

NOTIFICATIONS UNDER ESSENTIAL COMMODITIES ACT

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas): Sir, I beg to lay on the Table, under sub-section (6) of section 3 of the Essential Commodities Act, 1955, a copy of each of the following Notifications:—

- (1) G.S.R. No. 638A dated the 25th July 1958, containing the Wheat (Regulation of Use in Roller Mills) Order, 1958.
- (2) G.S.R. No. 687 dated the 8th August 1958.
- (3) G.S.R. No. 702 dated the 14th August 1958.
- (4) G.S.R. No. 703 dated the 16th August 1958 containing the Wheat (South Zone Export Control) Order, 1958. [Placed in Library. See No. LT-866/58.]

12.23½ hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

TWENTY-FIFTH REPORT

Sardar Hakam Singh (Bhatinda): Sir, I beg to present the Twenty-fifth Report of the Committee on Private Members' Bills and Resolutions.

12.24 hrs.

CENTRAL SALES TAX (SECOND AMENDMENT) BILL—Contd.

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shrimati Tarkeshwari Sinha on the 27th August 1958, namely:

"That the Bill further to amend the Central Sales Tax Act, 1958, as amended, be passed."

Shri V. P. Nayar may continue his speech.

Shri V. P. Nayar (Quilon): Mr. Speaker, you observed yesterday morning that there must be some arrangement to make the proceedings more lively. Even then it did not work and we saved about an hour and a half on the Bill.

Yesterday, while I was attending to the debate on this I had the impression that hon. Deputy Minister, despite her attending the Select Committee and also hearing the speeches here, did not quite understand the point of view of the Opposition. Referring to Shri Bharucha she said yesterday that she was of the opinion that Shri Bharucha himself doubted the intelligence of the Bill. I for one would never think that Shri Bharucha, of all persons, would doubt the intelligence of anything in cold print even though he doubts the intelligence of the Mover.

The points which we have urged in the dissenting minutes are of great importance. We made an effort in the Select Committee to put across our point of view, and, as usual, in vain. There is a specific exclusion of the newspapers from the purview of this legislation, and it was brought to the notice of Government in the Select Committee. The answer was that this Bill has been brought forward under item 92A of List I in the Seventh Schedule of the Constitution. And the hon. Deputy Minister yesterday contended that it was therefore barred. She said that we were barred from considering this aspect because item 92A did not include newspapers.

We know that the Sixth Amendment of the Constitution had specially provided for 92A and the original Act to which we are now having this amendment— if I remember correctly—was passed in September 1956. It was in November that the

original Sales Tax Bill was introduced by the then Finance Minister, Shri Krishnamachari. Before that, the Constitution had the provision and I do not see any reason why at this time the Government should say that because item 92A specifically excludes newspapers from the purview of Inter-State Sales Tax, we have no power to include them.

As a matter of fact, by this Bill Government have sought to clarify the position. In the original Act, as it stood, newspapers should necessarily have been included because there was no specific exemption and under a law made by Parliament, which was competent to pass a law for inter-State Sales Tax on newspapers, there was no reason why sales tax was not collected from newspapers.

Our argument has been very clearly indicated in the Minutes of Dissent, and, if I might be allowed to repeat, we consider that the newspapers have no case for exemption at all. Sir, I have made some calculations. If we calculate at the rate of one million papers as being subject to inter-State sales, my contention is that already, even though they are not paying sales tax, they are earning more than Rs 5,000 per day. How does it happen? Because, as you know, when the country adopted the decimal system of coinage, most of the leading newspapers increased their prices. If a newspaper was priced at 2½ annas, on conversion, it ought to have been only 15nP; but we find that the price has been raised to 16nP. Some papers which were selling at 6nP have raised it to 8nP. Even taking the average increase inherent in the conversion to decimal coin as half a nP, the newspaper magnates have been getting an additional income of Rs. 5,000 per day. According to my computation, the average should be at least one nP in which case the average additional amount earned purely on account of the Govern-

ment's conversion to decimal coinage should be Rs. 10,000.

