have. Now the small-scale industrialists have neither the resources nor the capital to have bonded-warehouses at all places in every State.

SHRI S. N. DWIVEDY (Orissa): It is now clear to Mr. Saksena.

SHRI RAJENDRA PRATAP SINHA: So they cannot sell their products in competition with the larger concerns in other States. If they want to sell, say, in State 'A' or State 'B' they must first pay the duty here and now, and then send it to other States. That is to say, they will have to pay the duty before sending the goods there. The gentlemen with large business may be able to save that money and have warehouses in ail States, as they manufacture on a large scale and their turnover in every State is large. That is implication No. 1. It will require a large investment by small concerns to follow this procedure, and they cannot afford to have bonded-warehouses all over the country. It will not pay them to have warehouses in other States because their turnover is so small in each State that to maintain a bonded-warehouse in each

[Shri Rajendra Pratap Sinha.] State is impossible, impracticable and uneconomical. Now, what is going to happen in the other Bill. The other Bill will come and control the inter-State movement of the duty-paid goods of medicinal and toilet preparation goods. Now, if I am a druggist in Patna and if I want to buy a Bengal Chemical tincture, I can go and buy it in Patna straightaway as ft is available there in Patna but if 1 want to buy a tincture prepared by a small concern in Calcutta, I have got to undergo all those restrictions and formalities which are laid down in the other Bill. I would rather like to pay even a little more and take the goods at Patna straightaway from Bengal Chemicals than go in for a tincture prepared by a small concern who cannot afford to keep a bonded-warehouse in Patna. That is how the sales of the small manufacturers will be affected and that is how this measure is going to. help the bigger concerns and completely stamp out the small concerns. Our friends do often smart when we, the Members o' the Opposition, make a criticism that our friends on the Treasury Benches are hand in glove with the big business. They put on soft kid-gloves in order to stamp out the small man and help the big man but that is how it is done. It is all the same a murderous hand and if you look at this clause, I am certain that you will find that this is a naked strangulation of the small industries and this is not the way to foster the small industries. This will go to help the big business and bigger industry in the pharmaceutical line which I have explained to you and also the foreign capitalists. That is why you will find that all the excise conferences or the expert committee recommended: "Don't have any restrictions when once duty is allocated." But the difficulty is this. I 4 ' ' would like hon. Members to understand and comprehend how the indigenous pharmaceutical industry works. .Each concern manufactures about a thousand items or more —even the small concerns. They make it in small bottles. Medicines, as you know, Sir, are taken in drops, not in spoonfuls. So they manu facture some thousand items. Then each order is of the value of Rs. 50 or Rs. 100 and each order consists of some eight or ten items. Each manufacturer has to deal with about 2,000 customers or so. Sir, how is it possible. I would like to ask, for a small manufacturer like the one, I have described, to undergo all these privations caused by this measure? I cannot see or appre ciate the.....

SHRI H. P. SAKSENA: May I know, whether all these thousand items that are manufactured contain alcohol?

SHRI RAJENDRA PRATAP SINHA: Sir, most of these medicinal preparations have got to use at one stage or the other alcohol in one form or the other and people who are conversant with the indigenous pharmaceutical industry will be able to bear me out.

SHRI S. N. DWIVEDY: But Mr. Saksena is puzzeld.

SHRI RAJENDRA PRATAP SINHA: The expert committee have very clearly stated that they had gone into this question in great detail as you will see when I read out from their report. They have suggested as to how the duties should be levied and how the duties should be collected. These have not been implemented by the provisions of this Bill and that is my quarrel. That is ' the grievance of the industry. You can also see whether those recommendations are being .implemented in clause 3 of this Bill which deals with the duties. The committee in paragraph 82 say:

> "If these are the only two alternatives open under the Constitution, as they appear to be, then the Committee would recommend the adoption of the first course, *i.e.,* of allowing the State that produces the goods to collect and keep the revenue."

The whole intention, Sir, of having these two measures is that the con-

suming States will get the duty on the goods that are consumed in their State and they will get the duty, not a farthing more nor a farthing less. That is to say, the Government of India, in bringing forward these measures is governed or rather is influenced by considerations of a revenue duty and not by considerations of helping the growth of this industry- Sir, a very significant remark was made by the expert committee and I wish the hon. Minister had been inspired by those considerations referred to by the committee and not by considerations of revenue collection, whether they be for the Centre or for the States. On page 8, they say:

"For a long time the formulation of rules on this subject was influenced by revenue considerations, though the revenue actually derived from this source is negligible. In the circumstances it is necessary to revise the policy and procedure built up over several years and influenced by revenue considerations and to substitute therefor rules and procedure designed primarily to encourage an essential industry and there could be no doubt that this industry is essential for the health and well-being of the people of the country. The dependence on foreign imports should be eliminated in this field and the handicaps that the trade now suffers from should also be removed."

But, our friends here are not being guided by these considerations of helping the industry and their main consideration seems to be that of revenue collection. That is why all these cumbersome procedures are imposed. If they had accepted the basic idea enunciated in this report, they would have put forward a simple measure merely saying that such and such will be the duty and it will be collected by the State where the production takes place.

