

**Mr. President :** Some day next week. I may tell honourable members that we propose to finish all the articles and all schedules except some articles dealing with States and one Schedule and certain other miscellaneous articles two or three—we want to finish all the rest. It depends on the House how soon we shall be able to complete consideration of all the rest of the articles.

**The Honourable Shri Ghanashyam Singh Gupta** (C. P. & Berar : General) : By the 17th at the latest, I suppose.

**Mr. President :** I have that in my mind, but it depends on the House.

**An Honourable Member :** Fix a date.

**Mr. President :** If we make quick progress I need not fix any date.

I shall now take up the entries in the Seventh Schedule which were left over—88A in List I and 58 and 58A in List II.

#### Seventh Schedule and Article 250—*Contd.*

**The Honourable Dr. B. R. Ambedkar :** Sir, I move :

“That after entry 88 in List I of the Seventh Schedule, the following entry be inserted:—

‘88-A. Taxes on the sale or purchase of newspapers and on advertisements published therein.’ ”

I also move:

“That for entry 58 of List II of the Seventh Schedule, the following entries be substituted:—

‘58. Taxes on the sale or purchase of goods other than newspapers.

58-A. Taxes on advertisements other than advertisements published in newspapers.’ ”

Sir, with your permission I shall move the other amendment—No. 374—to article 250 also as it is really part of this.

I move :

“That in clause (1) of article 250, after sub-clause (d), the following sub-clauses be added:—

(e) taxes other than stamp duties on transactions in stock-exchanges and futures market;

(f) taxes on the sale or purchase of newspapers and on advertisements published therein.’ ”

**Shri T. T. Krishnamachari :** I would like to mention that the formal permission of the House will have to be obtained to reopen article 250 which it will be necessary to do in respect of amendment No. 374.

**Shri R. K. Sidhwa :** I raise a point of order that an article which has been completed and passed by the House cannot be reopened.

**Mr. President :** That is just the point that Mr. Krishnamachari has raised.

**Shri R. K. Sidhwa :** No, sir. He has moved an amendment to reopen the subject. I am raising a point of order that it cannot be reopened.

**The Honourable Dr. B. R. Ambedkar :** That the President will decide—whether you are right or he is right.

**Mr. Naziruddin Ahmad :** There is another matter to which I would like to draw your attention. In regard to the amendment to entry 88-A it is the same amendment as that of Mr. Jhunjhunwala. It has now been stolen by the Drafting Committee and is being passed on as their own. Curiously enough, Dr. Ambedkar’s amendment No. is 379 which is the section of the Indian Penal Code relating to theft. Can this sort of literary piracy be allowed?

**Mr. President :** You can take credit for having pointed it out.

**The Honourable Dr. B. R. Ambedkar :** He is quite content with that. He has not lodged a complaint of theft or robbery.

**Mr. Naziruddin Ahmad :** But theft is a cognizable offence. It is also non-compoundable. It does not depend on the complaint of any one, absence of objection will not excuse it.

**Mr. President :** We shall deal with the entries first.

**The Honourable Dr. B. R. Ambedkar :** Sir, when this matter came up last time before the House there was a lot of debate as to what was exactly intended, what the House could do and what I was prepared to accept. You were kind enough to say that the matter might be recommitted to the Drafting committee. The Drafting Committee after consideration of the same has brought forth new proposals. The proposals are that newspapers and taxes on advertisement in newspapers should be put in List I. That is a matter to which the Drafting Committee has now agreed. The second amendment—No. 379—is merely a consequential thing because since newspapers and taxes on the sale of newspapers and advertisements therein has been brought into List I, it is necessary to exclude the taxation on newspapers under the Sales Tax Act and advertisement therein from the jurisdiction of the State Legislature.

**Shri R. K. Sidhwa :** Sir, I move :

“That is amendment No. 378 of List VIII (Seventh Week), for the proposed new entry 88-A in List I, the following be substituted:—

‘88-A. Taxes on advertisement published in newspapers.’ ”

“That in amendment No. 379 of List VIII (Seventh Week), in the proposed entry 58 of List II, the words ‘other than newspapers’ be deleted.”

Sir, when this subject came up before the House some time back my honourable Friend, Dr. Ambedkar, vehemently opposed the motion that is now sought to be moved by him, or rather moved by him and he made very strong remarks. I wish I could lay my finger on the proceedings and the speech and place them before the House, but unfortunately I could not get them. But I know the House will remember and you, Sir, will remember that he said that under no circumstances shall he allow the sales tax also to be included in List I.

**Mr. President :** The matter was held over for reconsideration by the Drafting Committee. The Drafting Committee is not prevented from reconsidering and putting forward another amendment.

