

श्री सी. के. जाफर शरीफ : मान्यवर, आपको मालूम है कि राजगीर में कोई रेलवे स्टेशन नहीं है, लेकिन बौद्ध गया से हम उनको बसों में ले जाएंगे।

श्री खुर्शीद आलम खां : बौध-गया से राजगीर और नालन्दा भी दिखायेंगे।.....
(व्यवधान)

श्री राम विलास पासवान : अध्यक्ष महोदय राजगीर में रेलवे स्टेशन है।

श्री खुर्शीद आलम खां : वहां पर वो तमाम पेंसिलिटीज नहीं मिलेंगी जो बौध-गया में मिलेंगी इसलिए हम वहां बस से ले जायेंगे।

श्रीमती कृष्णा साही : अध्यक्ष महोदय, राजगीर में बहुत सुन्दर रेलवे स्टेशन है। बहुत बड़े कलाकार ने उसकी योजना बनाई है।
.....(व्यवधान)

अध्यक्ष महोदय : पहले आप हमें वहां बुलाओं, फिर हम देखेंगे।

SHRI P. NAMGYAL : There are some more places of tourist importance from the Buddhist point of view like Sanchi in Bhopal, MP, Ajanta and Allora in Aurangabad, Maharashtra and Nagarajuna Sagar in Andhra Pradesh. I would like to know whether these facilities would be extended to these areas also. As you know, the Members of Parliament are entitled for two free berths in first class or one in AC coach. Will the MPs be entitled to travel by such trains on the concession available to them ?

SHRI KHURSHEED ALAM KHAN : I have just now mentioned that this train is to operate for the first time. We have selected most important Buddhist pilgrimage places to be included in the itinerary and the scope of enlarging the itinerary will depend on the success of the operation of this train. As far as hon. Members of Parliament are

concerned, if they want to travel they can surely travel by paying Rs. 5660/- as fare.

SHRI SATYASADHAN CHAKRABORTY : The hon. Members are asking about linking of different places. I will ask a different question.

MR. SPEAKER : Is it delinking ?

SHRI SATYASADHAN CHAKRABORTY : They introduced palace on wheels. What is the experience of that innovation ? Is it popular ? Are you earning anything ? If not, then how is it that you are going to start it ? Have you taken into consideration whether it will be really profitable or worthwhile ?

SHRI KHURSHEED ALAM KHAN : In the first instance I would like to make it very clear that the other train, the 'Palace on wheels is very very popular and it has been booked right upto March/April next year.

SHRI SATYASADHAN CHAKRABORTY : You are saying that it is popular and earning profit.

SHRI KHURSHEED ALAM KHAN : I said : It is popular and it is booked upto March/April next year. As far as this train is concerned, this has been provided in collaboration with the Railway Ministry as an added attraction for Buddhist traffic to this country ?

SHRI KRISHNA CHANDRA HALDER : Is it to be originated from Howrah ?

SHRI KHURSHEED ALAM KHAN : Yes, Sir.

SHRI A. K. ROY : Is there any train like Cottage on Wheels ?

SHRI KHURSHEED ALAM KHAN : That will depend upon the demand.

Abolition of Sales Tax

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*64. SHRI K.A. RAJAN :
SHRI BASUDEB ACHARIA :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have a proposal under consideration to abolish Sales Tax and impose additional excise duty on petroleum products, drugs, vanaspati, paper products and cement ;

(b) if so, the details thereof ;

(c) whether this proposal has been discussed with the State Governments ; and

(d) if so, the details thereof and their reaction thereto ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) to (b) A statement is laid on the Table of the House.

Statement

There has been a long-standing demand by the trade, industry and general public for basic reforms in the sales tax structure in the country. As sales tax is a State subject of taxation, any reform in the sales tax system can be undertaken only in consultation with, and with the cooperation of States. A conference of Chief Ministers was, therefore, convened in September, 1980 to consider the matter in all its aspects and as a follow up, another Conference of Chief Ministers in February, 1981 was convened to consider the matter further. In terms of the Resolution adopted at the latter Conference, an Expert Committee was set up by the Government, to study the financial implications of the extension of the scheme of additional excise duty in lieu of sales tax on vanaspati, drugs and medicines, cement, paper and paper board, and petroleum products and the manner in which the financial interests of the States can be safeguarded. The Expert Committee under the chairmanship of Shri Kamlapati Tripathi, M.P., submitted its report on 29.1.1983.