Sir, let us examine the intentions of the framers of the Constitution. In the old 1935 Act, the excise duty

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on medicinal and toilet preparations was a State subject. But they were put in the Union List under entry 84 and inter-State trade was also governed by entry 42 of the Union List. These things were done merely to help the growth of the industry and to remove the bottlenecks at the border points and the restrictions in the inter-State trade. That was the intention of the framers of the Constitution. But that intention will be defeated by bringing forward these measures as is being done by my hon. friend there. Sir, I would like you to appreciate that if they had accepted the recommendations of the expert committee, they would have come forward with a simple measure to say that so much will be the duty and it will be collected at such and such places.

Now the difficulty will arise in the allocation of the revenue, because under the Constitution it is provided that the collection from excise duty will not form part of the Consolidated Fund of India, but that it will be assigned to the States that collect the dut> , So, this inter-State rivalry is coming into play and it is killing the growth of this industry. What is happening? In order to allocate the revenue properly, they have to adopt this method that has been proposed in these two Bills. This question was also examined in great detail by the expert committee and they have recommended that the duty should be collected and kept by the State which produces or rather manufactures it. Mark the word "keep". It should be kept by the State which manufactures the article. They went into the question of how this duty should be allocated and then they have said that there should be inter-State transactions and the duty could be paid on one of these bases: the average consumption of the las' five years; the average consumption of the last three years, simple proportion of populations; the density of population per square mile; income-tax receipts and on demographic basis. So they have actual^

[Shri Rajendra Pratap Sinha.J examined this question in great detail. But the Government nave not paid heed to it. I wonder if my hon. friend has examined the implications that will flow out of these two measures—the one that he has brought forward and the other that he is going to bring forward. Apart from the fact that these will help the big industry and kill the small industries, they are just undoing the progress that has been achieved during the last three decades in the matter \of removing the State barriers and in unifying the country and in .developing inter-State commerce and trade.

I would like the hon. Minister to appreciate this point. He is putting back the hands of the clock of progress to the age before 1937. Even the results of the 1937 conference will now be wiped out, the reciprocal arrangements will now be all thrown to the winds and we will, after the passage of this Bill and the other one, stand where we stood in the days before 1937. *(Interruptions.)*

I would like my friend to appreciate the point that I have made out and to look at this Bill again not from the point of revenue considerations but from the point of view of helping particularly the small-scale industries. Thank you, Sir.

SHRIMATI PARVATHI KRISHNAN (Madras): Mr. Deputy Chairman, the first question that I would like to raise before the hon. Minister is: why is it that again we have before us a limited measure? It seems inevitable that this Government is wedded only to a policy of peace-meal legislation. Whenever measures of this type come before the House, whenever we raise the point that comprehensive legislation is necessary if the problem is to be tackled in an effective manner, we always have the same excuses that *this* is being looked into by this Ministry, *that* is being looked into by that Ministry and so on and an approach towards comprehensive legislation seems to be totally absent and totally lacKing on the part of the Government. When a measure of this kind is before the House, the first thing one has to see is whether it is going to help the industry with which it is directly concerned. The hon. Minister, it seemed to me, went to great pains, coming as it did immediately after the Budget discussion, to assure the House that the Government is not interested in money; it is not interested in finance; "no, no, we are such a good Government, we are so benevolent and we are only interested in taking forward the industry and in helping the industry to develop" and so on. Shakespeare is so often quoted on the floor of the House, Sir, and today, more than ever, comes to my mind that famous phrase that "the Lady doth protest too much" in this case a very bashful lady who presented the whole Bill in such a bashful manner and, therefore, the most unconvincing, to my mind.

Now, Sir, let us take this question. Does this measure help the industry as the hon. Minister claimed it will do? What I feel is that when an expert committee has been set up, when the report of one expert committee after another has been before the Government for a considerable length of time, how is it, then, that we are told, "yes, a few recommendations have been taken up. There are still so many more recommendations to be taken up and, of course, Government will be very busy for the next few months framing a comprehensive set of rules which will be laid before Parliament which will implement all the recommendations that have been placed before Government." • Now, when we see the Bill as it stands, what would one expect? One would expect that at least those problems that today face the pharmaceutical industry in our country would receive some form of solution or the other. It is true that a uniform rate of excise duty is sought to be introduced by this Bill, but is that enough to help the

industry to go forward? Is mat enough to help the industry to overcome those obstacles which today stand in its way, particularly now as a result of the policy of prohibition that has been adopted in many States? The hon. Minister, when he was speaking, made a passing reference to the fact that many of the problems that have come up with regard to varied excise duties in the various States had come up as a result of prohibition being introduced in some of the States. But, Sir, it is not *only* the problem of excise duty that is hindering the progress of the industry. There is also the problem of inter-State movement into which I will not go as it has been already dealt with by my hon. friend, Mr. Sinha.

