

श्री एस० एस० सोलानी : क्या गांधी कैप के उपयोग के बारे में कोई नियम है ?

श्री आरिफ बंग : कोई नियम नहीं है ।

श्रीधरी बलबीर सिंह : क्या मंत्री महोदय बतायेंगे कि कांग्रेस वालों ने गांधी कैप को जिस ढंग से जबर्दस्ती चपरासियों को पहनाना शुरू कर दिया उसकी वजह से इसके लिए लोगों में जो श्रद्धा थी वह खत्म हो गई और उन्होंने जो करप्ट काम किए उसकी वजह से भी गांधी टोपी के लिए श्रद्धा कम हो गई, वह श्रद्धा नफरत में बदल गई—क्या इस बात में सच्चाई है ?

MR. DEPUTY-SPEAKER: I do not think that question arises because चपरासी भी आदमी होते हैं ।

श्रीधरी बलबीर सिंह : मैंने कहा कि जिस ढंग से पहनाना शुरू किया उसकी वजह से ऐसा हुआ । वे अपने तीर पर पहनें और ये अपने तीर पर पहनते वह तो भलाहदा बात थी लेकिन जिस ढंग से पहनाना शुरू किया उसकी वजह से श्रद्धा कम हो गई ।

Uniformity in Sales Tax on various Items in different States

*259. SHRI KACHARULAL HEM-RAJ JAIN: Will the Minister of FINANCE be pleased to state:

(a) whether he is aware that the policy of imposing sales tax in Madhya Pradesh and its neighbouring States like U.P., Maharashtra, West Bengal, Bihar, Orissa on various items is not uniform and different rates of taxes are charged in different States; and

(b) whether Government propose to suggest to the Government of these States to try to bring uniformity in the matter of sales tax on various items in consultation with each other?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) Yes, Sir.

(b) Levy of tax on sales or purchases of goods taking place within a State is a State subject of taxation. It is, therefore, proposed to discuss the question of rationalisation and uniformity as between States of their respective sales tax rates, with the State Governments.

श्री कचरुलाल हेमराज जैन : माननीय उपाध्यक्ष महोदय, आज देश की आजादी को तीस साल हो गए और केन्द्र के द्वारा ही हमारे प्रदेशों के साधन चलते हैं लेकिन टैक्स की अलग अलग प्रणाली के कारण सारे देश में इतना असंतोष है और एक बड़ा भारी नारा लग रहा है कि भ्रष्टाचार मिटना चाहिए। इसका एक उदाहरण मैं आपको देना चाहता हूँ कि महाराष्ट्र में मिर्चों पर टैक्स नहीं है लेकिन मध्य प्रदेश में मिर्चों पर 7 परसेंट टैक्स है और जूटि बांडर लगा हुआ है इसलिए लोग टैक्सों की चोरी करते हैं। इस सम्बन्ध में मेरा निवेदन है कि आप सभी प्रान्तों के लोगों को बुलाकर सेल्स टैक्स के मामले में सलाह करें।

उपाध्यक्ष महोदय : आप सवाल पूछें ।

श्री कचरुलाल हेमराज जैन : मेरा सवाल यह है कि क्या देश में टैक्स की नीति समानता के आधार पर होगी ? यदि होगी तो कब तक होगी ?

SHRI H. M. PATEL: It is a State subject under the Constitution and therefore we cannot change anything until we persuade all the State Governments to agree to its abolition, and its replacement by some other form of tax. We have to live with it. But, in the meantime, as I have said earlier, our efforts to persuade State Governments to forego the tax and accept some other arrangement are continuing.

श्री कृष्णलाल हेमराज शर्मा : अध्यक्ष महोदय, जिस समय लोक सभा के चुनाव चल रहे थे, उस समय जनता पार्टी ने अपने चुनाव घोषणा पत्र में स्पष्ट रूप से कहा था कि सेल्फ टैक्स से काफ़ी छूटाकार ब्याप्त है, हम इस में लचीलापन लायेंगे। जनता को दिये गये इस बचन को वृष्टि में रखते हुए, मैं मंत्री महोदय से जानना चाहता हूँ कि जहाँ-जहाँ जनता पार्टी की सरकारें विद्यमान हैं, उन प्रदेशों में आप इस का कब तक लागू करने जा रहे हैं तथा इस में कितना समय लगेगा ? जहाँ आप की पार्टी की सरकार है, उन राज्यों में आप यह लचीलापन कब तक लायेंगे ?

SHRI H. M. PATEL: This matter has to be dealt with on an All India basis, and we shall have to try to persuade all the State Governments before we can take any effective steps.

