

**ELECTION TO COMMITTEE
EMPLOYEES' STATE INSURANCE CORPORATION**

The Deputy Minister of Labour (Shri Abid Ali): I beg to move:

"That in pursuance of clause (1) of Section 4 of the Employees' State Insurance Act, 1948, read with rule 2(A) of the Employees' State Insurance (Central) Rules 1950, this House do proceed to elect in such manner as the Speaker may direct, a Member from among themselves to serve on the Employees' State Insurance Corporation in place of Shri Khandubhai K. Desai who has resigned."

Mr. Speaker: The question is:

"That in pursuance of clause (1) of Section 4 of the Employees' State Insurance Act, 1948, read with rule 2(A) of the Employees' State Insurance (Central) Rules 1950, this House do proceed to elect in such manner as the Speaker may direct, a Member from among themselves to serve on the Employees' State Insurance Corporation in place of Shri Khandubhai K. Desai who has resigned."

The motion was adopted.

Mr. Speaker: I have to inform hon. Members that the following dates have been fixed for receiving nominations and withdrawal of candidatures and for holding election, if necessary, in connection with the Employees' State Insurance Corporation, namely:—

Date for nomination	Date for withdrawal	Date for election
28-9-54	28-9-54	29-9-54

The nomination to the Corporation and the withdrawal of candidature will be received in the Parliamentary Notice Office upto 1 P.M. and 4 P.M. respectively on the dates mentioned for the purpose.

The election, which will be conducted by means of the single transferable vote, will be held in Committee Room No. 62, First Floor, Parliament House between the hours 11 A.M. to 1-30 P.M.

BUSINESS OF THE HOUSE

Mr. Speaker: Today, the House will first take up consideration of the Taxation Laws (Extension to Jammu and Kashmir) Bill, 1954, for which one hour has been allotted. This Bill will be disposed of by about 1 P.M. Thereafter the House will take up the Madhya Bharat Taxation on Income (Invalidation) Bill, for which also one hour has been allotted. After this second Bill has been disposed of by about 2 P.M., the House will proceed with the consideration of the Supplementary Demands for Grants and connected Appropriation Bill for 1954-55, for which six hours have been allotted.

There is another matter which is included in the combined agenda for today and tomorrow, viz., motion regarding Indian Administrative Rules, etc. I suggest that if the House is agreeable, 2½ hours may be allotted for discussion of all these motions.

TAXATION LAWS (EXTENSION TO JAMMU AND KASHMIR) BILL

The Deputy Minister of Finance (Shri A. C. Guha): I beg to move:*

"That the Bill to provide for the extension of certain taxation laws to the State of Jammu and Kashmir and for matters connected therewith, be taken into consideration."

This Bill is in implementation of the integration of Jammu and Kashmir State with India. The other Part B States generally known as princely States integrated with India in January 1950 after the adoption of the present Constitution. The Jammu and Kashmir State then integrated only in regard to a few subjects: defence, foreign

*Moved with the recommendation of the President.

affairs, and communications. As for the other subjects, the Jammu and Kashmir State could not integrate then. In 1952, there was a discussion here between the Government of India and the leaders of the Jammu and Kashmir State.

[PANDIT THAKUR DAS BHARGAVA in the Chair.]

Some tentative understanding was arrived at between the two parties. Even then, this financial integration could not be proceeded with as the question required further investigation and examination. The matter was delayed and only in December, 1953, the Jammu and Kashmir Government expressed their desire for further discussion on this matter. In January 1954, an agreement was reached that the Jammu and Kashmir Government should integrate with India on almost all points. In fact, in February, 1954, the Constituent Assembly of Jammu and Kashmir Government passed a resolution endorsing this agreement and the President issued an Order under the Constitution by giving effect to this integration: the Constitution (Application to Jammu and Kashmir) Order, of 1954, May 14th. Hon. Members, if they look into this Order will find that even then.....

Shri Bansal (Jhajjar-Rewari): May I know if a copy of this Agreement was laid on the Table of the House?

Shri A. C. Guha: It was published in the Gazette.

Shri Bansal: I am not talking of the Order; I am talking of the agreement.

Shri A. C. Guha: Which agreement?

Shri Bansal: The agreement to which you refer. You have referred to an agreement entered into between the Government of India and the Jammu and Kashmir Government in regard to financial integration.

Shri A. C. Guha: I am not sure. I expect it might have been laid on the Table of the House. Anyhow, it is an agreement between the Central Government and the State Government. I do

not know whether it was laid on the Table of the House. There was nothing particular in that. It was only a broad outline. In fact, the agreement was really given effect to by this Order which was published in the Gazette.

This Bill is simply to implement this agreement and the Order of the President by bringing that in line with the legal formalities. This Bill is intended only for the financial laws. As far as the other laws are concerned, which may be covered by this Order of the President, they would be responsibility of the Home Ministry or other Ministries and they will bring forward relevant Bills in this respect. Hon. Members will find in the Statement of Objects and Reasons of this Bill, how many of the Indian taxation laws will be enforced in the Jammu and Kashmir State. They will be enforced only on the passing of this Act. In fact, integration is in operation since the 13th April of this year. The Jammu and Kashmir Government is going to lose something, and the Government of India, in consideration of that, is also making some grant to the Jammu and Kashmir Government. We have calculated that the loss to the Jammu and Kashmir Government due the surrendering of these rights would be about Rs. 157 crores.

Shri Bansal: Rs. 157 crores per year?

Shri A. C. Guha: I am sorry; Rs. 1.57 crores. Also, provision is being made under the agreement, for certain grants for development purposes. In all, it has been agreed that Rs. 2.50 crores will be given annually to the Jammu and Kashmir Government, till the next Finance Commission makes its report and recommendations as to the allocation of revenues for the Jammu and Kashmir State. But, for the present year, the grant will be only about Rs. 2.42 crores. There is a proportionate reduction for those twelve days during this financial year, during which this integration was not put into effect. As I have already indicated, this integration has come into effect only since 13th April.

[Shri A. C. Guha]

Hon. Members are aware that so long, this House had only a very limited scope as regards the Jammu and Kashmir State. It could legislate only on the few items on which the Jammu and Kashmir State had integrated with India, namely, defence, foreign affairs and communications. On several other items, this House had so long no authority to legislate any enactment which would operate in the Jammu and Kashmir State. I think hon. Members will recollect that in all such enactments, in the Short Title, there used to be a special proviso that that particular Act would operate in the whole of India, excluding the State of Jammu and Kashmir. Now, by passing this Act, at least as far as the financial enactments are concerned, this House will have complete authority to pass any legislation which will operate even in the Jammu and Kashmir State. Thus, the House will be pleased to see that this Bill in fact seeks to enhance the authority and scope of this Parliament.