We know the attitude of the newspaper owners, especially in the matter of labour and in the case of working journalists. Why should we have this softness for newspapers whom we have allowed, despite the legislation by which we are competent to have sales tax, to go on collecting this additional revenue and paying nothing to Government. Government do not seem to be alive to this situation at all. We were under the impression when we heard replies in the committee as also in this House that Government have an unwarranted softness for the newspaper magnates. I do not know how to express it in other words. But, I want Government to consider whether in view of the additional revenue which the newspapers have been getting and also in view of the enormous money which they get by advertisements—let alone the fact that many of them indulge in black-marketing newsprint—they should not be taxed. All that is not relevant for the time being. Why should we not include newspapers, at least inter-State sales of newspapers, in the ambit of this enactment? The argument of the hon. Minister was that article 269 stands in the way. If I have the freedom I should have said that it is a ridiculous argument. I am glad that the hon. Minister read one of two provisions of the Constitution, and I would very much like her to read the other provision also so that she will not raise the same point again.

The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha): I shall always be prepared to be enlightened by you.

Shri V. P. Nayar: Such enlightenment will never be gratuitous in such matters.

The other point which I raised in the Minute of Dissent was about the question of taxing vegetable oil at source. Here again, the Minister's

[Shri V P Nayar]

answer was that Government are not prepared to go on adding to the list of commodities. We know that sales tax is today levied on certain other articles of importance in inter-State commerce and trade along with the excise duty. The answer in the Committee was that we did not have sufficient experience to consider or to decide whether the time was right for having sales tax added on to the excise duty. I submit vegetable oils have a separate case and an importance which very many other commodities do not have. Even granting that they are equally important, in the case of vegetable oils it was pointed out by the Delhi Trade Association that because of the surreptitious practices and because of the law prevailing in adjoining States in the matter of sales tax, the Delhi Administration alone should be losing a sum of Rs 6,000 a day. You know, Sir, in the neighbouring State of UP groundnut oil has no sales tax on it and it was specifically pointed out to the Committee in a printed memorandum that because of this one aspect the avoidance of sales tax is so great in respect of vegetable oils that it can easily be computed to be Rs 6,000 per day. I want the Government to consider whether it is a small sum to be left out from the purview of this Bill.

We know that if it is added to the excise duty, there is a lesser chance of avoidance and much less of evasion, and India being the largest producer of vegetable oils in the whole world, I submit that Government did not take the opportunity to have this additional revenue, and if they do not want to accept our suggestion, it only means that they are not interested in getting money whether it is possible and in stopping evasion wherever it is possible.

The third point which we had raised in our Minute of Dissent, and

which was also not answered yesterday, was about inter-branch transactions. We know that even before we brought forward this measure, many leading concerns in our country had opened branches at places where there was no justification for the branches of such companies. If a leading manufacturer of vanaspati, for example, opens a branch in Ghaziabad, what is the justification unless it be that they want to manipulate in the trade and show that it is an inter-State trade? Inter-branch transactions cannot be, according to us, controlled and a tax on inter-branch transactions which is legitimately due cannot be collected if the provisions remain as they are. As it is the third reading stage, I do not want to elaborate upon it because it is rather late.

My submission is that we have given the suggestions in all earnestness and with the idea that Government may avail of them, if they themselves did not think of them, in order that they may collect more money through sales tax. Our efforts have been in vain, and however much we pressed it appeared to us that Government were not prepared to accept our suggestions if they themselves could not take credit for bringing forward such provisions. Therefore I submit that even if it is not possible in the present Bill the hon Minister, in all her earnestness for bringing more money to our revenues, should take up this matter with all sincerity and before long bring forward another measure incorporating the amendments which we have suggested. It is usual in such cases, as we find in the case of the Bill to be discussed later in the day, the Estate Duty (Amendment) Bill, that our suggestions which are thrown out in all good spirit and in all earnestness are not accepted at that time, but five years later they come forward and accept the suggestions without any exception. This

should not be the case in the case of taxation measures especially, and I wish very much that the hon. Minister considers these questions and brings forward amending Bills for this in the light of the suggestions which we have given, and in doing so will not take the times which usually Government takes in such matters.

Shri Ghosal (Ulberia): Though certain improvements have been made on the anvil of the Select Committee, still it is not to our satisfaction.

I would only confine myself to two points, regarding the absence of uniformity in the structure of sales tax in the different States and also regarding the matter of evasion.

