

Committee has appointed a Sub-Committee of officers of various States who are further pursuing the matter.

Shri A. M. Thomas: May I know Sir, whether the Central Government contemplate to review the position in the light of the recent pronouncement of the Supreme Court, and, also from the experience gained so far, do they contemplate, if necessary, an amendment of the Constitution?

Shri Tyagi: The latest decision of the Supreme Court does not warrant any change in the Constitution.

Shri M. L. Dwivedi: May I invite the attention of the hon. Minister to the news appearing in certain papers to the effect that uniformity is neither desirable nor possible?

Mr. Speaker: Order, order. What is the information that he wants?

Shri M. L. Dwivedi: Regarding uniformity in sales tax.

Mr. Speaker: Then he is asking for an opinion.

Shri M. L. Dwivedi: The news appeared that it is neither desirable nor....

Mr. Speaker: We are not concerned with opinions.

Shri M. L. Dwivedi: Whether it is true or not? It is a decision taken by the Finance Ministers' Conference and I am asking for that.

Shri A. M. Thomas: May I know, Sir, whether the policy of the Central Government contemplates uniformity not only in the articles to be taxed but also in the matter of the points on which levy has to be imposed?

Shri Tyagi: Sir, as is evident, the Centre is empowered to enforce any sort of uniformity in the matter only of essential goods, according to the Act recently passed. On other articles it is not possible for the Centre to intervene, unless by way of persuasion. That has been tried, but it is very difficult to have uniformity in the immediate future because any uniformity means upsetting the financial condition of many States. The States themselves have to consider and decide that.

Shri A. C. Guha: The hon. Minister has said that so far sanction has been given to two States for these taxes. May I know what is the procedure, Sir? Have the State Governments first to pass the law and then ask for sanction or have they to take the sanction of the President before passing the Bill?

Mr. Speaker: I think it is a matter of procedure which is well-known. The Act will not have force unless there is the President's sanction. That is the position.

Shri A. C. Guha: May I know whether the States have to take previous sanction before introducing the measure?

The Minister of Finance (Shri C. B. Deshmukh): It seems to me that what the hon. Member wants is this. At what stage is the President's consent sought; whether there is any convention by which the States should formally consult the Centre before promoting legislation? I believe that kind of convention will grow as a matter of desirability.

Shri T. N. Singh: May I know whether the Governments of India and the States together have come to any decision regarding having single point tax or multiple point tax?

Shri Tyagi: No decision could be arrived at on that issue as far as other commodities are concerned. But so far as those commodities which are declared 'essential' are concerned, we have come to certain conclusions and they are being followed by the Central Government. We have laid down the following which we keep in view while recommending to the President for his assent to Sales Tax Legislation:

- (1) No tax should be levied at any stage on sales or purchases of foodstuffs and raw materials for important industries
- (2) On other goods, tax of not more than 5 pies per rupee or in the case of a particular commodity not more than such higher rate, as may be considered reasonable at the point of sale to the consumer, to be levied. This would be a single-point tax; and
- (3) it is suggested that the Governments of the States should, as soon as possible, alter their existing law so as to conform to these principles.

The Government of India will also bear these principles in mind in recommending to the assent of the President future State legislation under clause (3) of Article 286. These are the principles which are guiding our policy in this matter.

ADMINISTRATIVE AUDIT SYSTEM

*223. **Shri M. S. Gurupadaswamy:** (a) Will the Minister of Finance be pleased to state whether the Administrative Audit System recommended by

the Public Accounts Committee in 1950-52 has been accepted by Government?

(b) If the answer to part (a) above be in the affirmative, when will it be introduced?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) and (b). The system of Administrative Audit as in vogue on the Military Engineering Services side is proposed to be tried in the Central Public Works Department as recommended by the Public Accounts Committee. Its financial implications were still under my Ministry's examination, it is difficult to fix the date of its introduction.

Shri M. S. Gurupadaswamy: May I know, Sir, what are the difficulties in applying the system to all the Ministries?

Shri Tyagi: As I have said, the financial implication of the scheme with regard to its application to other departments has to be examined and we have to examine also whether it will not be duplication of work.

Shri M. S. Gurupadaswamy: Has it come to the notice of the hon. Minister that certain grants made to one Ministry have been utilised by other Ministries?

Shri Tyagi: That is never the case.

Shri M. S. Gurupadaswamy: Has it come to the notice of the hon. Minister that in the report of the Public Accounts Committee the attention of Government has been drawn to this aspect?

Shri Tyagi: I am afraid I have not got that information. If the hon. Member will point out such a thing I will take whatever suitable action can be taken.

Mr. Speaker: Does the Public Accounts Committee make a statement to that effect?

Shri M. S. Gurupadaswamy: The Public Accounts Committee in its report has said that the grants made by one Ministry have been utilised by other Ministries without taking the formal approval of the Parliament.

Mr. Speaker: That goes into a different question. It must be within the financial rules. How can they go beyond those rules?

Shri T. N. Singh: May I know whether the system of administrative audit is also applied to the Irrigation and the Central Public Works Departments?

Shri Tyagi: As I said, Sir, it is not yet decided as to how far this should be applied or enforced in these departments.

Shri T. N. Singh: Is it true that the Public Accounts Committee in its report stressed that questions of finance should not stand in the way of proper administrative audit arrangements?

Shri Tyagi: They have.

Shri T. N. Singh: Do the Government even then want to withhold the implementation on financial grounds?

Shri Tyagi: After the recommendation of the Public Accounts Committee was received, the Government appointed an inter-departmental committee of officers to suggest to us the manner in which this should be applied. They have recommended that this should be applied only to the Public Works Department to start with. The Public Works Department have therefore been consulted and we are just awaiting their reactions to it. It is proposed to apply it in the next financial year but its financial implications are still under examination.

RE-APPOINTMENT OF RETRENCHED MILITARY AND CIVIL OFFICERS

*224. **Shri S. C. Samanta:** (a) Will the Minister of Defence be pleased to state the number of applications for re-appointment received from retrenched and surplus military and civilian officers up to the 31st March, 1952?

(b) How many of such applications have been scrutinised and how many rejected?

(c) How many persons have been absorbed and how many are on the waiting list?

(d) What is the policy adopted by Government as regards such absorption?

The Minister of Information and Broadcasting (Dr. Keskar): (a) 2996.

(b) All the 2996 applications were scrutinised early this year with reference to the appointments which were vacant at the time and for which the applicants were being considered. 1372 of the applicants did not satisfy the qualifications prescribed for the appointments. Of the remaining, 58 were selected and the rest (i.e., 1568) rejected. I should, however, like to make it clear that those rejected on the last occasion will continue to be