DR. VASANT KUMAR PANDIT: Will the hon. Finance Minister kindly inform us whether the Central Government is considering a proposal to have a turn-over tax at one stage and a tax based on the VAT system, that is, Value-Added Tax and whether these two schemes have been discussed with the various States, to abolish both the octroi and sales tax?

SHRI H. M. PATEL: The question of Value-Added Tax and Turn-over tax was considered. The Committee presided over by Shri Jha has submitted some recommendations in that respect. We are examining those proposals. But these have no relationship with sales tax. Sales tax stands on its own. The Jha Committee has also said that it will be difficult to get the State Governments to agree to the abolition of the sales tax and therefore the next best thing which ought to be attempted, and which we shall also attempt, is to see if in selected commodities State Governments could be persuaded to have certain form of uniformity. This also is another line which we shall be pursuing.

श्री श्रीम प्रकाश त्यागी : अध्यक्ष महोदय, जनता पार्टी ने सिद्धान्ततः इस बात को माना है कि हम सेल्फ-टैक्स का एबोलीशन करेंगे ; यह भी ठीक है कि यह स्टेट सब्सिडि है, लेकिन क्या आप ने कभी स्टेट्स के चीफ़ मिनिस्टर्स को बुला कर उन को इस बात के लिये पर्सुएड किया है ? उन में से कौन-कौन प्रान्त इस के लिये तैयार हो गये हैं और कौन-कौन तैयार नहीं हुए है—क्या इस प्रकार की चेष्टा आप ने की है तथा यह भी बतलाइये कि इस के लिये आप ने कोई बिल्लरनेटिव भी सोचा है ?

SHRI H. M. PATEL: There is no question of having an alternative until such time as we can get the State Governments to agree to its abolition. Now, the General situation is, even those States and State Government which might be willing to consider their abolition are really reluctant to do so.

श्री श्रीम प्रकाश त्यागी : उपाध्यक्ष महोदय, मेरा सवाल भिन्न है। मैंने पूछा है—क्या सरकार ने ऐसी चेष्टा की है ?

SHRI H. M. PATEL: I have met all the Chief Ministers of State Governments and discussed this question with them but the general response has been most discouraging.

SHRI R. VENKATARAMAN: Sir, the hon. Finance Minister is aware that sales tax is the only elastic source of revenue to the States and that, by levying a discriminating tax either by way of a single point tax or a multi-point tax, they are able to increase their revenue so as to suit the needs. If the hon. minister says that there should be uniformity in tax, would he insist on a single point tax in all the States in which case he may take away the States' right to manipulate their income?

Or if you say that there will be only a multi-point tax, this will

create some difficulty. So, I would like to know from him when he says that he would like to have a uniform tax, what is the uniformity in taxation that he has in mind?

SHRI H. M. PATEL: There is a little misunderstanding in this matter. First of all, my efforts must be for the abolition of the sales tax as such. I am fully aware of the fact that this is the only elastic form of tax which the State Governments have. And that is why in my discussions what I have said is not that if they are to be compensated, they will be compensated only to the extent of their revenue as on the date of agreement for abolition. But, the incremental rate in the salestax will also be taken into consideration in trying to arrive at such a figure.

But, since there is a general reluctance to accept this thing, we may pursue one of the suggestions of the Jha Committee.

Their suggestion was that there are some commodities in respect of which we shall try to see if there could be uniformity in rates in different States. Variation in the rates create certain difficulties. I was not suggesting any other form of uniformity like whether there should be a single point tax or a multi-point tax. These are alternatives for sales tax. These can be considered only after we come to the conclusions that there is just no possibility of persuading the State Governments to the abolition of the sales-tax.

SHRI YESHWANTRAO CHAVAN: May I ask a question? The Minister has said that he has not so far succeeded in persuading all the State Governments. Possibly it would mean that he has now come to a stage that he does not want to pursue this question. I think this would be a right thing for him to do. In the case of salestax, this is not purely

a taxation measure. There are certainly political aspects involved in that. At the present moment, there are problems between the States and the Centre the main aspect of which is financial and economic.

With this background, is it ever wise to consider giving up the only flexible source of tax that the States have? Would it not create a more complicated position? Minister himself says, he has not succeeded so far to persuade all the State Governments. I do not think there will ever be a Stage when all the State Governments will agree to this position. So, it is much better and wiser for the Government to come forward and say that they have given up this point.

SHRI H. M. PATEL: This is an advice which I will certainly give due weight to. Since this has come from an experienced person.