At present there is anarchy in the rates of sales tax in the different States. There is no fixed rate, it varies from State to State. In some States there is the multi-point system, in some the single-point system and in others the double-point system. Therefore, taking advantage of these different systems, the tax evaders get opportunities to go scot-free and avoid the tax. Of course, the States will try to augment their income by imposing sales tax, but there must be some parity in the rates of sales tax in the different States, because ultimately the sales tax is paid by the consumer, it is realised from his pocket. So, in the interests of the consumers and the people at large, the Central Government should see that a uniform rate of sales tax is maintained in the different States.

Secondly, regarding the evasion of taxes, I am very happy that the traders themselves have openly acknowledged that they are addicted to the evasion of sales tax because of haphazard rates and also the much-condemned procedure of realisation.

Sales tax evasion generally takes place in three ways—firstly by not giving vouchers for cash purchases. In Calcutta I have seen it is prevalent among many traders and in many shops. They do not give cash memos and vouchers to the customers, and the customers also do not demand it because they also will be relieved of paying sales tax.

Secondly, it is done by maintaining two sets of accounts books. In our side it is called *do number khata*, and they maintain a whole-time accountant for maintaining these *khatas* in order to avoid payment of sales tax, and they save much more by sales tax evasion than the amount they pay by way of salary to the accountant.

The third method of evasion is the manipulation of the realising officers. That is also prevalent very much. I know that lawyers who have acquaintance with the officers are only briefed with sales tax and income-tax cases because the procedure of realising sales tax is much the same as the procedure of realising income-tax. Naturally all the loop-holes of the realisation system of the income-tax also exist in the realisation system of the sales tax. Therefore, my request to the Government is that the Government should at least see that there is parity of sales tax in different States. It should be achieved at least on a zonal basis and the loop-holes in the realisation of the sales tax should be plugged. That is my submission.

श्री रम शरण (मराठाबाद) अध्यक्ष
महोदय, मैं माननीय मंत्री महोदय का ध्यान
मेकेशन ५ (२) (बी) की तरफ दिलाना चाहता
हूँ जिस के सम्बन्ध में मैं ने अपने मिन बाफ

[श्री राम शरण]

डिसेंट बें चर्चा की है। इस में रजिस्टर्ड और अनरजिस्टर्ड डीलर्स और डिक्लेअर्ड और अनडिक्लेअर्ड गुड्स का जो भेद है उस के सम्बन्ध में मेरा यह कहना है कि जो अनरजिस्टर्ड डीलर्स हैं और जो अनडिक्लेअर्ड गुड्स हैं उन पर जो इस बिल के द्वारा ७ परसेन्ट रेट लगाया जा रहा है उस का असर छोटे छोटे दूकानदारों पर बहुत अधिक बुरा पड़ जायेगा, खाम तौर से उन राज्यों में जहां पर कि सेल्स टैक्स की दर ७ परसेन्ट से कम है। ऐसे बहुत कम राज्य हैं, बम्बई ही शायद एक ऐसा राज्य है, जहां सेल्स टैक्स की दर ७ परसेन्ट से ज्यादा है। वहां पर तो इस का बुरा असर नहीं पड़ेगा, लेकिन बहुत ऐसे राज्य हैं जहां सेल्स टैक्स की दर ७ परसेन्ट से कम है। ५ परसेन्ट है या इस से भी कम। कहीं तो ३ १/२ परसेन्ट है। वहां पर जो छोटे दूकानदार हैं उन पर और खाम तौर से जो अनरजिस्टर्ड हैं उन पर इस का बुरा असर पड़ेगा। इस सम्बन्ध में मैं यह कहना चाहता हूँ कि इस सम्बन्ध में जो कूल्स बनाये जायें उन में रजिस्ट्रेशन के नियमों को लिबरल कर दिया जाये जिस से कि अधिक से अधिक लोग अपने आप को रजिस्टर कर सकें।

दूसरी बात इस के सम्बन्ध में यह कहना है कि जो छोटे उद्योग धंधे हैं उन के उपर भी इस का बुरा असर पड़ेगा। जो लोग बाहर से, दूसरी स्टेट्स से सामान मगायेंगे उन पर अगर ७ परसेन्ट कर देना पड़ेगा तो जिन चीजों की कीमत आज कम देनी पड़ती है उन की कीमत बढ़ जायेगी। जो छोटी छोटी दस्तकारियों की चीजें हैं उन की कीमत साधारण लोगों को ज्यादा देनी पड़ेगी जिस से कि वे चीजें चल नहीं सकेंगी और उन के चलाने का उत्साह लोगों में पैदा नहीं हो सकेगा।