In the Schedule attached to this Bill, hon. Members will find a list of Acts, where such special provisos to exclude the State of Jammu and Kashmir were put in the Short Title; and those provisos or exceptions are now being deleted by passing this Act.

Apart from the technicalities and formalities embodied in this Bill, it has got a wider implication as well. Very often, Members in this House have expressed some anxieties, some desires and some aspirations. Very often, angry words were also uttered, either out of impatience or out of some suspicion. Now, this Bill seeks to fulfil those aspirations and those ambitions of this House and to remove those suspicions and the anger. I hope every section of the House will welcome this Bill, and will realise that this is a further step in the integration of the whole of India, which brings it under the suzerain authority of this Parliament. Till now, the scope and authority of Parliament were limited in some very vital matters,

and those limitations are being removed now.

Very recently, this House passed another Bill in respect of a small territory in West Bengal, which has now been integrated with, and become a part and parcel of India. This Bill, which I am sure this House will be pleased to pass, will give a further indication about the solidarity and integrity of India. With these words, I commend this Bill to the kind acceptance of this House.

Mr. Chairman: Motion moved:

"That the Bill to provide for the extension of certain taxation laws to the State of Jammu and Kashmir and for matters connected therewith, be taken into consideration."

Th. Lakshman Singh Charak (Jammu and Kashmir): I rise to support Government in the motion for consideration of the Taxation Laws (Extension to Jammu and Kashmir) Bill. While doing so, I am happy that the people of Kashmir are coming nearer to India, of which they have always been a part and parcel from very ancient times.

Since this is the first Bill which is coming before the House to make the laws of India applicable to Jammu and Kashmir, I would crave the indulgence of the House, if I delve into the history of Jammu and Kashmir before 1947 and soon after that. If we look into the history of Jammu and Kashmir, we find that from time immemorial, Kashmir has been a part of India, excepting for a short period when it came under the Afghans sway in the early part of the nineteenth century. It was the brave Sikh ruler of Punjab, Maharaja Ranjit Singh, who reconquered Kashmir for India, and later on the Dogras took over in 1846.

The Dogra rulers were always patriotic, and they conquered Ladakh in 1824, and Gilgit soon after that, and

brought them into the map of India. They gave good and stable government to the people of Jammu and Kashmir. I might recollect with great pleasure on this occasion that it was Maharaja Hari Singh, who kept up the family tradition and the flag of Jammu and Kashmir flying high up, when he spoke in the First Round Table Conference in 1930, when Sir Samuel Hoare, the then Secretary of State for India, opposed the move of independence for India on the plea that His Majesty's Government had given solemn assurances to the Indian Princes to keep their integrity intact. It was Maharaja Hari Singh, who at that time as Pro-Vice-Chancellor of the Chamber of Princes spoke in London, some time between the 12th November 1930 and 19th January 1931. I would quote only a few relevant lines from the speech he made. He said:

"As allies of Britain, we stand solidly behind the British connection. As Indians and loyal to the land whence we derive our birth and infant nurture, we stand as solidly as the rest of our countrymen for our land's enjoyment of a position of honour and equality in the British Commonwealth of Nations."

It was a period when very few of the Princes could ever dare to use such words in favour of the independence of India. It was later on really a bad turn of destiny that this patriotic son of Jammu and Kashmir made a mistake by not joining India before 15th August 1947, in spite of the advice of Mahatmaji and that of Acharya Kripalani, the then President of the Congress of India. But it should not be forgotten that it was never the intention of the ruler of Jammu and Kashmir to join Pakistan, in spite of the machinations of Mr. Jinnah, through Colonel Webb, the then British Resident, who has hand in gloves with the creator of Pakistan. It was the then Prime Minister of Jammu and Kashmir, Rai Bahadur Ramchander Kak and his Scotch wife, that were

the instruments of Colonel Webb to influence the Maharaja.

It is known that the later events made the Maharaja give up his dream of being an independent ruler like the Nizam of Hyderabad,—due to the invasion by Pakistan of the Kashmir territory,—and made him request for help from India to stem the invasion, that was a threat to the four million people of Jammu and Kashmir. His accession to India at that time, was an event which was hailed as an act of patriotism by all sections of the people of Jammu and Kashmir, and it was also considered a step in the right direction. Thus, a new chapter opened in the history of Jammu and Kashmir.

It is pertinent for me to point out here that the leader of the National Conference, Sheikh Mohammed Abdullah, himself supported the Maharaja in his move to accede to India with a view to achieve the ideals for which the National Conference struggled for many years, namely responsible Government of a secular nature as an integral part of India. The National Conference confirmed this action of the Maharaja and the decision of Sheikh Mohammed Abdullah in their election manifesto and fought the elections to the Jammu and Kashmir Constituent Assembly on that platform, which was further ratified by the Jammu and Kashmir Constituent Assembly in March 1954. The official seal of this decision was given by the President of India on May 14, 1954.

It is in the fitness of things that Jammu and Kashmir should have the same set of laws as other parts of the Republic and I may express the hope of every right-thinking son and daughter of Jammu and Kashmir that there should not be any disparity between the laws of India and those of the State. I, therefore, welcome the Taxation Laws (Extension to Jammu and Kashmir) Bill 1954. Income-tax is not an old tax in Jammu and Kashmir and previously people made money but did share it with the State.

[Th. Lakshman Singh Charak]

We are living in a modern world where a 'welfare State' has been acknowledged as the ideal. That means that people who are rich should be willing to give a portion of their riches to the State to be spent on the welfare of the masses, who are not fortunate enough to have a good standard of living. Income-tax is one of the devices by which social security and general well-being of people are advanced in an advanced modern State.

Jammu and Kashmir had an Income-tax Act only a decade ago and it may not be in keeping with the standards set up in advanced States. India is now becoming a full-fledged welfare State and it is but proper that the Jammu and Kashmir income-tax law should be the same as that of other parts of India. It is therefore that I welcome this Bill, and I think it has not been introduced a day too soon.

