

Shri Biswanath Das : I said the Honourable the Law Minister, it could not be Prof. Shibban Lal Saksena.

The Honourable the Law Minister as the Chairman of the Drafting Committee characterised this system of distribution as vicious. I agree with him that it is a vicious system because it ought to be and it is a Central source, No stretch of imagination could bring it or ought to bring it under the purview of the provinces. As such; the system is vicious. A conviction such as this ought to have led my friend and the Government which he represents to,, undertake a full-fledged financial enquiry, a Taxation. Enquiry and find out the taxable capacity and the taxation that is levied and collected from the various provinces and they should have come forward with a proposal acceptable to the House.

Sir, the British system of taxation which has been continued today is certainly vicious. It has not been undertaken with a view to evolve a scientific national system of taxation. The Britishers levied taxation as it suited them, just to meet the exigencies of the situation. That system prevailed for a time and the men with the loudest voice got most. From 1919, they professed to change the system and we got the Meston Award. That was found unsuitable and the result was an enquiry. Financial Enquiry undertaken by the Round Table Conference. To their utter surprise, they found that Bengal, Assam, Bihar and Orissa were very hard hit. They also had advised the Government, which, if accepted, would have taken India a step forward, to allow a share of Income-tax to the provinces, and that on the basis of population. Unfortunately, as I have already stated, the British had their curious way of meeting the situation and arriving at decisions. In the result, we got the Niemeyer Award.

So awards after awards were, thrust on India with the result that you do not have today a sound financial system which you could call national or desirable or essential. Therefore, I accept and agree with my honourable Friend that the system today of allocating the share of the jute duty to provinces is certainly vicious, looked at from this point of view; but my complaint against him is that he has done nothing, taken. no steps as yet to undo the mischief as it shows. Sir, you were, good enough to appoint an Enquiry Commission but I must frankly state, as I have already stated, that the scope of that enquiry was so very limited that the provinces hard hit cannot get the justice that they ought to have. I claim that a thorough enquiry into our system of taxation, allocation and the rest should be undertaken in the future so as to devise a scientific and national system of finance in this country to keep pace with the needs of social justice. Until then necessarily these disparities will be continued.

My Friend Mr. Saksena comes forward with his amendment. His amendment-he will pardon me so characterising--it is the position of those who have. You damn, you condemn the system as vicious and do nothing to wipe off the miseries that accrue out

of the past sins committed by an alien rule. Therefore, it will be unfair if you claim and have the benefits and advantages of the system to continue and thus have it both ways. You cannot have it both ways. Sir, this levy of jute duty and the allocation of it to the provinces has a history of its own. I have already stated that the enquiry of the Federal Finance Committee found that Bengal, Bihar, Orissa and Assam were very hard hit and no action was taken to relieve the distress. Just before Sir Otto Niemeyer was coming to India to conduct his enquiry, the then Provincial Governor of Bengal in his famous speech he delivered at the St. Andrew's Day Dinner stated that he spoke this on behalf of himself and his Ministry and he made a claim that he cannot run the provincial administration of Bengal unless he gets two crores of rupees. Curious it is that a Noble Lord, such as he, hurled a criticism on the British Imperialism stating that the Province of Bengal cannot be held responsible for the sins or commissions and commissions done by the Centre viz., the system of land lordism that was devised for Bengal. He stated that the Permanent Settlement has deprived Bengal from an annual revenue of four to five crores. Having done that it is for the British Government to make good the deficits of Bengal. Therefore, he, among other things, claimed two crores as the minimum necessary for his own province. Other provinces also placed their own demands. The result was, as I have stated, other provinces got a good share of jute duty along, with Bengal.