इन बातों की तरफ मैं ध्यान दिलाना चाहता हूँ और आशा करता हूँ कि भागे चल कर तमाम स्टेट्स में ७ परसेन्ट की दर हो

जायेगी, जैसा कि समझा जाना है कि विपत्तियों का विचार है और जब तक यह न हो तब तक कुछ इस प्रकार के नियम बना दिये जायेंगे जिस से कि जो छोटे छोटे बिक्री करने वाले हैं, जो छोटे उद्योग धंधे हैं जिन की बस्तुओं की कीमत कम है, उन पर इस बिल का बुरा असर नहीं पड़े।

पंडित ठाकुर बास भागवत (हिसार) : मुझे आज इस मीके पर वह दिन याद आता है जब हम ने अपना कांस्टिट्यूशन बनाते वक्त एक दफा १६ रखा थी जिस की मुराद यह थी कि सब स्टेट्स में, सारे हिन्दुस्तान में ही "ट्रेड शेल्स बी फ्री"। "स्टेट इंटरकोर्स ऐंड ट्रेड एटमेटर शुड बी फ्री", यह फंडामेंटल राइट रखा गया था। होते होते वह फंडामेंटल राइट नहीं रहा और उम के बजाय कुछ दीगर मेक्शन हमारे कांस्टिट्यूशन में दाखिल हुए, लेकिन फिर भी हम ने खाम तौर पर कांस्टिट्यूशन में इस चीज को रखा। जहां तक एंसी चीजों का सवाल है जो रोजमर्रा की जिनगी में काम आती है, फूडग्रेन्स वगैरह की, उन के वास्ते खाम प्रोटेक्शन रखा। ग्राहिस्ता ग्राहिस्ता खुसुमन मद्रास और दूसरी स्टेट्स के अन्दर जरूरत पैदा होने से यह हुआ कि बहुत से आर्टिकल्स पर स्टेट्स ० टैक्स लगा। आखिर में जनाब वाला के याद होगा, जनाब वाला उस सेलेक्ट कमेटी के चेअरमैन थे जिस में यह सवाल रखा गया कि सारे देश में सेल्स टैक्स के वास्ते एक यूनिफार्म पालिसी कायम की जाये और एक बिल हाउस के सामने रखा गया। उम वक्त हमारे श्री सी० डी० देशमुख साहब फाइनेन्स मिनिस्टर थे और बहुत काफी झगड़ा उन से हुआ। मुझे याद है कि सेलेक्ट कमेटी में हम ने यह तय किया कि जहां तक फूडस्टफ्स का सवाल है, उन को सारे देश में सेल्स टैक्स से बरी रखा जाये। उस वक्त उन्होंने एक ऐयोरेंस इस के लिये दिया था, जिस के लिये उन्होंने कहा था कि वह ऐयोरेंस