I would like to draw the attention of the hon. Minister to another aspect, the aspect of non-availability of certain raw materials to our industry. When you have foreign medicines being imported in large quantities—once they are imported, once they have paid the import duty, there is no restriction in their movement within the country—you must see that our industry, those units in our country have that much of opportunity and safeguards which will enable them to compete against those medicines that are being imported. You should give such safeguards and such facilities as will enable the industry to grow and enable it to compete with the progress of the same industry in other countries. In the report of the Pharmaceutical Enquiry Committee, we find a reference to the question of non-availability of certain raw materials as a result of the policy of prohibition. It says: "In the State of Bombay, in the interests of prohibition, production of rectified spirit has been made a State monopoly and its import from other parts of the country has been prohibited", and further on, "the position of pharmaceutical manufacturers who have no distilleries of their own is much worse as they are being compelled to buy rectified spirit from the Government distilleries at an exorbitantly high rate fixed by the Government of Bombay, in addition to paying heavy freight for transportation to their factory permises." Sir, the committee goes on to suggest that "unless the industry is allowed freedom to purchase all its raw materials from the cheapest source available, it will find it difficult to take up new lines of production and progress on right lines. The State Governments should, therefore, adopt methods which will not cripple the industry and devise other means for the furtherance of prohibition." Therefore, Sir, *that* is the point that I would like to bring to the attention of the Government. If the Government is genuinely interested in helping the industry and not only interested in the financial aspect, as I very seriously suspect they are, in spite of all the protestations of the hon. Minister, then they should take up these recommendations of the committee and see that all the problems that have arisen as a result of prohibition being instituted in the various States are tackled in a uniform manner and the industry is enabled to grow. It is not only a question of excise duty that is today of an uneven form throughout the country. There are all these problems of restriction on the movement of the drugs, of the availability of raw materials and various other aspects. This is what I would like to bring to the notice of Government because when a measure of this kind is before the House, what is it that we think of? On the one hand, we think of the interests of our pharmaceutical industry which is a very young industry in this country. On the other hand, we also think in terms of the interests of our consumers, that the prices of the goods that are manufactured should b« within the purse of the ordinary public. As Dr. Variava was explaining today, many drugs which are very necessary and very important in the interests of public health are not available to the vast sections of our people because of the exorbitant

i Shrimati Parvathi Krishnan.]

that have been charged. At the same time, it is no good our blaming the manufacturers when one restriction after another is put upon ihom, when high prices are fixed by *he Governments of the various States themselves, for charging high i for these drugs. It is, therefore, in this overall aspect that we *w'lii* have to approach the problem. Though this is a measure for introducing a uniform rate of excise duty, at the same time, let us not lose sight of the problem as it faces the country and the people today.

Secondly, Sir, there is one other noint that I would like to touch upon and that is, in our country today tinctures are being produced on a scale but, if the units that produce these tinctures are to be enabled to grow to their fullest stature, then we would indeed think that it was necessary that Government should also raise the tariff wall on imported medicines of a kind avail-in our country higher and, in \-ay, safeguard the interests of our own producers. It is only in this way, if the tariff wall is raised that real protection can be given to our Indian manufacturers and Indian producers.

These two aspects, Sir, I feel have been lost sight of and I think the hon. Minister himself did have a very guilty conscience about the matter and that is why with that guilty conscience he talked so much in terms of how he was feeling so deeply and so terribly for our industry. Therefore in spite of the fact that so many recommendations were there which, he admitt-were important, he at once rushed to Parliament with this urgent recommendation and has asked our support for it. So I would appeal to the hon. Minister, Sir. that he should see that the Government takes up this whole matter in a comnrehensive manner within a very short time because the reports of these expert committees have been before Government for a considerable length of time. Questions have been raised on the floor of Parliament and every time we have received the answer that 'the matter is under consideration'. I see che hon. Minister Mr. Shah nodding it me and so I take it that the matter is under active consideration now.

With these few words I would xppeal to the hon. Minister to heai vith sympathy the suggestions that iave been made from this side of the House and I have every confidence that the Government will at an early stage take up all the recommendations of the expert committees as they stand before us to-day.

श्री डी० नागवण (मुम्बई): उपसभाध्यक्ष महोदय, अभी तक मैं इस विधेयक का उद्देश्य नहीं समझ सका। मंत्री महोदय के वक्तव्य से भी मुझे पता नहीं चला कि किस मतलब से यह विधेयक लाया गया है।

श्री एस० एन० मजुमदार (पश्चिमी बंगाल): मतलब रेवेन्यू है।

श्री डी० नागवण: मंत्री महोदय ने तीन बातें कहीं। सबसे पहली बात यह कही कि इससे सरकार को कुछ पैसा नहीं मिलने वाला है। मेरी समझ में, पैसे के लोभ से या पैदाइश के लोभ से यह बिल लाया गया है, ऐसी बात नहीं है। दूसरी बात उन्होंने यह कही कि इन दवाइयों के बारे में, इन मेडिसिनल प्रिपेरेशंस के बारे में, हर एक स्टेट में अलग अलग ड्यूटीज लगाई गई हैं इसलिये सरकार का यह उद्देश्य है कि उसमें यूनिफार्मिटी लाई जाय। तीसरी एक अजीब बात उन्होंने कही कि बहुत से राज्यों में आज प्रोहिबिशन जारी है और उस वजह से बहुत सी दिक्कतें पैदा हो गई हैं उन दवाइयों के कारण जिनमें कि शराब का उपयोग किया जाता है।