श्री कंबर लाल गुप्त : उपाध्यक्ष महोदय, अभी माननीय मंत्री जी ने कहा है कि सेल्स टैक्स तब तक समाप्त नहीं हो सकता जब तक राज्य सरकारें इस को समाप्त करने के लिए नहीं मानती। माननीय चहूँण गहड़ ने अभी कहा है कि इस को खत्म कर दिया जाए क्योंकि मॉर्म ग्राफ इन्कम बहुत है। जनता पार्टी का मैनीफैस्टो फरवरी 1977 में बना था और तब आप को यह मालूम था कि सब स्टेट्स की मर्जी के बगैर यह सेल्स टैक्स एबोलिशन नहीं हो सकता। मार्च 1977 में जब आप ने इस को प्रोवाइड किया तो कांस्टीट्यूशनल एम्बेडमेंट नहीं हुआ। तो मैं माननीय मंत्री महोदय से यह पूछना चाहता हूँ कि क्या आप प्रधान मंत्री जी से इस बारे में कहेंगे या जनता पार्टी के अध्यक्ष से बात कर के यह देखेंगे कि जनता पार्टी की जहाँ सरकारें है वे सेल्स टैक्स को समाप्त करें। दूसरा मामला यह है कि आया आप सेन्ट्रल सेल्स टैक्स जो है, उस को समाप्त करेंगे

या एक दो आइटम्स से, कहीं से तो शुद्धात् करेंगे जिग से यह मालूम हो कि हम सीरियसली इस चीज को परसू कर रहे हैं ?

SHRI VAYALAR RAVI: This is a very good suggestion.

SHRI H. M. PATEL: I do not know what the suggestion is. If the suggestion is that I should proceed State-wise, that if some States agree I should ask those States to abolish it then that suggestion is not practicable. Difficulties will arise because I have to proceed on finding an alternative form of Central tax. The excise duties which I levy in order to compensate the loss to the States of the sales tax revenues will call for constitutional arrangement. This is not possible unless all the State Governments agree. There are these difficulties. Therefore, if you say that I may pursue with the Janata Party now to consider all these difficulties and think again, I have no objection. But I think it is not necessary as all of you are here and, I am sure, you will be communicating these difficulties to the Party. I have said that I am still not giving up the hope that I may be able to persuade them. It may be one of the impossible hopes according to the Leader of the Opposition but we certainly wish to make an effort. Perseverance and patience is still our answer.

THE PRIME MINISTER (SHRI MORARJI DESAI): May I make it clear? My hon'ble friend does not have a conception of the change. It has been said that Sales Tax should be replaced by excise. I stand by it. I tried to do it fifteen years ago. I could succeed in three items and those three items were converted but afterwards they said, they want to withdraw their consent. That was not allowed. It is a question of replacing Sales Tax by Excise. When only some States agree and others

do not agree how am I going to do it? It cannot be done in parts.

SHRI YESHWANTRAO CHAVAN: We don't want it to be done.

SHRI MORARJI DESAI: That is true. I am trying to explain.

SHRI KANWAR LAL GUPTA: What about our own Governments!

SHRI MORARJI DESAI: Why are you so much provoked by your own ideas? Why don't you look at it little dispassionately? How can I introduce it only in Janata party governments or in few other governments? Suppose all agree but one does not, what am I to do? I abolish the sales-tax there and levy excise? How will that apply to other States? They will have additional excise and sales-tax as well. What will be the burden? You do not see the difficulty. It is very well to say "do this and do that." We want to do that. I would like to do that but there are conflicting interests. They have also to be taken into account.

SHRI YESHWANTRAO CHAVAN: It is impolitic now to try to abolish sales-tax because it will create political complications. Sales-tax is the only flexible source of income to the States. So, this item of the manifesto of the Janata party is unrealistic. Therefore, please give up this idea of replacing sales-tax with certain excise duties.

श्री रामानन्द तिवारी : अध्यक्ष जी, मैं केन्द्रीय सरकार से जानना चाहता हूँ कि जब जनता पार्टी ने अपने चुनाव घोषणापत्र में जनता को यह आश्वासन दिया कि जब हम सत्तारूढ़ होंगे तब बिक्री-कर समाप्त करेंगे तो यह तो उस वक्त भी मस्तिष्क में रखना चाहिये था कि स्टेट्स इस का पालन करेंगी कि नहीं। तो फिर क्या कारण कि है आज केन्द्रीय सरकार यह जानते हुए आदेश नहीं देती कि बिक्री-कर समाप्त किया जाय ?

