

Topic: Motivation And Aspirations Of The Framers Of The Constitution In Drafting Article 301 – 305

Name of the Case: Atiabari Tea Co. Ltd. v. State of Assam, AIR 1961 SC 232

Bench: Justice B.S. Shah, Justice K. Dasgupta, Justice K. Wanchoo and Justice B. Gajendragadkar

Fact of the Case: The State of Assam in acted Assam Taxation (on Goods Carried by Road or Inland Waterways) Act, 1954. The purpose of the Act is to levy taxes on certain goods carried by road or inland waterway in the State of Assam. The appellant challenged the validity of the Act mainly on the ground that (1) the Act, rules and the notification under the act were ultra vires the Constitution, because the Act was repugnant to the provisions of Article 301 of the Constitution as the tax on carriage of tea through the State of Assam had the effect of interfering with the freedom of trade, commerce and intercourse; (2) that tea being a controlled industry under the provision of the Tea Act, 1953, the Union Government alone had the power to regulate the manufacture, production, distribution or transport of tea and jurisdiction of Assam Legislature was thus completely ousted; (3) that the tax under the act was nothing but a duty of excise, in substance, do not form, and was thus an encroachment to the central legislative field within the meaning of Entry 84 of the Union List. The impugned Act was also challenged on the ground that it was discriminatory and void under Article 14 of the Constitution. The competence of the Assam legislature to legislate on subject was also questioned.

Judgment: The Supreme Court has explained in detail the motivations and aspirations of the framers of the Constitution in drafting Article 301 - 305 in following words:

In drafting the relevant Articles 301 - 305 the makers of the Constitution were fully conscious that economic unity was absolutely essential for the stability and progress of the federal polity which had been adopted by the Constitution for the governance of the country. Political freedom had been won, and political unity had been accomplished by the Constitution, had to be sustained and strengthened by the bond of economic unity. It was realised that in the course of time different political parties believing in different economic theories or ideologies may come in power in the several constituent units of the Union and that mean conceivably give rise to local and regional pulls and pressures in economic matters. Local or regional fears or apprehensions raised by local or regional problems may persuade the state legislature to adopt remedial measures intended solely for the protection of regional interest without due regard to their effect on economic of the nation as a whole. The object of Article 301 to 305 was to avoid such possibility. Free movement and exchange of goods throughout the territory of India is essential for the economics of the nation and for sustaining and improving living standard of the country.

Commenting on Article 301, the Supreme Court has observed that Article 301 “is not a declaration of mere platitude, or the expression of pious hope of a declaratory character; it is not also a mere statement of Directive Principle of State Policy; it embodies and enshrines a principle of paramount importance that they economic unity of the country will provide the means sustaining force for the stability and progress of the political and cultural unity of the country.”