ये तीनों बातें एक दूसरे का ऐसा विरोध करती हैं कि मेरी समझ में नहीं आता कि ये तीन कारण एक जगह कैसे आ सकते हैं। यदि प्रोहिबिशन को मदद करने का

उद्देश्य हैं तो मैं जानना चाहता हूं कि इस ड्यूटी के लगाने से उसको किस तरह से मदद पहुंचा सकते हैं। यदि अधिक पैसा पैदा करना हैं तो फिर एक युनिफार्मिटी लाने से और उस पैसे को हर एक राज्य को वापस दे देने से क्या फायदा पहुंचेगा, यह मेरी समझ में नहीं आया। यदि प्रोहिबिशन को मदद करने का उद्देश्य हैं तो मैं यह कहना चाहता हूं कि जिन राज्यों में प्रोहिबिशन हैं उन राज्यों को आज अधिकार हैं कि वे अपनी अलग अलग ड्यूटी लगायें और वे लगा रहे हैं। उसको जब आप युनिफार्म बनाते हैं तो आप एक धोका पैदा करते हैं। जैसे मुम्बई का उदाहरण ले लीजिये। अभी कहा गया कि मुम्बई में बहुत सस्ती और ज्यादा बड़ी बड़ी ड्यूटीज लगाई गई हैं। उनका मतलब यह था कि प्रोहिबिशन को मदद पहुंचे, लेकिन आप उस ड्यूटी को कम कर रहे हैं। अधिक ड्यूटी लगा कर वहां की सरकार जो प्रोहिबिशन को फायदा पहुंचाना चाहती हैं उसके मार्ग में आप इस बिल से रुकावट पैदा करते हैं। इसलिये मुझे कहना हैं कि इस युनिफार्म ड्यूटी से फायदा नहीं होने वाला हैं। फायदा किसको होना हैं ?

जैसा कि मेरे एक भाई ने अभी कहा था कि बड़े धंधे वालों को इससे फायदा होना हैं और छोटे धंधे वालों को इससे बहुत नुकसान पहुंचेगा। मुझे तो उससे मतलब नहीं। शायद ऐसा हो सकता हैं। मैं तो इस विधेयक को एक ही निगाह से देखता हूं कि इस विधेयक से प्रोहिबिशन को कौन सा फायदा होने वाला हैं ? यदि इस विधेयक से प्रोहिबिशन को फायदा होता हैं तो मैं इसका समर्थन करूंगा और यदि इस विधेयक से प्रोहिबिशन को फायदा नहीं पहुंचने वाला हैं तो मैं जरूर इसका विरोध करूंगा। मुझे अपने प्रान्त का, अपने राज्य का, अनुभव हैं कि वहां आज किस तरह से टिंचर्स बिक रहे हैं। वहां टिंचर्स इस तरह से बिक रहे हैं कि शायद ही कोई ऐसा गांव या देहात हो जहां कि ये टिंचर्स बिकने के लिये न पहुंच गये हों। जहां पहले दवाइयों की कोई दुकान नहीं थी वहां आज दवाइयों की दुकानें हैं। एक नाम को बदलते हैं तो दूसरा नाम रख दिया जाता हैं, तीसरा नाम रख दिया जाता हैं, चौथा नाम रख दिया जाता हैं और इस तरह से टिंचर्स गांव गांव में पहुंच गए हैं। उन टिंचर्स को किस तरह से रोका जाय, उनकी कीमत किस तरह से बढ़े, इसको हर वक्त प्रोहिबिशन वाले सोचते रहते हैं। मुझे तो यह डर हैं कि एक युनिफार्म ड्यूटी के लगा देने से मुम्बई गवर्नमेंट या मद्रास गवर्नमेंट के मार्ग में रुकावट पैदा हो जायेगी, जो कि आज इन टिंचरों को रोकने के लिये या उनकी पैदाइश को काबू में रखने के लिए ज्यादा से ज्यादा ड्यूटी लगाना चाहती हैं और लगा रही हैं। मुझे यह डर हैं और ऐसा नहीं होना चाहिये।