**Shri R. K. Sidhwa :** I know that is so. Everyone has a right to change his opinion, but Dr. Ambedkar while moving his amendment should have enlightened the House as to the reasons which necessitated him to change his views.

My point is this, that this amendment, as proposed by Dr. Ambedkar, seeks that the sales tax on newspapers which is in the State List should also be brought under List I. Now this is an invidious distinction. Sir, I think that in the list of items on which the provinces levy a sales tax there are hundreds of items. To select one item out of them and to put it in the Union List is, in my opinion, objectionable, invidious and unfair. It might be misunderstood by the people as a whole in the country. They will be suspicious as to what has actuated the Constituent Assembly to select this particular items which is rightly put in List II, and bring it to List I. It may be argued that this done as newspapers have a bearing on the fundamental rights as was urged the other day. As you have rightly held the other day in your ruling. Fundamental Rights relate to speeches and expressions. What have taxes to do with speeches and expressions?

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I, therefore, fail to understand why it is going to be brought in List I. My difficulty is that when a very responsible member as the Chairman of the Drafting Committee held a different view the other day, he should have explained to us what was the object. If I were satisfied, I would not have raised this point. Let all the sales tax go to the Centre. Sales tax, as it is at present levied in the different provinces, have worked havoc on trade and commerce. An article is taxed in Bombay; the same article is sent to C. P. and is taxed over again. Therefore, I certainly desire that the sales tax should come within the purview of the Centre. As at present levied it upsets the whole economy of the country. But why choose this particular item, I fail to understand. It might be misunderstood by the country as an instance of favouritism. The best course in the present circumstances would be to hold this item over till the whole question of the sales tax is decided. Let the Centre take over the sales tax. I am in favour of it.

I was myself a signatory to the amendment that was moved by my Friend, Mr. Goenka. I was very clear in my mind when I put my signature that it related to the advertisement only and not to the sales tax. But my attention was drawn to the fact that the language used covered the sales tax as well. I admit my mistake in signing it. Generally I do not sign anything without reading and understanding its implications. But my intention now is the same as it was before that sales tax should not go into List I.

Now, Sir, it may be that this inclusion in List I is for the purpose of exemption of newspapers from advertisement and sales tax. I have very great regard for the nationalist papers which have fought for the freedom of the country during the days of British imperialism whose main object was to crush nationalist newspapers. I do not dispute for a moment that they deserve all kind of encouragement; there is no question about it. But today I do not know which paper to call nationalist. Having been an editor and proprietor for over twelve years of a newspaper, I know the odds against which they had to struggle in those days. I take my cap off before them. *The Bombay Chronicle* one of the biggest nationalist papers in India was killed twice, but it still survives, thanks to its able editors like Mr. Horniman and Mr. Brelvi. Effort was made to kill the *India Daily Mail* started by a millionaire in Bombay and it was actually killed through the agency of British Imperialism. I appreciate all that the nationalist papers have done, but I want that appreciation to be expressed by the front door in recognition of the services rendered by them. Why do you want this to be put in List I and create complications and doubts in the mind of the public? My point is that if exemption is to be given, I am for it on the grounds I have urged. Never mind if other papers take advantage of it, but this tax is also bad. I know today 80 per cent. of the papers are small ones and they could not afford to bear the proposed tax. Only 15 per cent. of the papers are today rolling in money and it may be asked why should they not pay the tax? My Friend Deshbandhu Gupta—I have great respect for him. From a small man he has risen to a big man. Mr. Suresh Chander Mazumdar another gentleman deserves same compliments. But why should these others who are rolling in wealth in other business—why should they be exempted? Yesterday, I was reading that an American syndicate is going to purchase the "*Civil and Military Gazette*". They are out to purchase important newspapers in India. Is it fair that they should be exempted? I do not want to make any distinction between Indian and foreign newspapers. If *Times of India* can be purchased, on payment of crores of rupees this syndicate can purchase all important newspapers. Why should they be exempted? When you put this tax in the Constitution, you bind down for all times. I submit the case has not been properly placed before the House and my Friend Mr. Goenka will excuse me for saying that he has bungled.