श्री मोरारजी देसाई : तभी मैंने कहा जब मेनीफ़ेस्टों में लिखा था कि यह तभी हो सकता है जब सब स्टेट्स कबूल करेंगी। इसके लिये मेहनत करेंगे। कैसे कहते हैं कि मेनीफ़ेस्टो में हमने कह दिया।

SHRI KANWAR LAL GUPTA: So, Sir, it is clear that Mr. Chavan does not want abolition of sales-tax.

MR. DEPUTY SPEAKER: You have to draw your own inference.

SHRI VINODHAI B. SHETH: Sir, is the government thinking of changing the definition of the word 'sale' so as to cover the consignment sales as inter-State sales as there is lot of evasion of inter-State sales-tax and as the goods are despatched under the garb of consignment sale? Actually, they are inter-State transactions. There is loss of revenue to the tune of Rs. 4 crores in Gujrat alone on this account.

SHRI H. M. PATEL: We will give serious consideration to this.

SHRI HARIKESH BHADUR: There is a lot of corruption in the Sales Tax Department and, if I say, almost all the officers of this Department are involved in serious corruption. I think I will be correct in saying so; though it is a bad thing but it is correct. I would like to know from the hon. Finance Minister whether he is going to suggest some ways and means to the State Governments so that the corruption may be minimised.

SHRI H. M. PATEL: Yes, we will certainly look into that.

SHRI RAGAVALU MOHANARANGAM: The States were persuaded for abolition of sales-tax and octroi I would like to know from the hon. Finance Minister—when the sales-tax is considered as a 'Kamadhenu' for all the States—what is the necessity of taking away this tax from

the States. Is it the first step to remove more power from the States and hand it over to the Centre?

SHRI H. M. PATEL: Sir, again the question is why should such an attempt is made to persuade the State Governments. Now, I recognise that this is a 'kamadhenu' for the State Governments and that is why if any alternative is going to be proposed, we will see to it that the alternative will also serve as a 'kamadhenu'. Therefore, the hon. Member must rest assured that nothing will be done in haste and no State Government's position will suffer.

श्री राघवजी : राज्य सरकारें जो सेल्स टैक्स हटा नहीं रही है या महमन नहीं हो रही है इसका एक मुख्य कारण क्या यह नहीं है कि उनको इसका कोई आल्टरनेटिव सोलमं ब्राफ़ इनकम नहीं बताया गया है ? क्या ब्राफ़ कोई इसका आल्टरनेटिव बना सकते हैं उनको ताब्रियह सेल्स टैक्स हट मके ?

क्या केन्द्रीय सरकार स्वयं पहल करके सेंट्रल टैक्स हटाएगी ?

SHRI H. M. PATEL: I have already said that we are suggesting an alternative. What we will do is for us to think, not the State Governments and therefore, the point that the State Governments to be assured of is the income that they get from the sales-tax and that they should not suffer from. Central Sales tax is the same as the States sales-tax because it also goes to the State Governments and that will also be taken into account. As and when they agree to abolition, the question of compensation will be considered.

SHRI KRISHAN KANT: May I submit what the Leader of the Opposition has said is incorrect? Even the Janata Party Manifesto has said that in consultation with the States, sales-tax will be abolished. That was provided in the election manifesto. Se-

Secondly, the whole idea is that if the sales-tax as now imposed is continued, the income to the States would be less. If it is one point system, the States will get more than what they are getting now, because at present corruption is there and there is more expenditure on staff and other things. So, the States will get more if it is one point tax system rather than the method that is being now adopted. The whole exercise of the Government will be to see that the sales tax abolition is done in such a way that the States get more revenue than what they want. Moreover corruption and various other malpractices and more spending on the staff will also be removed.

SHRI H. M. PATEL: I think what Mr. Krishan Kant has said is quite correct. I think the hon. Members have received the explanation from Mr. Krishan Kant as to what was the thinking that went on when the drafting of the manifesto was being done. And as he says rightly, in the manifesto whatever is done, would be done in consultation with the State Governments.

PROF P. G. MAVALANKAR: I quite see the point of the hon. Finance Minister and also of the hon. Prime Minister that this problem is very difficult and it cannot be solved unless all the State Governments agree to it. But since he says—and also adds that he is an eternal optimist—that he will go on persuading the State Governments, I want to ask him—when he says that he will first want the State Governments to agree to abolition of sales tax and then discuss the alternatives—what is the point of his saying that the State Governments must first agree to abolition and then discussion will start? Has the Government taken any concrete step by having consultations with them, providing alternatives, and what is his strategy for persuading the State Governments? He goes on telling us that there will be abolition first and then he will do something.