दूसरी बात जो मुझे कहनी हैं वह यह हैं कि युनिफार्मिटी की बात तो तब ही चल सकती हैं जब कि सारे मुल्क में एक सी हालत हो। आज एक सी हालत नहीं हैं। कुछ राज्यों में प्रोहिबिशन हैं और कुछ राज्यों में नहीं हैं। इस वजह से एक सी ड्यूटी से कोई फायदा नहीं हो सकता, उल्टे जो अधिक पैदा करते हैं उनको ही ज्यादा नफा होगा। जैसा कि मैंने कहा कि दवाइयों की बहुत सी दुकानें बढ़ गई हैं तो सिर्फ दुकानें ही नहीं बढ़ीं बल्कि जब से कुछ राज्यों में प्रोहिबिशन हुआ हैं तब से फार्मेस्युटिकल वर्कस् भी बहुत बढ़ गये हैं। मैं तो मंत्री महोदय से पूछना चाहूंगा कि गत चार पांच वर्षों में इन फार्मेस्युटिकल वर्कस् की तादाद कितनी बढ़ी हैं और जिन दवाइयों में अलकोहल हैं उन दवाइयों की पैदाइश और उनकी बिक्री कितनी बढ़ी हैं ? आपको पता चलेगा कि फार्मेस्युटिकल वर्कस्, छोटे हों या बड़े, बहुत बढ़ रहे हैं, जिलों जिलों में बढ़ रहे हैं और उनका खास मकसद पैसा पैदा करना होता हैं, चोरी

[श्री डी० नारायण]

से पैसा पैदा करना और वहां पैदा करना जहां कि आज प्रोहिबिशन है, यह मकसद होता है। इसलिये मेरी तो मंत्री महोदय से प्रार्थना है कि जो दूसरा बिल आने वाला है, जिसका कि यह मकसद होगा कि एक प्रान्त से दूसरे प्रान्त को ये चीजें भेजी जायं या न भेजी जायं और उन पर किस तरह से रोक लगाई जाय, उसके लिये मेरी समझ में नहीं आता कि उस बिल के आने से पहले इस बिल को आप क्यों कर ले आये हैं ? वह बिल पहले आ जाता तब हम यह सोचते कि इन दवाइयों पर ड्यूटी लगाने से सिर्फ गवर्नमेंट को ही फायदा होगा या प्रोहिबिशन को भी फायदा होगा। क्योंकि मैं जानता हूं कि जो शराबी होता है वह इस की परवाह नहीं करता कि उसे उसके लिये अनाचार करना होता है या अत्याचार करना होता है या अधिक पैसा खर्च करना होता है। वह इस बात की कोई परवाह नहीं करता, वह तो किसी तरह से ऐसा रास्ता ढूंढता रहता है कि उसको शराब मिल जाय। वह आपकी ड्यूटी से डरने वाला नहीं है। जब आप इसलिये इस विधेयक को लाना चाहते हैं कि शराब को रोकें, प्रोहिबिशन के अनुकूल काम करें, और जो राज्य प्रोहिबिशन का काम कर रहे हैं उनके काम को फायदा पहुंचायें, तब मेरी समझ में नहीं आता कि इस ड्यूटी की आवश्यकता ही क्या रहती है। आप उसको एकदम बन्द कर दीजिये, उसको रोक दीजिये। वह सिर्फ दवाओं के काम आये और वह दूसरी तरह से मिल न सके।

जो शराब की तरह इन टिंचर्स का उपयोग करते हैं उनके ऊपर आप बहुत से नियंत्रण लगा सकते हैं परन्तु उन नियंत्रणों की बात न करके, एक तरफ पैसे का लोभ, दूसरी तरफ प्रोहिबिशन का लोभ और तीसरी तरफ युनिफार्मिटी की बात, ये तीनों बातें मेरी समझ में नहीं आईं। मैं मंत्री महोदय से प्रार्थना करूंगा कि वह इन बातों को समझाने की कोशिश करें। यदि प्रोहिबिशन का उद्देश्य है तो ड्यूटी की बात करने की कोई आवश्यकता नहीं है। ड्यूटी हो या न हो, प्रोहिबिशन तो होना ही चाहिये। शराब पीने वाला कभी ड्यूटी की परवाह नहीं करता। उसके लिये अलग नियंत्रण हो सकता है कि जहां दवाईयों में इसकी जरूरत है वहां वह उनको किस तरह से मिले। उसके लिये आप अलग से नियंत्रण कर सकते हैं। प्रोहिबिशन को फायदा हो इस लिये ड्यूटी रखी जाय, यह बात मेरी समझ में नहीं आती क्योंकि ड्यूटी से शराब पीने वाले कभी रुकने वाले नहीं हैं। फिर अगर इससे रुकने वाले भी हैं तो जिन स्टेटों ने इस पर ज्यादा ड्यूटी रख दी है उस को आप कम क्यों कर रहे हैं ? बहुत दिनों से यह बात चली आई है, ब्रिटिश राज्य के जमाने में भी हमसे यही कहा जाता था कि शराब की कीमत इस लिए बढ़ाते जा रहे हैं कि इससे प्रोहिबिशन हो जायेगा लेकिन मेरा तो आज तक का यह अनुभव है कि आप शराब की कीमत कितनी भी बढ़ा दें, उससे प्रोहिबिशन होने वाला नहीं है। उसको तो आपको रोकना ही होगा। इस लिये भले ही वह मानते हों कि ड्यूटी के बढ़ा देने से या उसकी कीमत बढ़ा देने से शायद प्रोहिबिशन के मार्ग से कोई अड़चन दूर हो जाय, परन्तु इससे तो आप उस अड़चन को और भी पैदा कर रहे हैं। तो मैं यह कहूंगा कि यह सब प्रोहिबिशन की निगाह से देखा जाय। जिन राज्यों को अभी तक इस तरह की ड्यूटी लगाने का अख्तियार अपने यहां है, उनका वह अख्तियार बना रहे तो उससे प्रोहिबिशन को लाभ होगा न कि इस युनिफार्मिटी से या युनिफार्म ड्यूटी से। मुझे आपसे यह खास प्रार्थना करनी है कि आप प्रोहिबिशन का मतलब इसमें न लायें और यदि लाते हैं तो मैंने जो बातें कहीं हैं उनके ऊपर गौर करें। यदि आपका प्रोहिबिशन का मतलब नहीं है, अधिक पैसा पैदा करने का मतलब है, तो