2. The report of the Expert Committee (Tripathi Committee) was considered by a Conference of Chief Ministers held on 2.11.1983 at New Delhi. The Chief Ministers expressed their appreciation of the excellent work done by the Committee which had

provided a valuable analysis of the issues involved particularly, the financial implications of the proposal.

3 A large number of Chief Ministers indicated their acceptance of the scheme suggested by the Tripathi Committee for introduction of additional excise duty in lieu of sales tax in principle. In their view, the implementation of the scheme, with such modifications as may be necessary, will contribute to the achievement of important economic objectives, such as minimising the number of points at which the same commodity was taxed, bring about uniformity in prices and in the rates of commodity, taxation in different parts of the country, and reducing the scope for harassment. However, some of the Chief Ministers indicated that they were not in a position to accept the scheme recommended by the Tripathi Committee. They expressed the view that the replacement of sales tax by additional excise duty will affect the powers of the States and erode their revenues and resource position. Some of them further expressed that in view of the constitution of the Sarkaria Commission, this exercise should be deferred.

4. While thanking the Union Finance Minister for implementing the resolution adopted by them in February, 1981 the Chief Ministers resolved that efforts should be continued to bring about consensus among State Governments of these issues.

SHRI K.A. RAJAN : Sir, you may be aware that replacement of sales-tax by excise duty has created resentment among the various States because their anxiety is that it will lead to the orosion of their revenue on which most of the States depend. If you go through the statement of the hon. Minister, it may create an impression that most of the States have welcomed this proposal. I would like to know from the hon. Minister which of the States have agreed or consented to the proposal and which are the States which have disagreed ? By the earliest steps of the Government, Kerala has lost Rs 20 crores or more since this State is reacting unfavourably to the situation. So, I would like to put a specific question to the Government as to

which are the States which have agreed to it and which are the States which has disagreed.

SHRI PRANAB MUKHERJEE : Sir the hon. Member is fully aware of the background under which the latest conference of the Chief Ministers was held and the views expressed by the various Chief Ministers in that conference and even the Resolution which I have mentioned. If the hon. Members are interested to know I can give the names but the normal practice is when the Chief Ministers express their views, we do not identify who is saying what. A large number of Chief Ministers have said that they agree on principle of replacing sales-tax by additional excise duty and at the same time they would like to ensure the reasonable growth which they expect from sales-tax on these items. The Expert Committee itself was appointed as a result of the decision taken by the Chief Ministers themselves.....
(Interruptions).

SHRI ATAL BIHARI VAJPAYEE :
Where is the Report of the Committee ?

SHRI PRANAB MUKHERJEE : Let me complete, then you can put your supplementary. First, the decision was taken that an Expert Committee would be appointed on the decision of replacing sales-tax by additional excise duty on these five items and when the Committee was appointed, they sought the views of the various State Governments. They submitted their report and it was thereafter sent to the State Chief Ministers and their views were sought. Thereafter the conference was called on 1st and 2nd November and in that conference the Chief Ministers expressed their views. We exchanged their views and thereafter a consensus emerged. There are three parts of that consensus. A view was also expressed whether we are going to take a decision on the majority minority line. There too, I made it quite clear that it is not the practice and when I was asked to comment upon subsequently, I told that it is not the question of majority minority. I would carry the States' will with me and I would like to have further opportunities of discussing with them in detail and removing the apprehensions which they have. I also told that if we can have some sort of

consensus, it would be possible for us to take the decisions. The moot point on which they expressed their views is whether it would be possible in the arrangements to ensure the reasonable growth therein. In fact, in the Report itself some formulations have been worked out. Particularly in respect of the three items, it has been expected, on the basis of their sales-tax realisation in 1981-82 that about 117 per cent of the expected rate of growth of sales tax revenue would be ensured. It was also recommended that after the implementation of the recommendations of the Expert Committee, a Review Committee should be set up in the second year and they should submit their observations on how this system is working and in view of the suggestions of the Review Committee, the matter could be looked into further. That was the decision which we took. The resolution was adopted unanimously, indicating that should explore the possibility of narrowing the areas of disagreement and widening the areas of agreement.