I would, however, like to say that I have my misgivings about the application of section 6(b)—page 3, line 5—in which the Centre is taking over the power to reopen old cases previous to 1952. In my opinion, the application of this section of the Act with effect from 1952 would be a great hardship to the people of the State. I would like to bring to the notice of this House and the hon. Minister that Jammu and Kashmir has gone through very difficult times in the economic field during the days of the invasion of their hearths and homes by the raiders from Pakistan. People had to move from their homes and migrate to other parts of the State leaving all their belongings in trying to save their very lives and keeping the honour of their womenfolk. It can be imagined by the people of the State and even by the onlookers in the Indian Army who came to our rescue, that confusion was the order of the day and the poor people who could not save their few belongings lost even accounts

papers etc. in the pell-mell. Now, if anybody asks them to submit their accounts and if anybody thinks of reopening the cases, it will be a very great hardship on them.

Another fact of the economic situation in the State is the taking over of the lands under the Abolition of the Big Estates by the Jammu and Kashmir Government without any compensation to them. This is certainly a unique feature of the abolition of landlordism in this country, where a fair value of the lands taken over was given as compensation to those who surrendered them to the State. About 10,000 families are thus left in a state of destitution and if this section of the Bill takes the effect of law, it would be a great hardship to those unfortunate families, who have lost everything they had.

I hope and trust that in view of the facts of the situation mentioned by me, this hon. House is fully aware of the economic condition of the people of State, who have been endowed by nature with the riches of life but the mass of them are in the grip of poverty and economic and social backwardness. I am sure that it is the intention of the Government to rehabilitate these poor people and put them on a sound and sure economic foundation of life and living. With these words, I support the Bill.

Shri Bansal: I join my voice in welcoming this measure. I am sure every citizen of this country will welcome this Bill as the consummation of a long cherished desire on the part of this country. But I want to know from the hon. Deputy Minister as to why this Bill, which is so important, and to the wider implications of which he himself made a reference, is being sneaked in in such a manner. Only one hour is being allotted for its discussion.

Shri A. C. Guha: That does not depend on the hon. Minister at all. That has been done by the Business Advisory Committee.

Lala Achint Ram (Hissar): He ought to have requested the Committee for more time.

Mr. Chairman: If a Bill is acceptable to all sections of the House, then more time cannot be unnecessarily devoted to it.

Shri Bansal: No, Sir. There are certain other implications.....

Mr. Chairman: It is not on account of the importance of the Bill but on account of the controversial nature of it that more time is usually allotted.

Shri Bansal: Not only on account of importance, but there are certain other important implications of this Bill which, in my opinion, deserves for it more time being allotted for discussion in this House. After all, when we are extending these laws to the territory of Jammu and Kashmir, the House must be taken into confidence as to what are going to be the financial implications of this integration.

The hon. Minister said that a debate took place on the floor of this House in 1952. I also remember what transpired in that debate, and if I remember rightly, the hon. Maulana Azad said at that time that integration of the State of Jammu and Kashmir financially with India would mean a very big loss to the State of Jammu and Kashmir, because they were earning a big income from the customs, and inasmuch as financial integration would remove the customs barrier, the State of Jammu and Kashmir would suffer a big loss. Now, I want to know what would be the quantum of that loss. How much money will the State of Jammu and Kashmir forgo on account of this integration? The Deputy Finance Minister gave a figure. I remember first he said it was Rs. 157 crores. Then he said it was Rs. 1.57 crores. I know it may be Rs. 1.57 crores, but

if he himself is having such a big confusion in his mind, what to speak of the House? Therefore, what I am trying to say is that it would have been in the fitness of things if a White Paper had been laid before this House as to what would be the financial implications of this integration. That is the only point I am going to press before this House, because I am not at all satisfied with the figure that has been given of Rs. 1.57 crores, and Rs. 2.5 crores which will be the additional burden to the Exchequer. In the Financial Memorandum which has been enclosed with the Bill, it is mentioned that the anticipated expenditure on the staff to be stationed within the State would be about Rs. 2.5 lakhs annually. From this, it would appear that it does not include any other commitments which the Government of India will have to undertake as a result of the extension of these laws to the State of Jammu and Kashmir. Therefore, even at this stage, I would request the hon. Minister to place on the Table of the House a detailed White Paper as to what will be the financial implications of this integration of the State of Jammu and Kashmir.

Now, I do not want to be misunderstood. I am not one of those who cavil at any expenditure that might have to be incurred by the Government of India by virtue of this merging. After all, the State of Jammu and Kashmir is a part of this country and whatever sacrifices we have to make in order to bring that State into line with other Part A or Part B States in our country, I will not grudge. But it behoves the Minister to take this House, which has the power of voting these funds, into confidence, so that we know as to where we stand and what will be the implications of the extension of these taxation laws to the State of Jammu and Kashmir. With these words, I once again extend my wholehearted support to this Bill.

مولانا مسعودی (جسوں نے کہا)
- کشرہر) - چاب چور میں صاحب -

[مولانا مسعودی]

یہ بل جو ہاؤس کے سامنے اس وقت رکھا گیا اس کی بلحاظ وہ کانستٹیویشنل ایپلیکیشن آرڈر ہے جو اس سال ۱۴ مئی کو جاری کیا گیا تھا۔ اس سے قبل جموں اور کشمیر کی اسٹیٹ یونین کے کانستٹیویشن میں گورنر ہوتی تھی صرف دفعہ ۳۷۰ سے۔ جس کے مطابق سوائے قفیس فارن افیئرس اور کنونشن یا ان سے تعلق رکھنے والے امر کے اس پارلیامنت کو کوئی قانون پاس کرنے کا حق نہیں تھا جو جموں اور کشمیر پر حاوی ہوتا۔ چنانچہ یہی وجہ تھی کہ گزشتہ مدت میں جو قانون بھی اس پارلیامنت نے پاس کئے۔ ہر ایک میں یہ رکھا گیا کہ ہندوستان کے تمام حصوں پر بجائے جموں اور کشمیر کے حاوی ہوگا۔ اس نے بعد سنہ ۵۲ کا دہلی ایکٹ اور بعض دوسرے ایکٹس ایسے ہوئے جن کے مطابق اس پارلیامنت کو یہ حق دئے جانے کی کوشش کی گئی کہ ایسا قانون پاس کیا جائے جو بعض دوسرے امر کے بارے میں بھی جموں اور کشمیر پر حاوی ہو اور ان میں سے یہ آرڈر جیسا کہ میں نے ابھی تجویز کیا کانستٹیویشنل ایپلیکیشن تو جموں اینڈ کشمیر ۱۴ مئی سنہ ۵۴ کا ہے۔ یہ پہلا اور بنیادی آرڈر ہے جس کے مطابق اس ہاؤس کو یہ حق دیا گیا ہے کہ وہ بھی دوسرے