आप जैसा चाहें वैसा कर सकते हैं। परन्तु फिर मुझे डर पैदा होता है कि इससे छोटे धन्धे वालों को नुकसान पहुंचेगा और बड़े धन्धे वालों को फायदा होगा।

SHRI KISHEN CHAND: "Mr. Deputy Chairman, as has been point ed out already by several hon. Mem bers, in so far as this Bill fixes a uni form duty on alcohol used in the pre paration of tinctures, I welcome it and I think it is only fair that all over the country wherever these tinctures are prepared, the duty payable should be the same. But the result of this Bill will be that if this duty is less than the duty on alcohol consumed otherwise people who are accustomed to the use of alcoholic drinks will take to drinking these tinctures. It is a well known fact that the consumption of tinctures and medicines containing alcohol has greatly increased in the State of Bombay and Madras which arc implementing prohibition. We should be very clear in our minds. If we are believers in prohibition and if we want progressively to intro duce prohibition in the entire coun try .....

SHRI D. NARAYAN: How can we have prohibition progressively?

SHRI KISHEN CHAND: If we want prohibition in the entire country, then we should be very careful. But I am afraid that if we were to lower the duty on alcohol used in tinctures, the result will be that the addicts to alcohol will take to the use of tinctures. I think there should be some methods adopted so that the use of alcohol in tinctures is reduced. We want medicine to be cheap in our country because in the treatment of poor people we have to use these tinctures. If we increase the price of these tinctures by levying a high duty the result will be that there will be a dilemma created. If we levy a high duty the price of tinctures will go up and if we lower the duty the tinctures will be used in place of alcohol by the addicts to alcohol. Therefore the Government should devise some better methods whereby the use of alcohol in these tinctures is reduced.

Again, as has been pointed out by my friend Mr. Sinha, this Bill is going to help large-scale producers of tinctures as against small-scale producers. 1 think his argument was very sound when he said that large-scale producers can keep their products in various bonded-warehouses and as they do not have to pay duty on them till they are actually sold to the consumers, to that extent it will benefit them. Otherwise, once the article is taken out of the bonded-warehouse, the duty has to be paid. So, in view of the fact that a majority of these big producers are foreigners and the small-scale producers are indigenous firms, some sort of encouragement must be shown to the Indigenous nrms provided they are genuine producers of tinctures and not producers of something which goes by the name of tinctures but is actually used by those addicts to alcohol. With these words, I support this Bill.

SHRI A. C. GUHA: Mr. Deputy Chairman, I think I should first take up Mr. Sinha's grievances. In my introductory speech I made it quite clear that this Bill is not going to take up inter-State movements at all. I cannot understand his demand that all the evils should be tackled in one Bill. In fact, there are different Ministries of the Government, not only here but, in every State, and those different Ministries take care of different aspects of social problems or of economic industrial necessities.

SHRI T. D. PUSTAKE (Madhya Bharat): Can they not co-operate or co-ordinate their activities?

SHRI A. C. GUHA: Surely, there is co-ordination and co-operation and this Bill also has the co-operation of some other Ministries but that does not mean that all the aspects and al) social needs can be tackled in one

LShn Kishen Chand.J Bill, The main objection raised was that there is nothing about inter-State movements and they have attributed this to some revenue motive. The demand is that the revenue should be collected at the place of manufacture. Sir, I should like to refer hon. Members to article 277 of the Constitution, These excise duties were collected by each State on the consumption of excisable articles. When the Constitution put the levying of the duty in the Union List they took care to see that we did not deprive the State of its source of revenue. So in article 268 they provided that the revenue would be collected and kept by the States concerned. We are not so beyond that obligation of the Constitution. Article 277 of the Constitution protected the position as it was before the framing of the Constitution till such time as Parliament might choose by law to alter it. This is the legislation which we are going to introduce and I think it would be going against the intention of the Constitution if we now say that the revenue will not go to those States where those excisable articles are consumed. If we deprive the States of their source of revenue from this, I think it will be going beyond the Intention and purpose of the Constitution as provided in articles 268 and 277. And that is why we have provided that the duties will be collected as far as possible in the States where these articles will be consumed.