नहीं ग्रन्डरस्टैंडिंग है। उस के बाद दूसरा बिल आया जिस में यह शर्त उठ गई। आज यह बिल आया है जिस के ग्रन्डर मुझे बहुत सी चीजों पर एतराज है जिन में से एक यह भी है कि जहाँ तक फूडस्टप्स का ताल्लुक है उन को टैक्स से बरी नहीं रखा गया। आज हिन्दुस्तान के ग्रन्डर फूडस्टप्स की क्या हालत है? आज गरीब आदमियों की क्या हालत है फूडस्टप्स और दूसरी खाने पीने की चीजों के महंगे होने से वह किमी से पोशोदा नहीं है। रोज अन्नबारी में पढ़ते हैं कि स्टार्वेशन डेथ हो रही है। गेज पार्लियामेंट में हम कहते हैं कि हम हिन्दुस्तान में सोशलिस्ट पैटर्न आफ मोसायटी लायेंगे। मैं तो एक ही सोशलिस्ट पैटर्न को जानता हूँ कि कोई आदमी ऐसा न रहे जो कि भूखा रहे, जिस को पेट भर खाना न मिले। मैं तो इसी को सोशलिस्ट पैटर्न समझता हूँ, बाकी किमी भी चीज को सोशलिस्ट पैटर्न नहीं समझता हूँ। मेरी गुजारिश यह है कि फूडस्टप्स पर मेल्स टैक्स नहीं लगना चाहिये। अगर खाने पीने की चीजों पर टैक्स लगना है, अगर ऐसा वक्त आ जाता है कि फूड स्टप्स पर टैक्स लगाया जाता है तो यह वाजिब नहीं है। हम अपने आइडियल्स से बहुत दूर जा रहे हैं। जब मैं देखता हूँ कि रजिस्टर्ड और अनरजिस्टर्ड डीलर्स में इतना फर्क है कि एक को मात टाइम्स टैक्स देना पड़ता है तो मेरे नाज्जब की कोई हद नहीं रहती। गरीब आदमी की इस देश में बैसे ही बड़ी बरी हालत है, उस पर ज्यादा टैक्स नहीं लगना चाहिये सिर्फ इस बिना पर कि उन के सेल्स ज्यादा नहीं हैं और वह रजिस्टर्ड नहीं हैं। आइन्दा जो भी मेल्स टैक्स बिल आये, जो भी उस के मुताबिक डीलर बने उस में और दूसरे डीलर में हिन्दुस्तान के हर एक हिस्से में कोई फर्क नहीं होना चाहिये। हर एक हिस्से में फ्री ट्रेड होना चाहिये। हमारे तो ध्येय यह है जिस को हमें पूरा करना चाहिये। मैं तो कहता हूँ कि अगर पंजाब में भाखरा डैम बना और वहाँ गल्ला ज्यादा पैदा होता है तो यह हर्गिज पंजाबियों का हक नहीं है कि वह सस्ता गल्ला

लायें और सारे हिन्दुस्तान में इस कदर मुसीबत हो और लोगो को खाना न मिले। हिन्दुस्तान के हर हिस्से में हर आदमी के लिये एक सा भाव होना चाहिये। अगर कोई फर्क हो तो सिर्फ ट्रान्स्पॉर्ट चार्ज का हो। बाकी कोई फर्क नहीं होना चाहिये। मैं तो मुन कर हैरान हो गया कि आगरे के ग्रन्डर गेहूँ का भाव ३० ६० मन है और पंजाब के ग्रन्डर गवर्नमेंट कहती है कि १५ ६० मन गेहूँ बिकता है। मैं जानता हूँ कि दिल्ली में हालत क्या है। मामूली खाने पीने की चीजों में, जब कि हम सारे लोग एक मुल्क के हैं, हमारा देश एक स्टेट है, तो कोई वजह नहीं कि हमारे स्टेट्स में जो लोग रहने हैं उन को यह महसूस हो कि हालांकि हम एक मुल्क के हिस्से हैं लेकिन हम मुसीबत में हैं और हिन्दुस्तान की पैदावार का पूरा फायदा नहीं उठा सकते। इस वास्ते जो खाने पीने की चीजें और कपड़े हैं, जो जरूरियातें जिन्दगी हैं, उन के ग्रन्डर ज्यादा फर्क मारे हिन्दुस्तान में नहीं होना चाहिये। यह आइडियल है हमारे सामने जिम की तरफ सारे मेल्स टैक्स के स्ट्रक्चर को लाना चाहिये। मैं इस चीज का इस बिल के ग्रन्डर कोई इंडिकेशन नहीं पाता। मैं अर्ज करना चाहता हूँ कि हर रोज गवर्नमेंट सबरू मिश्वानो है यूनिफार्मिटी का, एक देश का, लेकिन जहाँ तक सारे देश को एक बनाने का गवान है, मैं गवर्नमेंट के ऐक्शन में इस का कोई इंडिकेशन नहीं पाता। मुझे यह चीज बहुत दुःख देती है। मैं तो अर्ज करूंगा कि आइन्दा जो भी बिल इय मेल्स टैक्स के तिलसिले में आये उस में इस प्र इ डयन का पूरा करने की कांशिश की जाये जिस को हमारे कांस्टिट्यूशन ने रखा था, जिस के बारे में हमारी पिछली हिस्ट्री का हमें पता है और जिन के बारे में मैं ने बताया था कि कितन वजूहान से हम उन को मजूर करे और इस तरह से उन को बनाये कि जिम से हम अपने आइडियल्स को फटेन कर सकें।

Shrimati Tarkeshwari Sinha: Mr. Speaker, Sir, yesterday, while answering to some of the points raised by

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the hon. Members, I had already answered the point just now raised by the hon. Member about the sale of foodgrains. It is a subject entirely within the competence of the State Governments and our jurisdiction does not apply to that. The only thing that we can do is to recommend the importance of the things. I do not think the whole idea comes under the purview of this Bill with which I am concerned now.