امور کے بارے میں جموں اور کشمیر پر حاوی ہونے والے قوانین پاس کرے۔ آج ہم ایک قانون پر تو غور کر رہے ہیں مگر بدقسمتی سے وہ آرڈر جس کے مطابق وہ حق ہم کو حاصل ہوا ہے وہ پچھلے پانچ چھ مہینوں سے اس ہاؤس کے سامنے نہیں رکھا گیا حالانکہ ہونا یہ چاہیئے تھا کہ ایک اہم ترین آرڈر جو نہ صرف اس ہاؤس کو جموں اور کشمیر کے بارے میں قوانین پاس کرنے کا حق دیتا ہے بلکہ اس سے بھی زیادہ یہ کرتا ہے کہ یونین کا کانستٹیویشن جو سوائے تین امور کے جموں اور کشمیر پر حاوی نہیں تھا اس کو جموں اور کشمیر پر حاوی کر دیا ہے اور اس سے بہت سی ایپلیکیشنس نکلتی ہیں۔ وہ آرڈر لازمی طور پر پارلیامنت کے سامنے آنا چاہیئے تھا تاکہ سب سے پہلے اس آرڈر کی معقولیت کا جو پہلو ہے ان پر یہ ہاؤس غور کرتا اور اس کے بعد اس قسم کے قوانین جو جموں اور کشمیر پر حاوی ہونے والے تھے وہ اس ہاؤس کے سامنے لائے جاتے۔ اس کانستٹیویشنل آرڈر میں جموں اور کشمیر کا ہندوستان کے ساتھ صرف مالی انٹیگریشن ہی نہیں تھا بلکہ اس کے علاوہ اور بھی امور ہیں جن پر حاوی ہے۔ یہ دو بڑے امور ہیں جن میں سے یہ مالی انٹیگریشن

ایک ہے اور دوسرا سہرم کورٹ کا جموں اور کشمیر پر حاوی ہونا ہے۔ اگر میں یہ کہوں کہ لیٹن اور دیپن کا معاملہ جموں اور کشمیر کے لوگوں کے فائدے کی چیز ہے۔ اس آرڈر نے مطابق اگر ان کو ملنے والی کوئی چیز جو ان کو دی گئی ہے وہ تو سہرم کورٹ کا ایہلائی ہونا ہے اور ان سے جو چیز لی گئی ہے وہ اس ٹیکسیشن کا حق ہے جو یونین نے حاصل کیا ہے۔ اس طرح سے دو چیزیں جو ہیں۔ ایک پرستو میں لیٹن اور دیپن دونوں چیزیں شامل ہیں۔ لیکن میں انیسوس کے ساتھ اس بات کو ظاہر کرتا ہوں کہ جہاں تک لوگوں سے لیٹے کا تعلق ہے یعنی ٹیکسیشن کا تعلق ہے اس میں تو ہم جلدی کر رہے ہیں اور جلدی ہی اس قسم کی کہ ایک اہم ترین ایکٹ ہم ایک گھنٹہ کے اندر اندر پاس کرنا چاہتے ہیں اور دوسری طرف جہاں تک انصاف کا تعلق ہے اس میں قبیلے اس قسم سے کر رہے ہیں کہ ہم کہتے ہیں کہ پانچ سال تک جہاں تک جموں اور کشمیر کے باشندوں کے فلڈامینٹل رائٹس کا تعلق ہے ان کے بارے میں باوجود وہاں پر سہرم کورٹ کے حاوی کر دینے کے وہ اس بارے میں سہرم کورٹ سے انصاف حاصل نہیں کر سکتے۔ جموں اور کشمیر پر سہرم کورٹ حاوی ہو چکا ہے۔ سہرم کورٹ کے چیف

جسٹس ایچ کئی ساتھیوں کو لے کر کشمیر جا سکتے ہیں وہاں جا کر شریکر میں اجلاس کر سکتے ہیں اور وہاں پر معمولی معمولی مقدمات بھی سن سکتے ہیں لیکن جہاں تک وہاں کے لوگوں کے فلڈامینٹل رائٹس کا معاملہ ہے وہ پانچ سال تک ابھی ان کے سامنے نہیں آ سکتا۔ حالانکہ دنیا جانتی ہے کہ انصاف میں قبیلے کرنا یہ انصاف سے انکار کرنے کے برابر ہے۔ ہم انصاف دینے میں قبیلے تو کرتے ہیں اور ان لوگوں کو جہاں تک دہلیے کا تعلق ہے اس کو ہم پانچ سال تک ملتوی کرتے ہیں لیکن جہاں تک ان سے کچھ لیٹے کا تعلق ہے اس کو ایک دن کے لئے بھی ملتوی نہیں کیا جا سکتا۔ حالانکہ اس بل کے اسٹیٹمنٹ آف آپجیکٹس ایڈ ریفرنس میں یہ لکھا ہوا ہے کہ کچھ باتیں ابھی تک اسٹیٹ گورنمنٹ کو ایسی چیزیں ہیں جن پر وہ دس سال کے لئے خود ٹیکس لگایا کرے تو کہوں اس پر یہ چھوڑا ہے اس لئے کہ جیسا ابھی ہنسل صاحب نے کہا جموں اور کشمیر کی مالی حالت بہت خراب ہے۔ یہ سب مانتے ہیں اور ان کی مالی حالت اس قدر خراب ہے کہ ان کا اس سال کا جو سالانہ بجٹ ہے اس میں پچاس پرسنٹ کی کمی رہی جس کو کہ مرکز نے ڈھائی کروڑ روپیہ سے زیادہ دے کر پورا کیا ہے۔

[مولانا مسعودی]

