

Bill

Mr. Speaker: I could not understand what the point of order is.

Dr. Lanka Sundaram: The point was raised whether on the discussion of the Select Committee report, we could go into a discussion of the principles of it.

Mr. Speaker: I do not think we could go again into the whole Bill. The matter was discussed before it went to the Select Committee.

Dr. Lanka Sundaram: It was a very specific point. The words 'made after the commencement of the Act' were one of the main phrases of the Bill. There was a suggestion made in the Minute of Dissent to delete that particular expression and that was the point that was being debated yesterday and the Deputy-Speaker.....

Mr. Speaker: The speeches will have to be confined to the Bill as it is reported by the Select Committee and more particularly to the changes made by the Select Committee during the course of its deliberations. The whole legislation is not open for discussion.

Dr. Lanka Sundaram: We can discuss the Minute of Dissent.

Mr. Speaker: I will consider it when it arises.

Shri A. C. Guha: Yesterday, I was just discussing about the Minute of Dissent appended to the Select Committee report. I think the real purpose of this Bill was to bring about uniformity in the Sales tax in all the States. Even when the Bill was under discussion in the Select Committee it was reported that some State was trying to rush through a Bill to impose sales tax on some of the items already included in the original Bill; and thus in order to bring about some uniformity the Bill should have some retrospective effect. Then it was pointed out to us that the opinion of the Law Ministry and of the Advocate General was that in view of the wording of the clause, we cannot go beyond what is specified here i.e., "after the commencement of this Act." Though we are all anxious that there should be some uniformity in the sales tax prevailing in all the States, in view of the legal opinion, we cannot do that. Recognizing that difficulty, I do not support the Minute of Dissent requiring the words 'made after the commencement of this Act' be deleted because that would make the entire enactment liable to be questioned in the court, and it will open the gate of litigation.

At the same time I recognise that it will be an awkward position both for the Finance Minister here and for the Finance Ministers in the States if there is no uniformity and if certain States go on imposing sales tax on articles that will be included in the present Bill when it will be passed by the House. It is the responsibility of the Finance Minister then to somehow persuade those States to come to some uniformity or if necessary Government should amend the Constitution so that the real purpose of this Act, namely, to bring about uniformity in the sales tax can be realized.

However much anxious we may be to bring about uniformity we should also consider the position of the States' finances. The Schedule has been rather generously extended in the Select Committee and there are some more amendments also for inclusion of some items in the Schedule. That will affect the financial position of the States. Here when we pass a Bill, we should also consider how it will affect the finances of the States included within the Union of India and for that purpose, I would like the hon. Finance Minister to call a conference of the Finance Ministers and also to make some more allocation from the Central revenues to the States so that the latter can carry on their work even though they may have to give up some of the items of the sales tax. That is an obligation which the hon. Finance Minister or the Government of India cannot repudiate when they will pass this Bill and put some restrictions on the revenues and financial condition of the States.

I would like to say that this tax is ultimately a tax on the consumers, whereas it should have been a tax on the producers. Now it has turned out to be a tax on the consumer. From that point of view, the whole structure of the sales tax should be reviewed and I request the hon. Finance Minister to consider that point of view so that he may give any relief to the consumers.

In some of the States there is multiple point taxation. Even foodstuffs are taxed at more than one point in some of the States. When this article on Sales Tax was considered in the Constituent Assembly at the time of constitution making, all these points were there before the Constituent Assembly, and the Constituent Assembly tried to put some restrictions. But, even then I do not think all these restrictions are being respected in spirit. Sometimes I think there have been some evasions of the restrictions