SHRI K.A. RAJAN : Am I to understand that there was no dissent on that point of the Resolution from any of the States ? While a comprehensive review of the whole Centre-State relationship is going to be done by the Sarkaria Commission, I would like to know why the Government is rushing through this proposal, which has its own financial implications.

SHRI PRANAB MUKHERJEE : I am sorry, the hon. Member has either not read the views of the Chief Ministers or my reply. It has nothing to do with the Sarkaria Commission. This Tripathi Committee was appointed as a result of the decision taken by the Chief Ministers. The report of the Committee was laid on the Table of the House on the 29th April 1983. There were a very large number of questions, both Starred and Unstarred, from members as to what action I am going to take on the Report of the Committee. I told them that I cannot take any unilateral action and that I have to ascertain the views of the Chief Ministers. How can I ascertain the views of the Chief Ministers if I do not get them together in a Conference ? What has the Sarkaria Commission to do with it ? These points have been explained a number of

times. Even if it is not accepted or implemented it is not for me; it is up to the Chief Ministers, who recommended "you appoint a committee, examine this matter and ascertain our views on it". So, I do not know why questions are repeatedly asked here as to why we are going into it when the Sarkaria Commission is there. What has the Sarkaria Commission to do with this? Do you mean to say that pending the decision of the Sarkaria Commission, every administration action should be stopped and that the Government should not move? (*Interruptions*) I cannot come to any conclusion; I can only express the position. The fact, is that even the Chief Ministers had the apprehension and they asked: why are you convening the meeting when the Sarkaria Commission is there? Then I explained to them the position that I cannot take any decision unilaterally, it is their committee and that they will have to express their views and then only the Government can take any action. This is the position today.

SHRI BASUDEB ACHARIA : The allocation of resources and the resource-raising power are integrally inter-related to the distribution of legislative and executive powers between the Union and the States. Any fundamental restructuring of the powers relating to resource-gathering, as between the Centre and the States weakening the role of the States in the federal structure of the country, either through gradual erosion of their powers of resource mobilisation or by direct assault on such powers, can hardly be viewed with equanimity. Any further erosion of the States' right to raise their own resources will cripple the effectiveness of the State Governments and will further contribute to the spirit of alienation and misunderstanding among the States. It is not a fact that the only expert of the so-called Expert Committee dissented or did not agree with this proposal, his opinion was over-ruled by the majority? Is it also not a fact that there is a strong traders' lobby in favour of abolition of sales-tax and pressure is mounted by them as the election is approaching?

SHRI PRANAB MUKHERJEE : As far as the introductory part of the question is concerned, it is the hon. Member's view. I do not know whether many of the State

Governments share this view. So, I am not going to comment on that.

MR. SPEAKER : He is supposed to put a question; not give his opinion.

SHRI PRANAB MUKHERJEE : So far as the dissent part is concerned, I have laid the Report on the Table of the House and it is available to the hon. Members. We have found that one expert has expressed a view, which is different from the conclusion of the Committee. Many a time it has happened; it is nothing unusual. Strictly speaking, as he himself has said this is not merely the job of the experts. It has wider implications also. That is why it was thought while choosing the Chairman of the Committee that a man who has experience not only as a distinguished politician, but also closely associated with the State Administration and the Union Administration should be chosen. And they have discussed with the States, they have studied the various proposals, tried to understand the implications in different aspects and they made their recommendations. Those recommendations were placed before the Chief Ministers. I have ascertained their views to some extent and if it is necessary, I will have further discussions with them and thereafter I will take the decision.