جن کا بھرت اتنا خراب ہو گا کہ
طور پر ان کو کچھ نہ کچھ رعایتیں
دی جاتی ہیں اور اس بل میں
بھی کچھ رعایتیں دی گئی ہیں
ایک دو چیزوں میں مثلاً موٹر
اسٹریٹ کے لئے اور ایک آدھ چیز
کے واسطے یہ رقم دیا گیا ہے کہ دس
سال تک ان کا ٹیکس جسوں اور کشمیر
اسٹیٹ لیا گیا کی - ہونیں اس
میں دخل اندازی نہیں کرے گی -
جب اس قسم کی رعایتیں ان
چیزوں میں دی جا سکتی ہیں تو
انکم ٹیکس کے معاملے میں بھی
دے سکتے ہیں - کسی چیز میں
ان کو رعایت دے سکتے ہیں - گر
رعایت نہ بھی دی جا سکتی ہو تو
اس قدر تیزی کے ساتھ اس ایکٹ کو
نہیں پاس کرنا چاہئے جس سے
اس کے مختلف پہلو اور مختلف
اور دیگر باتیں اچھی طرح سے نہیں
دیکھی جا سکتیں - میں اس سے
زیادہ اس معاملے میں کچھ نہیں
کہنا چاہتا - میں تو یہی عرض
کروں گا کہ اگر گورنمنٹ سے ہو سکتا
ہو تو وہ اس مرحلے پر اس ایکٹ
کو پاس کرنا ملتوی کرے اور اس کے
تمام پہلوؤں پر اچھی طرح سے غور
کریں - جلدی کی تو وہ ٹھیک نہیں
ہوگا اور مناسب بات نہیں ہوگی -
خود اس ایکٹ کی بنیاد جس
مالی ایگریمنٹ پر ہے اس مالی

ایگریمنٹ سے بھی یہاں کا کوئی مسہر
واقف نہیں ہے سوائے اس مسودہ
میں ایک حوالہ آیا ہے باقی کسی
طرح کا علم نہیں ہے کہ وہ مالی
ایگریمنٹ کہا ہے اور جیسا شری
بلنسل نے کہا اس کی مالی
امپلیمینٹیشن کے بارے میں کوئی
جاننا ہی نہیں - میری یہی
درخواست ہو گی کہ بل کو پاس
کرنا ملتوی رکھا جائے - دوسرے
سیشن میں یہ پاس کیا جا سکتا
ہے اور تب تک اس معاملے میں
جس قدر ہی تفصیلات ہوں وہ اس
ہاؤس کو مہیا کی جائیں تاکہ جب
یہ ہاؤس اس بل کو پاس کرنے لگے
تو وہ اس کو پورے علم کے ساتھ
پاس کرے

میں ایک دوسری چیز یہ عرض
کرنا چاہتا ہوں - جیسا کہ عرض
کیا گیا ہے کانستٹیوشنل آرڈر جو ہے
اس کے مطابق یہ بل مرتب کیا
گیا ہے و آرڈر صرف فائنل شیل
امپلیمینٹیشن پر ہی حاوی نہیں ہے
اس کے ساتھ اور بھی بہت سے
معاملے ہیں جہاں اور بہت سے
قوانین پچھلے برسوں میں پاس ہوئے
ہیں جو اس بات کا حق رکھتے ہیں
اور جس کے بارے میں جموں اور
کشمیر کے لوگ حق رکھتے ہیں کہ
جو فائدہ کی باتیں ہیں ان کا فائدہ
ان کو بھی پہنچے - تو کہوں نہ

ایک ایسا مکمل اور ایک پریسائز ہل لیا جائے جس کی رو سے تمام مفید چیزیں جو اس پارلیمانٹ نے پاس کی ہوں اور جو اب نئے حالات میں اور نئے آرڈر کے ماتحت جاری ہو سکتی ہیں جنوں اور کشمیر پر -

لیکن یہ سب چیزیں ایک ہی بار کہوں نہ مرتب کر کے پیش کی جائیں - اس طرح الگ الگ چیزیں کہوں لائی جائیں - ان الفاظ کے ساتھ میں اس بل کی مخالفت کرتا ہوں -

(English translation of the above speech)

Maulana Masoudi (Jammu and Kashmir): Mr. Chairman, the Bill before the House is based on the Constitutional application order issued on 14th May last. Before that in the Constitution of the Union, Jammu and Kashmir State was governed by Article 370 according to which with the exception of subjects of Defence, Foreign Affairs and Communications or matters connected therewith, this Parliament had no right to pass any law applicable to Jammu and Kashmir. That is why all the laws passed by this Parliament were made applicable to all parts of India except Jammu and Kashmir. In 1952, the Delhi Agreement and certain other arrangements were made according to which power was sought to be given to this Parliament to frame laws about certain other subjects which would apply to Jammu and Kashmir. This order, the Constitutional Application to Jammu and Kashmir order of May 14th, is the first and basic order according to which this House has been empowered to frame laws about certain other matters which would apply to Jammu and Kashmir. Unfortunately though we are considering this Bill, yet the Order issued five

or six months ago from which we have derived that right has not been placed before the House. This important Order which not only empowers this House to frame laws for Jammu and Kashmir, but also applies the Union Constitution to it and which has many other implications, should certainly have been placed before Parliament. The House would have considered the propriety of this Order and then the laws applicable to Jammu and Kashmir would have been brought before this House. This Constitutional order not only covered the financial integration of Jammu and Kashmir with India, but other matters also. The two major matters are the financial integration and the extension of the jurisdiction of the Supreme Court to the State. According to this order, the jurisdiction of Supreme Court has been extended to the State, but the right of taxation has been taken away from it by the Union. This proposal gives something but at the same time takes away something else. So far as taxation is concerned, we are rushing the proposal through and want to pass an important Bill within an hour, but so far as justice is concerned, we are stipulating that in spite of the jurisdiction of the Supreme Court over the State, the people of Jammu and Kashmir can have no redress from the Supreme Court as regards their fundamental rights. The Supreme Court has extended its jurisdiction to Jammu and Kashmir. Its Chief Justice and his colleagues have gone to Kashmir and held their court there and have heard very ordinary cases, but so far as the question of the fundamental rights of the people of the State is concerned, it cannot come before them for five years, although it is well-known that justice delayed is justice denied.