SHRI H. M. PATEL: My hon. friend argues that I should tell him all the arguments that we advanced to the state governments. Certainly, I have done all that he says. It is not a question of suggesting to somebody: abolish this, and then telling him in which way it is going to be done. What I said in answer to different questions, he should have put them all together and he would realise that I have really in sum total given all the answers to all the points that he has mentioned. When we try to discuss such a thing, when we try to persuade anybody to accept some proposition, we also naturally put to him all that is necessary in order that he is persuaded which means that if he wants to know how he will be compensated, we also try to tell him. It is the quantum which worries him most.

SHRI K. LAKKAPPA: This question has taken 20 minutes and it has been agitating the states. I put a straight question to the government. The object and political motivation of this party is to make the states not only weak financially but also economically and make them municipalities, get hold of their power and use the central authority over them. This is nothing but political motivation. Is it not a fact that your motive is ulterior, to make the states subordinate to the Centre and make them municipalities with the object of holding power in the Centre for a long time? Is it not a fact. (*Interruptions*)

SHRI H. M. PATEL: I did not realise that the Opposition Members will be so quick to take up the hint given by the Opposition Leader, how quickly political motivation would be given to a very simple genuine economic proposition.

श्री विजय कुमार बलहोत्रा : अध्यक्ष महोदय, 3 ब्राइटम ऐसे हैं, जिन पर सेल्सटैक्स नहीं है, सिर्फ एक्ससाइज है। नेशनल डेवलपमेंट काउंसिल में यह तय हुआ था कि इसमें

एक दो ब्राइटम घीर बढ़ाई जाये। मैं मंत्री महादय से यह जानना चाहता हूँ कि क्या वह इस बात पर विचार करेंगे कि एक, दो ब्राइटम घीर बढ़ा कर एक्सपैरीमेंट किया जाये ? भ्रगर स्टेट्स को फायदा नजर आता हो तो फिर वह एक्सपैरीमेंट सक्सेसफुल हो सकता है। क्या मंत्री महादय स्टेट्स से पूछेंगे कि क्या वह एक भाघ ब्राइटम बढ़ाकर एक्सपैरीमेंट करने के लिये तैयार हैं ?

SHRI H. M. PATEL: I think the hon. Member is not well informed in this matter. Anyhow, even if this suggestion has to be advanced, that does not take us very far.

SHRI P. RAJAGOPAL NAIDU: In persuading the state governments what is the alternative put forth by the hon. Minister before them?

SHRI H. M. PATEL: The alternative is excise; I have already said so.

SHRI V. ARUNACHALAM: Formerly the state governments have agreed to give up the right to levy tax on textiles, sugar and tobacco and the income from these things is frozen to the states. Has the government any proposal to increase the share to the state governments?

SHRI H. M. PATEL: The whole of it goes to the state governments.

Inquiry against Allahabad Bank and Central Bank of India

*262. **SHRI KANWAR LAL GUPTA:** Will the Minister of FINANCE be pleased to lay a statement showing:—

(a) what is the report of the inquiry made by the Government against the Allahabad Bank and the Central Bank of India;

(b) who made the inquiry and what action has been taken on it; and

(c) is it a fact that no action has been taken against the defaulters?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) to (c). A Statement is laid on the Table of the House.

Statement

(a) to (c). Government have made no enquiry against the Allahabad Bank. If the Hon'ble Member is referring to the transactions in the Allahabad Bank which were the subject matter of the Short Notice Question No. 14 answered by me in this House on 8th July, 1977, the answer is that the bank deputed an officer from its Head Office to enquire into these transactions. A Committee of the Board of Directors has also looked into the matter. The Bank is taking disciplinary action against the concerned officers.

Government have similarly made no enquiry against the Central Bank of India as such. However, a One-Man Committee consisting of Shri D. N. Ghosh, a senior officer in the office of the Comptroller & Auditor General of India, was appointed by Government to look into the credit facilities granted by the Bank to the Kohinoor Mills Ltd.. The report of the Committee has been received by Government and is under examination.

SHRI KANWAR LAL GUPTA: In the statement the hon. Minister has stated that a Committee of the Board of Directors had looked into the matter and the bank is taking disciplinary action against the concerned officers. This is relating to the Allahabad Bank.

Regarding the Central Bank he has stated that somebody has been appointed by government to look into credit facilities granted by the Bank to Kohinoor Mills Ltd. and that the report of the committee had been received and is under examination. My question is, what was the report in the case of Allahabad Bank and what was the report in the case of Central Bank and what action has been taken