

Shri T. N. Singh (Banaras Distt. East): Let the House adjourn now, Sir.

Mr. Chairman: It has been announced in the bulletin that the House will continue to sit till 6 P.M. if there is business. The House will continue to sit now till the other Bill is passed.

HYDERABAD EXPORT DUTIES (VALIDATION) BILL

The Minister of Home Affairs
(**Pandit G. B. Pant**): I beg to move:

"That the Bill to validate the levy and collection of certain duties on the export of goods from the State of Hyderabad, be taken into consideration."

The Bill is purely of a formal nature. Certain duties which were in force in the State of Hyderabad at the time of its merger were continued thereafter. Certain legal difficulties have arisen and it has become necessary now to make those duties valid in law, and to validate the regulations and law under which they were realised. These duties were levied and the consumers had to pay money and now, those who collected the money may seek a refund of the money which they have paid although they had collected that money from the consumers. That would be extremely unfair. So, in order to ensure equity and justice, it has been considered necessary to introduce this Bill. It is purely of a non-controversial character and I am sure the House will accept it.

† **Mr. Chairman:** Motion moved:

"That the Bill to validate the levy and collection of certain duties on the export of goods from the State of Hyderabad, be taken into consideration."

Shri Sadhan Gupta (Calcutta South—East): Mr. Chairman, I have personally no quarrel with the Bill. But, in connection with its consideration I want to point out a certain feature which raises some apprehension in my mind. We find that this Bill was necessitated for the purpose of validating some acts done in complete oblivion of the fact that the law under which it was done had lapsed. Now, I find that it was a law under the Defence Regulation which was expected to lapse apparently after the end of the emergency, for which it was promulgated. Even in spite of the lapse, the Hyderabad Government continued to levy the export duties under the same regulation. In this instance, it might not have been a very serious thing from the moral point of view. But, it has happened in many States—for example, I can say of my own State—it has happened that even after pernicious Acts, objectionable Acts like the Security Act had been declared *ultra vires*, even after judgements had been pronounced, action continued to be taken under the Security Act.

Therefore, I would demand an assurance from the Home Minister that in future, States would be more conscious of what powers they have and would be more careful to see what laws are lapsing and to act in such a manner as to promote the proper observance of the laws. Particularly, in the case of oppressive laws, it is a very serious objection and this thing should be looked into.

I have only this much to say on this Bill.

Shri Mohiuddin (Hyderabad City): Mr. Chairman, I have no objection to the passing of this Bill but I should very much like to have some information as to how it happens that Parliament's time has to be wasted in passing this Bill. The Constitution had provided that the States who had previously levied import and export duties could continue to levy

[Shri Mohiuddin]

them for a certain period the enforcement of the Constitution; and, in the financial integration with the States, there was also an agreement that the States could continue to levy import and export duties and they should gradually reduce the rates of those duties as internal taxes as the sales tax and so on made up for the losses due to abolition of these duties. Up to March 31, 1955, the State Governments had a right under the Constitution to levy it, as also in accordance with the agreement with the Central Government. The High Court declared the Defence Rules *ultra vires* in 1953 or 1954—I do not know the exact date—but, before the 31st March, 1955, the State Government had, as far as I can understand, the right to pass a law validating certain acts they have done under the Defence Rules.

I would really wish that the hon. Home Minister explained as to why it is necessary for Parliament to pass this law. After the 1st of April it is necessary; before 31st March, 1955, it could as well have been passed by the State legislature to validate the collection of these duties. How did it happen that they did not do so?

Dr. Suresh Chandra (Aurangabad): Coming from Hyderabad, as I do, I think it is my duty to point out.... (Interruption) I request I may not be interrupted from behind because it is very discourteous. I can't continue.

Pandit Balkrishna Sharma (Kanpur Distt.—South cum Etawah Distt.—East): They are scratching your back.