श्री मनीराम बगडो : अध्यक्ष महोदय, मैं सवाल के बीच में यह बात कहना चाहता हूँ कि मैं पार्लियामेंट में आ रहा था और मैं पैदल चल कर आया हूँ। मेरी गाड़ी को इसलिए रोक दिया गया कि कोई वी. आई. पी. आ रहा था। मेरी गाड़ी रोक दी गई और मैं उतरकर यहां आ रहा हूँ। आपके देश का कोई मंत्री हो या प्रधान मंत्री मुझे पता नहीं, मैं चौक से पैदल चलकर आया हूँ। गाड़ी इसलिये रोक दी गई कि कोई जा रहा है, यह गलत बात है। यह मेम्बर की प्रिविलेज है। यह बताने के बाद कि मैं मेम्बर लोक-सभा हूँ और पार्लियामेंट चल रही है।

अध्यक्ष महोदय : आपका ही बन्दोबस्त किया हुआ है, बाद में बात करेगा।

श्री मनीराम बागड़ी : चौक में गाड़ी रोक दी गई।

अध्यक्ष महोदय : आपकी ही बनाई हुई सरकार ने किया है।

(व्यवधान)

अध्यक्ष महोदय : अगर एम. पी. कानून नहीं बनायेगा तो कौन करेगे ?

श्री मनीराम बागड़ी : यह तो मेम्बर की प्रिविलेज है, अगर मेम्बर को पैदल आना पड़े।

SHRIMATI GEETA MUKHERJEE :
(a) Is it a fact that in the recently held Chief Ministers' Conference it is not only that non-Congress (I) Chief Ministers like the Chief Minister of West Bengal and some others, but also the Congress (I) Chief Ministers such as the Gujarat Chief Minister, Mr. Madhavsinh Solanki, have very strongly objected to this proposal and .. (Interruptions). I am now praising Mr. Solanki who showed by concrete figures that the revenue by the States as far as the expansion of their resources is concerned, had been seriously affected earlier and it will be further affected by the substitution of sales tax. It can be expanded by the States very much, but the other thing, the increased percentage, was nothing compared to the sales tax increase in the revenue. I would like to know whether it is a fact,

(b) In view of the situation I would like to know whether the Government is contemplating not to press this thing further.

MR. SPEAKER : I think this has been explained quite elaborately.

SHRIMATI GEETA MUKHERJEE :
That is the thing, he cannot do. He cannot do, I understand that.

MR. SPEAKER : It is a question of consensus.

SHRIMATI GEETA MUKHERJEE :
He cannot do, I understand, I have asked whether the Government intends to press it further by trying to have a consensus or leave it at that.

SHRI PRANAB MUKHERJEE : The question is that when the Chief Ministers make their observations, they make their observations as Chief Ministers, not as Congress (I) or non-Congress (I). I do not know whether this type of adjectives or epithets are applicable to the Chief Ministers. They represent their States, they give their views. They have their own mind, as the hon. Member said, they have their own understanding as the hon. Member said. Therefore, that is not the issue. The question is that here some points have been raised as to whether we will press it. My point is that you have to keep in mind the scenerio.

SHRIMATI GEETA MUKHERJEE :
You can give the concrete information as to whether it is true or not.

SHRI PRANAB MUKHERJEE : A decision was taken that a Committee should be appointed by the Chief Ministers and as per that decision the Committee was appointed. Reports were made available to them. I have ascertained their view. They have requested me to discuss further and I will have to discuss further. At this stage I cannot make any commitment that I will not press for it. This is a demand, it is not a question of the traders lobby, this lobby or that lobby.

Sir, the growth question has been raised and here too we shall have to keep in mind as to how do we know over a period of years, in 1956-57, there has been only vertical expansion of the sales tax, and there has not been any horizontal expansion? If you look at the taxation principle, many a times manynew commodities have been brought within the tax net over a period of years. It may happen in 1956-57 suppose ten items were subjected to Sales Tax, in 1970

SHRIMATI GEETA MUKHERJEE :
Was this raised by Shri Solanki or not?