The Statement of Objects and Reasons says that there are still some subject left with the State Government, in connection with which it can levy taxes for ten years. Why has this been done? Because, as Shri Benseal pointed out, the financial position of Jammu and Kashmir is very

[Maulana Masoudi]

weak so much so that the deficit of 50 per cent. in its annual Budget has had to be made up by the Centre with a grant of over Rs. 2½ crores. When budgetary position is so unsound, the grant of certain concessions is inevitable and in this Bill also a few concessions have been given. For instance it has been laid down that the tax on motor-spirit and one or two other things shall be realized by the State and the Union will have no hand in it. When concessions in these matters can be given, it can also be given in the matter of income-tax or in any other matter. If it be not possible, we should in any case not pass this Bill in such a great hurry without carefully considering its various aspects. I do not wish to say anything more in this connection. I would only urge upon the Government that if possible the passing of this Bill should be postponed and all its aspects should be carefully considered. Hasty action in this matter would not be proper. This Bill itself is based on the Financial Agreement, with which the Members are not familiar. There is just one reference to the Agreement in this draft. Excepting this, it is not known what this Financial Agreement is. As Shri Bansal has said nobody knows anything about its financial implications. I would request that this Bill be held over till the next session. In the meantime all the relevant details should be supplied to the House, so that it should be in possession of all the facts at the time of passing it. This Constitutional Order, according to which this Bill has been drafted, not only has financial implications but other implications also. Many laws regarding various matters have been passed in the last few years. The people of Jammu and Kashmir have a right to enjoy the advantages accruing from these measures. For this purpose a comprehensive and precise Bill should be brought according to which all the advantageous measures passed by this Parliament should apply to Jammu and Kashmir according to the changed circumstances and the

new order. There should be a single comprehensive Bill for this purpose and no piece-meal legislation.

With these words, I oppose the Bill.

श्री राधेसाहू व्यास (उज्जैन): माननीय सभापति जी, मेरा इस बिल पर बोलने का कोई इरादा तो नहीं था लेकिन अभी दो, एक बातें मेरे मित्र मौलाना मसूदी ने जो कहीं, उनके बार् में ही जवाब देने के लिये मैं इस समय खड़ा हुआ हूँ। एक बात उन्होंने यह बतलाई कि जिस आर्डर के तहत यह कानून बन रहा है वह सभागृह के सामने नहीं आया। इसके बार् में मुझे यह निवेदन करना है कि कांस्टीट्यूशन में हमने यह चीज पहले ही स्वीकार की है कि जो विधान कारमीर की कांस्टीट्यूट असेम्बली बनायेगी वह भारत सरकार को मंजूर होगा। जो कुछ भी दिल्ली एग्जीक्यूटिव हुआ था उसके तहत वहाँ की कांस्टीट्यूट असेम्बली ने कुछ निर्णय किया और वहाँ कुछ बातें उन्होंने मंजूर कीं। अब जो चीजें उन्होंने मंजूर की थीं, वही प्रेसीडेंट साहब ने आर्डर के द्वारा जारी की हैं।

उस आर्डर को यहाँ रखने का मतलब यह है कि उस पर यहाँ वाक्-विवाद हो और सभा को उस में तरमीम करने की इजाजत हो, तो यह नहीं हो सकता क्योंकि यह अधिकार तो वहाँ की कांस्टीट्यूट असेम्बली को है कि वह इस सम्बन्ध में जो भी मुनासिब समझे वह विधान तैयार करे और अपनी शर्तें उस में रखे, और यह भी बहुत जरूरी है कि हम ईमानदारी के साथ, जैसा कि वह चाहते हैं, उस का पालन करें और उस को मंजूर करें। इस लिये यह बात मेरी, सम्झ में नहीं आती है कि उस आर्डर को यहाँ पर कैसे रखा जाय।

[MR. DEPUTY-SPEAKER in the chair]

दूसरी चीज उन्होंने यह कही कि जहाँ तक देने लेने का सवाल है, टैक्स तो

दिखा जा रहा है, लेकिन दूंगे सुप्रीम कोर्ट को सुप्रीम कोर्ट को दूंगे, लेकिन अभी तक जहाँ तक फंडामेंटल राइट्स का सवाल है, सिविल लिबर्टीज का सवाल है, वह कैसे पांच साल तक अभी सुप्रीम कोर्ट के सामने नहीं जा सकते यद्यपि सुप्रीम कोर्ट वहाँ पर फंक्शन कर रहा है। इस के बारे में मेरा निवेदन है कि जम्मू और कश्मीर की कान्स्टिट्यूट एसेम्बली ने इस सम्बन्ध में निर्णय कर लिया और इस के बारे में इस संसद को हस्तक्षेप करने का कोई अधिकार नहीं है।

जो बातें यहां हमारे लायक दोस्त ने कही हैं, ज्यादा अच्छा होता यदि वह उन को जम्मू और कश्मीर की कान्स्टिट्यूट एसेम्बली के सामने रखते। वहाँ की मेजरिटी से, बहुमत से बिल्क सर्वसम्मत से जो चीज तय हुई है और जो कानून उन्होंने बनाया है, उस में दिल्ली एग्जिमेंट के मुताबिक हमें हस्तक्षेप करने का कोई अधिकार नहीं है। ऐसी सूत्र में इस बात की दलील देना बिल्कुल असंगत और गलत है।

यही दो बातें मुझे सदन के सामने रखनी थीं, और मैं समझता हूँ कि जो गलतफहमी पैदा करने की कोशिश की गई है वह इस से पैदा नहीं होगी और असंलियत सामने आ जायेगी।

इतना ही कह कर मैं अपना स्थान गृहण करता हूँ।

श्री बी० जी० वृंशवांड (गुना): उपाध्यक्ष, महोदय मैं इस विधेयक का हृदय से समर्थन करने के लिए खड़ा हुआ हूँ। अनेक वर्षों से जम्मू और कश्मीर के भारत के अविभाज्य अंग होने के कारण जम्मू और कश्मीर की जनता इस बात का प्रयत्न कर रही थी कि जम्मू और कश्मीर भारत में ही सम्मिलित हो। मैं अपने मित्र ठाकुर लक्ष्मण सिंह चरक से सहमत नहीं हूँ इस बात में, जैसे कि उन्होंने इतिहास का चित्रण किया है कि

पहले कश्मीर को कांकर किया गया और उस के बाद लद्दाख को कांकर किया गया। यह हिन्दुस्तान के ही अंग थे इस लिये उन को किसी के जीतने का सवाल नहीं था। कश्मीर और हिन्दुस्तान एक ही विभाग हैं।

मेरे मित्र मौलाना मस्वी ने जो कुछ कहा है वह मेरी समझ में नहीं आया। मैं उन के साथ हूँ इस बारे में कि भारत के प्रत्येक अंग को अधिकार होगा कि जो उस के दुनियादी अधिकार हैं, फंडामेंटल राइट्स हैं वह सुप्रीम कोर्ट के सामने आने चाहिये, परन्तु वह अधिकार हम को मिल नहीं रहा है, उस के बारे में सौदेबाजी हो रही है। टैक्स तो हम लिये जा रहे हैं, और अधिकार नहीं दे रहे हैं, ऐसी बात नहीं है। हिन्दुस्तान के लिये और जम्मू कश्मीर की जनता के लिये यह अधिकार होना चाहिये कि उन के मौलिक अधिकारों की रक्षा हमारा सर्वोच्च कोर्ट करे। हमारी भी यही हार्दिक इच्छा है।