Now, there are two sub-clauses to clause 3 (2). One refers to articles which are manufactured in bonded-warehouses and the other refers to articles which are not manufactured in bonded-warehouses. So it is clear that bonded-warehouses are not compulsory. And I cannot understand how this particular provision would help the bigger industries as against the smaller ones. Of course, I would agree that there was some point in the argument of Mr. Sinha which he developed later on but there too I think there is some misconception. I His point was that the bigger industrial units will send their articles to ad the States where they will maintain bonded warehouses and the duty will be paid only when they will be actually released from those warehouses whereas the smaller units will not be in a position to maintain Warehouses in all States and so they will have to pay duty immediately.

But, Sir, the duty will be collected as soon as the articles are released from the bonded-warehouse as regards those drugs which are manufactured in bond. As for other articles, there the duty will be collected when the articles are sent out for manufacture—which are generally issued for consumption almost immediately on manufacture. So, I do not think the gap between the collection of the duty and the sale for actual consumption will be so big as to cause hardship in the case of small industries as hon. Members have apprehended. So, there will not be much difference in the period of actual payment of the duty and the realisation of the price for the goods concerned. The excise duty will be realised when the articles are released for sale, when it is from the bonded-warehouse, and on issue of alcohol to manufacturers if the articles are not manufactured in a bonded-warehouse.

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Sir, almost all the Members have made some reference to prohibition and Shri Deokinandan Narayan has made particular reference to it, I should plead that this Bill is not directly to help prohibition, but there will be some indirect help towards the prohibition policy in that we will now, by the rule-making power, signify which of these drugs are to be considered potable and which are not to be considered potable, so that each State according to their prohibition policy, may regulate the sale or the transport of those drugs in their particular State. This is only a sort of indirect help and the rule-making power under this

Bill may also help prohibition policy in other directions. It will in a way help the prohibition policy, but if any Member wants to say that this is directly to help the prohibition policy, I should dispel that expectation. This Bill is not intended for that purpose.

I should also refer to the difficulty about inter-State movement.

SHRI T. D. PUSTAKE: Will it not defeat the provisions of prohibition?

SHRI A. C. GUHA: I do not think it will defeat the prohibition policy, because the prohibition States were also consulted before this Bill was drafted. As for the inter-State movement, the main difficulty is— even this expert committee also has suggested—that there should be some willing co-operation between the States to control this inter-State movement—-control or regulate, whatever may be the word hon. Members may like to use. In fact, it requires the consent and collaboration of the different States and it is not really an excise matter. So, when the Revenue Division of the 'Finance Ministry of the Government of India takes up a Bill before this House, it cannot go beyond the jurisdiction of that particular department *o[f* the particular Ministry. And I do not think the House will wish that one Ministry should intrude upon the jurisdiction and scope of another Ministry. There is another Ministry. the Ministry of Commerce and Industry, which is there to take care of the interests of industries as such. It is only for the excise duty, it is only for the fixation of the excise rate that this Ministry is responsible, particularly, the Revenue Division of the Finance Ministry. So, on behalf of the Revenue section of this Ministry. I cannot undertake any provision in this Bill which will cover the jurisdiction of other Ministries.

SHRI H. P. SAKSENA: Why did the hon. Minister make a mention of the things which are beyond the jurisdiction of his Ministry?

17 RSD—6.

SHRI A. C. GUHA: Because that is mentioned in this report.

SHRI H. P. SAKSENA: Has the Bill been drafted exactly on the lines of that report?

SHRI A. C. GUHA: No Government can draft a Bill exactly on the lines of that report. The report of the expert committee, or whatever committee there may be, is taken simply as a guide for the Government. The committee may consider a particular matter solely from one particular point of view. But the Government while framing the Bill has to take many things into consideration. So, no report of any committee can be implemented as such. Then, there would not have been any necessity of having a drafting Department of the Government or the law section of the Government.

SHRI . R A J E N D R A PRATAP SINHA: My hon. friend is giving up altogether the joint responsibility of the Cabinet. If situations arising out of this measure are going to have their repercussions on the other Ministries they must examine them and they must be able to answer those.

SHRI A. C. GUHA: Joint responsibility does not mean that all the Ministries should be lumped together in one Ministry. There is no violation of joint responsibility.

The first speaker, Dr. Variava, mentioned that tinctures are being consumed in large quantities as substitutes for liquor. Yes, such reports have come to us also. We know that in the prohibition States the import or the transport of these tinctures has increased enormously. I think it has increased by about 400 or 500 per cent. And those Members who have spoken so vehemently for removing all restrictions on inter-State movement, I think, have little consideration for the prohibition policy. I may say that it will not be possible for the Government to remove all the restrictions on the movement of these drugs from one State to another. The

[Shri A. C. Guha.] movement wilt have to be regulated and the Bill that might be coming before Parliament on behalf of the Commerce and Industry Ministry— an hon. Member has said that he has seen the draft of the Bill, but I have not seen it—will surely take care to see that the prohibition policy of the Government is not impaired by the free movement of these drugs.

Sir, I do not think there is any other point which requires a reply. The hon. lady Member is not here, so I need not refer to her remarks.

MR. DEPUTY CHAIRMAN: The question is:

> "That the Bill to provide for the levy and collection of duties of excise on medicinal and toilet preparations containing alcohol, opium, Indian hemp or other narcotic drug or narcotic, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill. There are no amendments to any of the clauses.