SHRI PRANAB MUKHERJEE : The hon. Lady Member should know, we are not going to discuss what were the deliberations through whom in the Chief Ministers Conference. That is not the practice. We cannot have that type of practice which Chief Minister said what. (*Interruptions*) we shall have to take into account what has been the growth. You will find that somebody may have 100% growth. So, what we have to see is it helping economy or not? That is the question. It is bound to happen that the growth in Sales Tax is more. If you look at the figure of growth in the excise duty for the last ten years, you will tell all the Members of the Opposition here is 20% growth in excise duty and all of you may jump on me. Shall I make that type of proposition? It depends upon the health of the economy. Over the last ten years the growth in Sales Tax has been 6.4 times and the growth in excise duty has been 3.91 times. Therefore, comparison is not between the sales tax and additional excise duty. Comparison is between the additional excise duty which is the share of the States and basic excise duty which is divided between the States and the Centre. You will find in the last decade while the basic excise duties have increased by 7.06%, the rate of additional excise duty which is marked, for the States, the increase is more than 15%. Therefore, in our tax structure. I shall have to link it with the basic excise duty. I cannot link it with an item which is not comparable.

SHRI ATAL BIHARI VAJPAYEE : We are in favour of the sales tax being replaced by the excise duty. But the hon Finance Minister will appreciate that this has to be done in such a manner that the resources of the States are not reduced.

This morning, I had a talk with the Karnataka Chief Minister. He told me that at the Chief Ministers Conference he had suggested that the State should be given the authority to levy additional excise duty in lieu of Sales Tax. May I know what stands in the way of the Centre accepting that proposal. A calculated attempt is being made to create an impression in the country as if Cong (I) is the only party which wants replacement of Sales Tax by excise duty and all non-Cong (I) are opposed to it. I welcome

the activity by the Finance Minister as the elections are drawing near. But there should not be an effort to take political advantage of the position.

SHRI PRANAB MUKHERJEE : I am not taking political advantage out of it. But the hon. Member's late reaction is a little bit keeping an eye on it. At least he said that his party is supporting the abolition of the central sales tax.

SHRI ATAL BIHARI VAJPAYEE : That was in our manifesto.

SHRI PRANAB MUKHERJEE : Yes, that was in your manifesto. But you failed to implement it. Not only that, you failed to make any effort to implement it. What did you do?

SHRI ATAL BIHARI VAJPAYEE : We had appointed a Committee and they have also appointed a Committee. What more have you done?

SHRI PRANAB MUKHERJEE : I have gone one step forward. I have got the report examined.

The moot question which the hon. Member raised, if he understands, he will understand the fallacy of that argument. Why do you want the Central Sales Tax to be replaced by the additional excise duty? It is not merely having the resources. It is having uniformity. If you simply leave it to the State, each State legislature will have different rate. Then where is the scope of having of uniformity which was your election manifesto promise?

SHRI ATAL BIHARI VAJPAYEE : There is question of uniformity in diversity.

SHRI PRANAB MUKHERJEE : There fore, you cannot have uniformity. If you cannot have uniformity, tell me honestly, what is the need of replacing it?

One of the major arguments in favour of replacing sales tax by additional excise

duty is that you have to protect the interest of the States by maintaining growth and by maintaining reasonable elasticity with reference to Sales tax on those items, secondly, You have to reduce the points and, thirdly, you have to reduce the diversity in the rates. There should be some sort of uniformity.

One basic point that the hon. Members who are agitated over it are missing is this. If you just make a calculation, even in the most progressive States, the cost of realisation of sales tax varies from 2 to 3 per cent. Because additional excise duty will be realised by the same staff, the cost of realisation of entire excise duty is less than 1 percent. Therefore, from economic point of view also, it would not be desirable. Therefore, you cannot accept the argument of the Karnataka Chief Minister that there is no need of making this exercise and that it is only the change of name.

SHRI XAVIER ARAKAL : The entire structure of taxation between the Centre and the States was divert and debated in this House. In that context, we welcome the Report of the Committee and the action taken by the Government. What disturbs our mind is that assuming there is no consensus of the Chief Ministers in this matter, what action the Government is going to take to implement the decision of the Government.

Various State Government have taken serious study of the Report into consideration to have a uniform pricing system in respective States. For example, I remember, the Gulati Committee Report of the Kerala Government to have some sort of uniformity in the pricing system and avoid many of the irregularities and other defects in the existing system.

Therefore, my question is, on the previous occasion, when this was implemented, certain States had lost huge revenue on account of this amendment. Therefore, will the new proposal be implemented in to even if one or two States object to and will the government take into consideration the past experience of loss revenue to respective States ?