You are going to limit it to ten years. Many provinces have undertaken long-range annual commitments on the basis of allocation of this revenue. What are they going to do ? Is it your idea that they should close this chapter of taking up national activities, constructive work in the sphere of nation-building activities and forego this revenue ? If that is so, I cannot praise very much either the source from which this amendment is sponsored or the honourable Members of this House if they accept this motion. Sir, think of provinces like Bengal. If they are to be deprived annually of a crore, how are they going to meet their demands ? Are you going to stop the educational and health activities of Bengal and Assam ? A province like Orissa, may not mind very much if it is deprived of Rs. 3 lakhs; still Rs. 3 lakhs; a year is not an ordinary sum to be left aside. Under these circumstances, I do not agree with those who claim that it should be confined only to ten years. If my honourable Friend had stated that in the course of these ten years he would undertake thorough enquiry into the taxation system and structure of this country and devise ways and means, I should have no objection. Sir, the Government of India in 1946 had deputed two officials--I believe Prof. Adarkar and Mr. Nehru--to study the financial system of Australia. Their report should have been utilised by the Constituent Assembly as also by the Drafting Committee. They have reported not only regarding the financial system of Australia but also the conditions under which the Australian system could be applied to India. They have clearly stated now allocation of grants were made on the basis of population and area and how the permanent commission that they have established is authorised to receive applications from needy provinces. The Commission looks into the provincial budgets and grants are made to such needy provinces. If that were the position there would not be any objection. Nothing of the kind is provided either in the provisions that have been passed in this Constitution or from any announcements made by Government in the Parliament or in the Constituent Assembly. Under these circumstances I must frankly confess that the motion moved by my honourable Friend the Law Minister is not very helpful to the cause of progress of national activities of these provinces.

Sir, one word more and I shall have done. You have bared and bolted the gates. You have laid down that no other provinces except the existing provinces will have the benefits of jute duty even if they undertake extensive jute cultivation in their

provinces. If the news published in the papers is true, Travancore has undertaken the cultivation of jute in about a lakh of acres. What is the inducement that you are going to offer ? The inducement is nothing. You give them nothing for the trouble they undertake in the Province of Madras or the United States of Cochin and Travancore.

Sir, whom are you helping ? Are you helping yourselves or are you helping Pakistan ? Pakistan, it has to be sadly admitted, holds the key. It has the raw jute and you have got the machinery for the finishing processes. Therefore Pakistan dictates its own terms, and you are anxious to accommodate Pakistan because you are anxious to get dollars. Under these circumstances it is the duty of the Central Government to spare no pains to undertake the expansion of jute cultivation in India. The motion moved by my friend gives me little hope in this direction, because it is confined only to those provinces that are at present getting the benefits of jute duty and it is again confined only to ten years.

I do not know the basis on which this money is to be allocated. If it is to be on the basis of past allocations there is no inducement at present or in the future for the provinces to extend cultivation. Sir, speaking of my own province, I must frankly confess that this comes to me as a great disappointment, because Orissa is undertaking a huge, extensive programme of jute cultivation. Added to it, the States of Orissa, which have been merged, were having lot of cultivation of jute. Are you going to deprive them of the benefits of this allocation ? I do not know whether the provisions will benefit the Government of India or Pakistan. I leave it to honourable Members to think it out for themselves. My honourable Friend says that this is a very vicious principle and I agree with him. If any one thinks that this is an undesirable course of action, they why have article 249 at all. This article apportions the excise duty on certain manufactures, such as medicinal and toilet Preparations, and the duties collected from these sources are to be assigned to the very provinces from which they are realised. If it is such a vicious Principle. why again embody the same in the Constitution? Sir, "consistency is the hobgoblin of little minds."

It is now time when you should have a judicious and national system of finance or you give the provinces a certain degree of freedom to have their own taxation arrangements. While discussing this question I may refer the honourable Members of this House to certain acts done by the Government of Sind in 1942. In 1942, 43 and 44, the Government of Sind levied a duty on export of rice from that province and the result was that they could get a big sum which was enough to clear off her Barrage debts. We in Orissa could have done the same thing. But we refused to play into the hands of our friends in this game and we refused to have such benefits while our sister provinces were suffering. But is that the reason why the discrimination that is now proposed is to be perpetuated ? As I have already stated, I plead with you that there should be a full-ledged enquiry carried out now. The taxation enquiry of India of 1924-25 is now out of date. So is the economic enquiry that was then conducted. I plead that the time has come when such an enquiry is a necessity and it should be undertaken.