Another hon. Member has raised the point of taxing the unregistered dealer; the tax is 7 per cent. I had already taken much time of the House in explaining the details of the provisions and why and how we have allowed that. I do not want to repeat the story again. I will only try to meet the little confusion that has been created by the hon. Member. He has confused the whole issue and I want to explain to him these things. The seven per cent. tax is not on the sale by an unregistered dealer about which he is feeling very anxious. It is a sale to a consumer or an unregistered dealer which is to be taxed at 7 per cent. So there is a fundamental difference between this and a sale by an un-registered dealer to an un-registered dealer in the next State. A dealer who makes the original sale cannot be un-registered, because under statutory provisions he has to register himself, otherwise he is liable to be penalised. Therefore, in imposing 7 per cent tax on un-registered dealers, a person who does the original sale does not come under this category at all. I want to assure him that when the registration of that sale or that dealer is a necessity under law, there is no question of his being penalised by this 7 per cent; he will be penalised under law if he does not get himself registered.

Another point was raised by the hon. Member opposite. He has also raised it in his Minute of Dissent, and in spite of the best efforts of mine I could

not satisfy him. I would like to just narrate a little history behind the whole thing, why newspapers have been excluded from the purview of the present Bill. It is not the intention of Government to patronise a particular section of society or a particular business. The entire scheme of Central Sales Tax is based more or less on the recommendation of the Taxation Enquiry Commission and it was accepted by the Government of India with small or minor modifications here and there.

The Commission themselves recommended that in levying sales tax on inter-State sales the Central Government should largely depend upon the State's tax system. They recommended further that as sales tax has a strong local economic bearing, it should wholly belong to the States and be administered by them. Thirdly, they said, in permitting levy of sales tax on inter-State sales the main intension should be to ensure that some revenue accrues to the exporting State without violating the general principle that sales tax is primarily a tax on consumption and should accrue to the State in which the article is consumed. Therefore, Sir, the sales of goods which are exempt under the sales tax law of the exporting State should be exempt from the inter-State sales tax as well. All the provisions of those recommendations were by the Taxation Enquiry Commission, and Government accepted them.

I am not for a moment denying the competence of the hon. Member to refer to this point, because there is a provision in the Constitution that we can override the present position by further amending the Constitution. I would always be happy to be enlightened on constitutional matters by the hon. Member sitting opposite. But the difficulty with the present Bill is that it is outside the scope of the present Bill to have any jurisdiction over the newspapers at all. It is not within

the scope of the present Bill to touch the newspapers as they are.

There is another difficulty also. Under entry 54 of List II of the Seventh Schedule, State Governments are also not competent to levy sales tax on newspapers. In List I also, as has been mentioned before, there is entry 92A under which the Act derives its power to levy an inter-State sales tax, but that excludes newspapers. I mentioned about it yesterday, and the hon. Member sitting opposite also knows about that. According to these provisions, not only the Central Government has no competence to levy any tax on newspapers, the State Government also has no competence to levy any sales tax on newspapers. These are the considerations by which newspapers cannot be included within the scope of the present Bill.

Shri V. P. Nayar: With your permission, Sir, may I ask one question? I did not say that we have any power or not. The hon. Deputy Minister is now referring to entry 92A, while I was referring to 92. 92A was brought in by the sixth amendment. Even before that this House had power to legislate for inter-State sales tax on sale of newspapers. If entry No. 92 is looked into, we will find that this is specifically mentioned. It reads like this: "Taxes on the sale or purchase of newspapers and on advertisements published therein". That was the position in the Constitution as it stood before until we brought in the sixth amendment in 1956. The contention of the hon. Deputy Minister now is that this is under 92A. My submission was only that—it may be argued that it is under 92A—nothing precludes the House from imposing a sales tax on the sale of newspapers, because even before the sixth amendment to the Constitution was brought we were given express powers under entry 92. There is also no indication either in the Statement of Objects and Reasons of this Bill or the original Bill that this particular Bill has been brought under entry 92A.