SHRI PRANAB MUKHERJEE : I mentioned earlier also that it is precisely because of that apprehension of the State Governments that the Tripathi Committee worked out certain formulations. They have given a formula of for example, 117 per cent growth on these three items. So far as cement and petroleum products are concerned, they are administered prices and you can link them up with the realisation from the States. But in respect of these three other items where the mechanism of administered prices is not available, there they have suggested that it should be linked up with the realisation for the year 1981-82. If you could ensure 117 per cent growth and even if the additional excise duty realisation falls short of the calculation of what would have been according to this percentage, they indicated that there should be some sort of a grant-in-aid element under a particular provision of the Constitution so that the net availability to the States does not get reduced. Therefore, this aspect was taken into consideration.

As regards the second point, the consensus is not definitely unanimity, I would try to reduce the gap. The other Chief Ministers who have a dissenting view will have to recognise that a large number of Chief Ministers have expressed a particular view. I would not like that the majority view should bull-doze the minority view. But, at the same time, the minority view cannot hold up the majority view so that it will never to implemented. I can give them time to reconsider and to recognise the merits of the scheme and discuss it. In that way, I can reduce the area of disagreement. But merely because some people have more lung power or they can express their views more vehemently. I cannot go by that.

SHRI E. BALANANDAN : The hon. Finance Minister has, more or less, made a statement that he is going to have a consensus or some sort of a unanimity.

But may I put a question to the Hon. Finance Minister ? Will he see that complete unanimity on this question would be arrived at and then only will the Centre take a decision because the elastic income of the States is involved ? Whether your calculations are 17 or 20%, may be at a particular

stage it may be higher or lower, different States have different opinions on this question. But they are all concerned on a single point because their income will be curtailed by this new proposal.

I ask the Hon. Minister pointedly whether complete unanimity would be arrived at on this question.

SHRI PRANAB MUKHERJEE : I cannot give that assurance to the Hon. Minister.

Problems of Air Passengers at Delhi Airport

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*65. SHRI SATYASADHAN
CHAKRABORTY :
SHRI KRISHNA CHANDRA
HALDER :

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether Government have taken into consideration immense problems that ordinary passengers are going to face at Delhi Airport since visitors have been barred from entry into the Airport ;

(b) if so, how such passengers are going to complete all formalities without any assistance from his/her relations ; and

(c) who will take care of their luggages at the Airport when they are to complete formalities ?

THE DEPUTY MINISTER IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI ASHOK GEHLOT) : (a) Entry to the Air Terminal at Delhi has been restricted with a view to provide better facilities to the passengers and to improve the security and handing of passengers.

(b) Normally, a passenger does not need any assistance from the relatives to complete the formalities. But certain categories

of passengers like minors or invalid, handicapped, sick, illiterate, aged etc. are permitted to take a person along with them to help them to complete the formalities.

(c) After the luggage is checked in, the airlines take care of the luggage. With the restriction of entry, only genuine travellers holding airlines tickets can come in and anti-social elements who indulge in petty thefts at the airports cannot enter.

SHRI SATYASADHAN CHAKRABORTY : It is a very non-controversial question.

I think you will agree with me that in almost all the airports of the world, the visitors and also the companions and relatives are allowed to enter into the airport excepting the prohibited area. But I do not know why the Government imposed a ban in Delhi airport on entry of these visitors and companions and others into the airport.

What were the complaints that were received by the Ministry on the basis of which this was introduced ? Has anyone visiting the airport been found creating any problem anywhere ? Their number is very small because one has to pay money. This is causing immense difficulties to

PROF. MADHU DANDAVATE : The complaint is that they look at the passengers :

SHRI SATYASADHAN CHAKRABORTY : And the second point is very interesting that this has been done to keep the anti-socials away. Before if anti-socials were there, how many complaints were received by the Ministry on the basis of which this has been done ?

THE MINISTER OF STATE OF THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI KHURSHEED ALAM KHAN) : In the first place, I would like to say that the Hon. Member is right that the visitors are allowed all over the world in the airports to see off the friends and receive their relatives. But the only problem is that in this country almost 20 people come to see off