मैं समझता हूँ कि यह जो टैक्सेशन हो रहा है उस से हिन्दुस्तान को कोई फायदा नहीं हो रहा है। हिन्दुस्तान टैक्सेशन इस लिये कर रहा है कि फाइनेन्शियल इन्टिग्रेशन में सब भागों को एक समान अधिकार मिले। और इस के लिये जैसा हमारे श्री बंसल ने बताया अगर हिन्दुस्तान को कोई लाइबिलिटी उठानी पड़ी तो वह उस को भी उठाने के लिये तैयार है।

हम सोचते हैं कि इस प्रस्ताव के बारे में और बाकी जो विषय हैं उन विषयों के बारे में हिन्दुस्तान की सर्वाकांक्षा पूर्ण नहीं हुई है। परन्तु कश्मीर भारत का एक अंग है, जिस तरह से बाकी के हमारे स्व श्रेणी के राज्य हैं उसी तरह से यह भी स्व श्रेणी का राज्य हो यह इस ध्येय की पूर्ति में कि हमारे देश के स्व श्रेणी के सब विभाग एक से होंगे

[श्री वी० जी० दशपांडे]

बाहिएं, एक कदम हैं। इस दृष्टि से मैं इस का स्वागत करता हूँ।

बाकी सब विषयों की चर्चा बहाना होगी, लेकिन यहां आ कर जो आक्षेप करने या लड़ाई करवाने की दृष्टि से जो बातें यहां कही गई हैं, मैं उन का विरोध करता हूँ और मैं समझता हूँ कि यह जो विधेयक है उसे यहां स्वीकार किया जायेगा।

Shri A. C. Guha: I am grateful to the hon. Members for generally welcoming this Bill. Two Members from Jammu and Kashmir have spoken and I realise they are persons who are directly interested in the Bill. Mr. Charak has mentioned about the past history, and other things. I think it is realised that Jammu and Kashmir are an integral part of India from the earliest ages and there is no question about that whatever might have been the political history, some territory being conquered by some people or some raja or maharaja or sultan, the fact remains that Jammu and Kashmir were all along forming part and parcel of India, an integral part of India, and this Bill is simply an assertion of that apparent fact and patent fact.

Maulana Masoodi has raised certain points, and I think Mr. Vyas has already replied to those points. We have been proceeding on the lines of some agreed formula while dealing with what are known as the princely States. Never has this House or the Government had any desire to force anything on these States. The Jammu and Kashmir Government has expressed certain wishes and desires through the Constituent Assembly in February this year and this Bill is simply to implement those desires. I do not think Maulana Sahib was right in raising some irrelevant and extraneous issues in connection with the Bill. Nor should we go beyond what has been accepted by the Constituent Assembly of Jammu and Kashmir. As it has been the basic principle of this Government and of

this House, in such matters we have always been proceeding on some agreed basis.

Mr. Bansal has raised the question of financial implications. I am sorry that instead of mentioning Rs. 250 lakhs, I mentioned Rs. 250 crores, but I corrected it immediately as Rs. 257 lakhs. It is not a confusion as Mr. Bansal has put it; it is rather a slip and I hope he will take it in that spirit and not as a confusion in my mind. I cannot imagine that the Jammu and Kashmir Government would lose, simply by this enactment, Rs. 157 crores.

Shri Bansal: That created a confusion in our minds.

Shri A. C. Guha: Immediately, within a second, I corrected myself. Then he asked for some further clarification in regard to the financial implications. I have already stated that the Jammu and Kashmir Government would lose about Rs. 157 lakhs or nearabout that amount, and India Government will get an annual revenue of about Rs. 30 lakhs from different heads, and there will be a net saving of Rs. 50 lakhs that was being paid to the Jammu and Kashmir Government for foreign goods passing through bond. On our side, there will be a saving of Rs. 50 lakhs, and the net increase of Rs. 30 lakhs or nearabout that amount. So, there will be a saving of Rs. 80 lakhs, and perhaps the Jammu and Kashmir Government will lose about Rs. 150 lakhs. We have arranged to give the Jammu and Kashmir Government a total grant of Rs. 250 lakhs a year, but for the current year it will be Rs. 242 lakhs as the financial integration has taken effect from the 13th April of this year and not from the 1st April. Those arrangements will continue till the next Finance Commission makes a report as regards the financial aspect of the Jammu and Kashmir State along with the other States. I have nothing more to say. All Members have appreciated the wider implications of the Bill and I

hope small misgivings should not weigh with them in consideration of the wider implications of the Bill.

Mr. Deputy-Speaker: The question is:

"That the Bill to provide for the extension of certain taxation laws to the State of Jammu and Kashmir and for matters connected therewith, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: We shall now take up clause by clause consideration. There are no amendments to clauses 2, 3 and 4.

(Clauses 2 to 4 were added to the Bill.)

Clause 5.—(Repeals)

Shri Madhao Boddli (Adilabad): I beg to move:

In page 2, omit lines 32 to 40.

Sir, the object of my amendment is quite simple. Sections 25, 25A, 25B and 25C of the Kashmir Customs Act authorise the State Government to prohibit the export and import of books, publications and newspapers. Now we are repealing this Act through this piece of legislation, but this particular section is sought to be retained. This provision has been much abused by the State authorities and there are instances where genuine Indian publications have not been allowed to enter Kashmir. It is very strange that Kashmir should be a part of India and still Indian publications should not be freely allowed to enter that State. This provision and other similar provisions in the Kashmir statute book have been responsible for the present state of affairs in Kashmir and we should see that this section is not retained on the statute book.

Mr. Deputy-Speaker: Amendment moved:

In page 2, omit lines 32 to 40.

Shri A. C. Guha: Sir, I cannot accept this amendment, because as I have

stated we are proceeding on some agreement. The Government of Jammu and Kashmir have not agreed to accede to this item—item No. 39 in the Seventh Schedule—Concurrent List. So, I am not in a position to accept this amendment.

Mr. Deputy-Speaker: The question is:

In page 2, omit lines 32 to 40.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6.—(Savings)

Th. Lakshman Singh Charak: I beg to move:

In page 3, lines 5 to 7, omit:

"in respect of any period prior to the previous year for the purposes of assessment under the Indian Income-tax Act, 1922 (XI of 1922)".