Shrimati Tarkeshwari Sinha: I was myself going to point out that we have authority under entry 92 to levy tax on sale or purchase of newspapers. But even if the power is assumed under this provision, as I said before, a separate legislation will have to be promoted which will embrace within its purview not only tax on sale or purchase of newspapers in the course of inter-State sale but also on such sales that are inside States.

Mr. Speaker: Is it clear that entry No. 92 relates to inter-State sales tax?

Shri V. P. Nayar: It is not. We have an overall power. Even if it is not inter-State, we can levy tax on sale of newspapers. There is also article 269 which says that in case an inter-State tax is levied on sale of newspapers then it has to be distributed among the States or something like that.

Shrimati Tarkeshwari Sinha: That is why I was saying that even if the tax is levied with the agreement of the States and the Centre, we shall have to think of a system of distribution of such tax as provided under article 269(2) of the Constitution, and we have also to ascertain the possible revenue to be derived from such a tax. We have also to take into consideration the reaction likely to be caused, by and large, in the newspaper industry as a whole. It is not only that the problem of distribution of tax is difficult, but certain other difficulties are likely to be caused. Except for certain important newspapers which have a wide and all-India circulation and which might give a little revenue, mostly the newspapers are confined to particular States. They are mostly not newspapers with so much circulation, and I think they would yield a very very negligible amount of revenue. By bringing this provision it may seriously affect the very circulation of these newspapers which have only a very limited circulation. These are

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the difficulties. We have placed them before the House even in our previous discussion, and I would like to place them again before this hon. House and, therefore, express our inability to accept the suggestion given by the hon. Member sitting opposite.

He raised another point, of which reference was given in his Minute of Dissent. Because no hon. Member raised that point, I did not enlighten the House on that point. The point that he raised was about the transaction between branches and head offices and *vice versa* situated in different States. Our difficulty is that for levying a tax on sales of goods in the course of inter-State trade or commerce this Act derives power under entry 92A of List I of the Seventh Schedule of the Constitution. The words used in the entry have to be given their national meaning; that is, transaction or sale should involve transfer of property in goods from one person to another. Thus, Sir, the Act has to confine itself to taxing transactions or actual sales involving transfer of property in goods and commodities. Inter-branch transactions do not involve transfer of property from one person to another and as such do not come under the purview of entry 92A mentioned by the hon. Member in his Minute of Dissent. We have, therefore, no competence to legislate on that. About excise duty on oil, I have to repeat that all these matters are to be decided by the State Governments. We are only a recommending or advisory authority and I do not think the State Governments would be very agreeable to making the sales tax on vegetable oil into an excise duty. That is our difficulty. I have nothing more to add. I move.

13 hrs.

Shri S. M. Banerjee (Kanpur): It was suggested by Pandit Thakur Das Bhargava as also by me that because of the high prices of food-

stuffs at least the foodstuffs should be exempted from the sales tax. I wish to know whether a suggestion would be made to the State Government about this.

Mr. Speaker: Hon. Members forget again and again that there are legislatures in States; let them take this up. It is not for the Central Government to go on giving suggestions; the State Governments may resent it. The Centre cannot legislate for States so far as that matter is concerned. Let provincial autonomy work very well in our country.

The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

13.02 hrs.

INDUSTRIAL DISPUTES (BANKING COMPANIES) DECISION AMENDMENT BILL

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

"That the Bill further to amend the Industrial Disputes (Banking Companies) Decision Act, 1955, be taken into consideration."

This is a simple Bill to amend the Industrial Disputes (Banking Companies) Decision Act, 1955. The original Act was intended to give effect to the recommendations of the Bank Award Commission which had, *inter alia*, recommended certain formulae for adjustment of dearness allowance in accordance with variations in the cost of living. According to the original formulae, the dearness allowance can be raised or lowered when the average cost of living index in a period of six months, i.e., from January to June and July to December increases or decreases by ten points over 144.