Clauses 2 to 21 and the Schedule were added to the Bill.

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

SHRI A. C. GUHA: Sir, I move:

> "That the Bill be passed."

MR. DEPUTY CHAIRMAN: Motion moved:

> "That the Bill be passed."

SHRI RAJENDRA PRATAP SINHA: Sir, my hon. friend put forward a thesis that he was replying or he was speaking on behalf of the Finance Ministry alone. But we take it that the hon. Minister was speaking on behalf of the Government as a whole. Whenever he speaks, I take it that he is speaking for the Government as a whole and not for the hon. the Finance Minister or for the Finance Ministry, because, the Governments work as a whole, and not in compartments. Sir. because of the fact that my hon. friend does not want to answer any questions with regard to other Ministries, I would like to put him a straight question which concerns only his Ministry and which I want to be replied. I would like to know from the hon. Minister whether they have discussed the question among themselves or with the States, the question as to what should be the ultimate basis for the allocation of the revenues collected from the imposition of the excise duty on the medicinal and toilet preparations. Now, my hon. friend said that the framers of the Constitution did not want that the revenues that the States were deriving from this source should be taken away from them, or they should not be deprived of these revenues. If that is so, then is it the policy of the Government to allocate the revenues on the basis of the consumption of these articles in the different States?

MR. DEPUTY CHAIRMAN: That is what he said.

SHRI R A J E N D R A PRATAP SINHA: He has said in the course of his speech that the allocation will be made on the basis of the consump tion, and that is why the duties are collected at the place where the goods are released from the bonded-ware house. Now, the corollary to this will be, I imagine, Sir, that the other Bill that is going to come forward .....

MR. DEPUTY CHAIRMAN: You may speak when that Bill comes up.

SHRI R A J E N D R A PRATAP SINHA: This will be the implication. Sir.

MR. DEPUTY CHAIRMAN: You may speak when that Bill comes up. All this is not relevant at this stage.

SHRI RAJENDRA PRATAP SINHA: All right, Sir, I leave that aside. I would just give an example and seek some information. Take for

instance, Calcutta where certain manufacture is taking place; the goods are taken out from the bonded-warehouse at Calcutta after the payment of full duty, and are consumed in Bengal.

Now, there is a duty which is collected at Calcutta from some of the ! manufacturers who have taken the goods from Calcutta and are sending them outside Bengal, say, to Punjab. I want to know as to how that portion of the duty which is realised from the goods that are going out from Calcutta, afterpayment of the duty, say, to Punjab is going to be allocated between Bengal and Punjab. This is one question.

MR. DEPUTY CHAIRMAN- You cannot make another speech. You have taken nearly an hour.

SHRI RAJENDRA PRATAP SINHA: One sentence, Sir. If this duty is going to be allocated between Punjab and West Bengal, that will automatically lead to all kinds *of* restrictions on the movements which we want *to* remove, and it was also, the recommendation of the expert committee, that they should be removed.

My hon. friend said that the whole theme of our argument would help the breakdown of the 'prohibition' State. I was surprised when he said that. Sir, the expert committee has very correctly said that there are two kinds of preparations in medicines and toilets, restricted and unrestricted. The restricted type of preparations can be misused or abused, but the unrestricted type of preparations are not capable of being misused in a 'prohibition' State. If that is so, I cannot understand why the Government is not accepting my suggestion that all restrictions on the movement of such products as are not capable of being used as alcoholic beverage be removed.

SHRI A. C. GUHA: Sir, I think the first point of the hon. Member is that I speak only for the Ministry of Finance. I do not think, Sir, that I have used the words "I speak for the Ministry of Finance" anywhere. I do not think also that I have said anything which might impair the joint responsibility of the Cabinet. I only said that I was piloting the Bill on behalf of the Revenue Division of the Finance Ministry, and this Bill had taken care of only the revenue aspect, and as far as the other aspects of the industry are concerned, there are other Ministries to take care of them.

Then, Sir, as far as the collection of duty is concerned, the present practice is that the States in which these drugs are consumed should get the excise duty, and we shall try, as far as practicable, to keep up to that practice. But if that is not fully possible in some cases, we cannot help it. I think there is nothing further to be said, and I therefore commend that the Bill be passed.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed." The motion was adopted.

THE FINANCE COMMISSION (MISCELLANEOUS PROVISIONS) AMENDMENT BILL. 1955

THE MINISTER FOR REVENUE AND CIVIL EXPENDITURE (SHRI M. C. SHAH): Sir, I beg to move:

"That the Bill to amend the Finance Commission (Miscellaneous Provisions) Act, 1951, be taken into consideration."

This is, Sir, a very small and a very simple Bill. It only provides for extending certain power* of the Finance Commission. As a matter of practice, the Finance Commission used to get, under section 8, the information that they wanted from the income-tax department about the different assessments and the assessees. But a doubt was expressed as to whether the Income-tax Commissioners were empowered to give this information to the Finance Commission in view of section 54 (2) of the Indian Income-tax Act. To remove this doubt, w[a]