श्री सुरेश चन्द्र : सभापति जी, इस बिल के बारे में पूर्व-वक्ता मेरे भाई ने जो कुछ कहा है, मैं उससे सहमत हूँ। यह ठीक है कि इस बिल के बारे में किसी का कोई विरोध नहीं हो सकता है। जैसा कि मंत्री महोदय ने कहा है, यह बिल

कुछ कानूनों को बंध बनाने के लिये पार्लियामेंट के सामने आया है। जो भी बिल हमारे सामने आता है, हम उसको अच्छी तरह आँख खोल कर देखते हैं और जब हम इस बिल का देखते हैं, तो, जैसा कि श्री साधन चन्द्र गुप्त और श्री मुहीउद्दीन ने भी कहा है, हमारी समझ में यह बात नहीं आती कि यह बिल यहां पर लाने की इस समय क्या आवश्यकता थी। आखिर हैदराबाद की असेम्बली भी इस को पास कर सकती थी। २१ मार्च तक की कलेंडेशन आफ लेवीज एंड ड्यूटीज को वैलीडेट करने के लिए हैदराबाद की लेजीस्लेचर भी एक कानून पास कर सकती थी। उसके बाद इतना समय निकल गया है। क्या इसका मतलब यह है कि चींकि जिस असेम्बली का यह काम था, वह इसको पूरा नहीं कर सकी, इसलिये यहां पर यह कानून लाया गया है? मैं समझता हूँ कि यह एक बहुत बड़ी गलती है।

अगर मंत्री महोदय इस बारे में हमारे सामने कुछ सूचना रख सकें, तो ठीक है। बाकी हमारे सामने जो कानून रखा गया है, उससे हमें कोई एतराज नहीं है, क्योंकि इसका मकसद उन ड्यूटीज को वैलीडेट करना है, जो कि ली जा चुकी हैं। मैं सिर्फ इतना ही सदन के सामने रखना चाहता हूँ।

Shri H. G. Vaishnav (Ambad) rose-

Mr. Chairman: Let us hear the hon. Minister. If there are any further points, we may see.

Shri H. G. Vaishnav: I won't take more than 2 minutes. Some hon. Members have raised the objection, that this Bill being within the jurisdiction of the Hyderabad State Legislative Assembly, ought to have been passed there and why it has been brought to this Parliament, so late. The implication of this Bill is as follows. This taxation involves inter-provincial questions. As far as I know, this question being of an inter-provincial nature, perhaps, the legislature of Hyderabad did not think it proper to pass any such Bill in the

State Assembly. Or it might be said that some objections may be raised afterwards if the Bill were passed by the Hyderabad State legislature. Because of that, I think the Bill could not be brought in the Hyderabad legislature. Of course, when any doubt is raised, it is for the Parliament to decide the matter and ultimately, this Bill has been brought before this House I think there is no objection to pass this Bill which is a very useful measure as far as the State interests are concerned.

Pandit G. B. Pant: It is strange that hon. Members from Hyderabad should have in a way registered a *caveat emptor* against this Bill. If anything, they should have in a normal way expressed their gratitude to the Lok Sabha for taking upon itself the function of passing this Bill which will work to their advantage. The Bill is being adopted by this House in order to save the finances of the Hyderabad exchequer. We have gone out of our way to accommodate the Hyderabad Government. We have done so in order that the people of Hyderabad may be saved from the possible contingency of being deprived of about Rs. 7 crores which they have collected from persons residing outside Hyderabad.

The export duties were levied under certain rules under the Defence of Hyderabad Regulations, Regulation No. 1348, if I remember aright. That Regulation was not limited in duration. It was not fixed for any particular term. It was supposed to be of perennial operation until repealed. The High Court of Hyderabad, in September 1954, held that that Regulation, having been issued under the Defence of Hyderabad Regulations, had expired, that it was meant for an emergency and was no longer alive. So, the necessity for validating the collections already made, arose, so that the people who had paid that money to the Hyderabad Government may not go to the courts to claim a refund of the money that they had paid. These

people had already collected the money from the consumers. It would have been unfair if they were allowed to pocket all this money which they had received from the consumer, on oilseeds and other agricultural products outside Hyderabad and which they had paid to the Government of Hyderabad. In the circumstances, to assist the Government of Hyderabad, and to ensure equity and justice, for the public benefit, it was considered advisable to introduce this Bill. I hope it will be accepted.

Mr. Chairman: The question is:

"That the Bill to validate the levy and collection of certain duties on the export of goods from the State of Hyderabad, be taken into consideration."

The motion was adopted.

Mr. Chairman: Now, we shall take the Bill clause by clause. There are only two clauses. I shall put all of them together.

The question is:

"That clauses 1 and 2, the Title and the Enacting Formula stand part of the Bill."

The motion was adopted.

Clauses 1 and 2, the Title and the Enacting Formula were added to the Bill.

Pandit G. B. Pant: I beg to Move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.