Sir, When I spoke at the consideration stage of this Bill, I said that as far as the people of Jammu and Kashmir are concerned, they welcome this measure and consider it a step in the right direction. However, I had my misgivings about the application of this clause. Considering the economic situation of the State of Jammu and Kashmir which was dislocated due to the raids and other political developments, if this clause is applied very rigidly, the already hard hit people of the State will be further hit, and instead of doing some good to the people you will bring hardships on them. So, if the amendment I have suggested is accepted, it will serve the interests of the people of Jammu and Kashmir and also of the Government of India.

Mr. Deputy-Speaker: Will the new Act apply retrospectively?

Th. Lakshman Singh Charak: Government may re-open cases prior to 1952; according to the Indian Income-tax Act, they can call for accounts and re-open cases up to eight years.

If, however, the hon. Minister is prepared to give me an assurance, that only in exceptional cases, where there is a fraud, old cases will not be re-opened, I will not press my amendment.

Shri A. C. Guha: I can satisfy the hon. Member to this extent that generally we shall not try to re-open, cases, unless there is any case of fraud, or concealment of income or anything like that. We shall always be careful in such cases. Whenever such cases are re-opened, they will be examined under the existing Jammu and Kashmir Act, not under the Indian Income-tax Act. I hope the hon. Member will not press his amendment.

Mr. Deputy-Speaker: I have not placed it before the House.

The question is:

"That clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Clauses 7 and 8 were added to the Bill.

The Schedule was added to the Bill.

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

Shri A. C. Guha: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: Motion moved:

"That the Bill be passed."

Shri R. K. Chaudhuri (Gauhati): I support the motion wholeheartedly and I do so for this reason. In all the Bills which we have passed up to this day, there was always a clause to the effect that it extends to the whole of India, excepting the State of Jammu and Kashmir. This clause looked, in my opinion, rather odd.

Now, we know that Jammu and Kashmir is included in India, because, if they pay the piper they can always call the tune.

There is one thing which might be taken amiss by at least, I believe, the women of Kashmir. Here in India you are going on merrily with the Special Marriage Act and with the Hindu Marriage and Divorce Act.

Mr. Deputy-Speker: Is marriage also axed? We are now referring to taxation laws, excise duties, etc.

Shri R. K. Chaudhuri: My argument is this. The Kashmir people may naturally say that at the time of imposing a burden on them, you come with a piece of legislation of this nature. But at the time of giving liberty or licence, you withhold the Special Marriage Act and the Hindu Marriage and Divorce Act from them. Would not the progressive section of the people of Kashmir feel like that?

Th. Lakshman Singh Charak: We are not very much worried about the Special Marriage Act.

Kumari Annie Mascarene (Trivandrum): I have great pleasure in supporting this Bill.

Shri R. K. Chaudhuri: So had I!

1 P.M.

Kumari Annie Mascarene: When I look into the clauses of this Bill, I feel that the financial blood stream of India is now going to spread further north and include Kashmir also. But Kashmir had been from time immemorial part and parcel of India, and if I am not mistaken in my memory with regard to historical facts, I think Kashmir had been really shaping the destiny of India. When the ancestors or the parents of Nur Jehan came to India they little thought she would be influencing the heart of the Moghul Empire. Later on when some other people came down to India they had absolutely no idea that some day their progeny is going to steer the destiny of independent India. Today we are very happy to have Kashmir with us

and India looks upon Kashmir as the mother country to include the State of India, the provincial part of it, though actually the case is the reverse. Kashmir on the top and Travancore below on the South are the two jewels in India, the most beautiful ornaments that adorn Bharat Mata. Therefore, it is but necessary that we should extend our authority over Kashmir. This House has been the scene of many a discussion on Kashmir, and always there was a tone of sorrow in it. Today, when Kashmir is going to be part and parcel of India with the financial integration, I am really surprised to find even in the Opposition Benches very few voices coming forth, except one or two, to welcome it.

I have great pleasure in supporting this Bill.

Mr. Deputy-Speaker: Has the hon. Minister anything to say?

Shri A. C. Guha: I do not think I shall have anything more to say. But I think it is a proud privilege for me to pilot this Bill, and I hope the House and the whole country will realize the implications of this Bill and that the House will have in near future the pleasure of passing similar other Bills.

Mr. Deputy-Speaker: The Kashmir State will benefit by this Bill. The question is:

"That the Bill be passed."

The motion was adopted.

MADHYA BHARAT TAXES ON INCOME (VALIDATION) BILL

The Deputy Minister of Finance (Shri M. C. Shah): I beg to move:

"That the Bill to validate the levy, assessment and collection in the State of Madhya Bharat of certain taxes on income and on profits of business due in respect of the periods referred to in sub-section (1) of section 13 of the Finance Act, 1950, be taken into consideration."

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This is a very simple Bill. Under the Federal Finance Agreement the Madhya Bharat Government was entitled to assess levy and collect the taxes under certain Acts, mainly the Indore Industrial Tax Rules, 1927 and other laws of the former Indian States now constituting Madhya Bharat, because there was no corresponding tax on business profits levied by the Centre at that time. In accordance with the usual recommendation of the States Finances Enquiry Committee, a general provision was made in section 13 of the Finance Act, 1950, keeping the taxation laws of the States in force therein immediately before the date of the Federal Financial Integration, operative only for the levy and collection of the tax on incomes of the period prior to the previous year relevant for the 1950-51 assessment. But the assessment and collection under the State laws was to be made by the officers of the Central Government appointed under the Indian Income-tax Act, who were to be treated as the corresponding officers under the State laws. Thus in the case of taxes of a special kind assessed, levied and collected in Madhya Bharat there was a sort of inconsistency or conflict between the terms of the agreement and the provisions of section 13 of the Finance Act, 1950.

Shri Bansal (Jhajjar-Rewari): What was that agreement?

Shri M. C. Shah: Agreement between the Rajpramukh of Madhya Bharat and the Government of India, that for the period prior to the integration the Madhya Bharat Government will be entitled to assess, levy and collect the taxes prior to the period of financial integration. That was the agreement under article 278 of the Constitution, and it is binding on the Government of India. Therefore the Madhya Bharat Government officers were entitled to assess, levy and collect the tax.

Now, under section 13 of the Finance Act—that was under the recommendation of the Federal Finance Enquiry Committee there was this distinction