**Shri T. T. Krishnamachari :** May I tell my honourable Friend that no exemption whatever is contemplated?

**Shri R. K. Sidhwa :** Well, Mr. Krishnamachari, better leave it to common-sense. You are not the authority to state here that exemption is not contemplated. I know what is contemplated. That is why I am worried. Let us be straightforward. These things should not be brought forward in this manner just to hoodwink. It is hoodwinking the people and nothing else. Let us be straightforward and honest. You cannot humbug the people or hoodwink the House. Dr. Ambedkar may be too clever but he cannot be too clever all the time. We understand what is behind the screen. I do not like this to be brought in this fashion. If this amendment is held over, let us apply our mind and put up a proper amendment. I shall be prepared to move an amendment that papers be exempted from all taxes, if it is agreeable I do realise that the nationalist papers have done service and in recognition of that service, if you want to exempt them, I am prepared for it. I am prepared to go further and exempt all papers. I suggest therefore that instead of accepting the amendment, I humbly suggest to my friends Messrs. Goenka and Gupta : “Let us apply our mind and put in an amendment for exemption, so that our position may not be misunderstood.” I again repeat this august Body, this Constituent Assembly, should not be humbugged. This august Body should not be hoodwinked. I want straightforward manners to be adopted, particularly in our Constitution. I hope, Sir, that you, Mr. President, will also appeal to Dr. Ambedkar and Messrs. Goenka and Gupta not to put in something for which the Constituent Assembly may be ridiculed. This august Body should not be ridiculed. Let there be no criticism that we have somehow or other, for somebody’s benefit, transferred this to List I in the name of Fundamental Rights which I fundamentally oppose. This is not germane to the Fundamental Rights. I again appeal, in the interests of this Constituent Assembly for which I have great respect, to you, Sir, who is the President and Custodian of this Assembly—I submit to you in all humility that you will kindly prevent invidious distinction being caused. I repeat 80 per cent. of the newspapers will suffer by taxes. Only some of the newspapers can afford to pay. After all tax on newspaper advertisements will be borne by those who advertise. The cinema tax—who pays it? The consumers pay. Provincial governments levy it on cinemas, the cinemas levy it on the consumer. Similarly, if there is to be a tax on advertisements, the advertiser has to pay. I do not want to envisage that position. I do not want small news-papers to be killed. If there are ten big newspapers who will be exempted, I do not mind. Let not 80 per cent. be injured. Let us from that point of view try to come to a settlement.

**Mr. President :** I confess, Mr. Sidhwa, that I have not been impressed by your moral indignation. I have not seen any cause for it. It is a simple amendment moved by the Drafting Committee and I do not see anything wrong in the amendment proposed.

**Shri R. K. Sidhwa :** Out of all, why is the newspaper singled out?

**Mr. President :** That is a different matter.

**Shri R. K. Sidhwa :** That is the point. Why has it been singled out?

**An Honourable Member :** Wait and see.

**Shri Deshbandhu Gupta (Delhi) :** Mr. President, Sir, it is a matter of no small satisfaction to me to note that the Drafting Committee has appreciated the point of view urged by my Friend Mr. Goenka and many Members of this House in the amendments which they sought to bring before the House. It is a matter of still greater satisfaction that even Dr. Ambedkar has agreed to these amendments and that these amendments have his wholehearted support. There is much in one point made out by my Friend Mr. Sidhwa. The House

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is aware that the other day when this matter was discussed on the floor of the House, I did take fundamental objection to the very imposition of taxes on newspapers. No one would be happier than myself and my friends belonging to the press, if the House were to decide today that newspapers will be free from all such taxes. Of course that is what is should be, because in no free country with a democratic Government we have any such taxes as the sales tax or the advertisement tax.

But I fail to understand the argument of my Friend Mr. Sidhva when in one breath he says that he is prepared even to go to the extent of exempting newspapers from all taxes and in the same breath he holds that there should be no distinction between newspapers and other goods so far as the imposition of sales tax is concerned. This is an argument which, I must say, is very difficult for me to understand. I claim that newspapers do deserve a distinctive treatment. They are not an industry in the sense that other industries are. This has been recognised all over the world. They have a mission to perform. And I am glad to say that the newspapers in India have performed that mission of public service very creditably and we have reason to feel proud of it. I would therefore expect this House and my Friend Mr. Sidhva to bear it in mind at the time when God forbid any proposal, comes before the Parliament for taxation. That would be the time for them to oppose it.

Sir, after all, this is an enabling clause. It does not say that there shall be sales and advertisement tax imposed on newspapers. It does not commit the House today to the imposition of a tax on the sales of or a tax on advertisements published in newspapers. All that we have emphasised is that newspapers as such should be taken away from the purview of the provincial Governments and brought to the Central List so that, if at all at any time a tax is to be imposed on newspapers it should be done by the representatives of the whole country realising the full implications of their action. It should not be an isolated act on the part of some Ministry of some Province. That was the fundamental basis of our amendment. When we tried to convince the Drafting Committee and other Members and particularly our Friend Dr. Ambedkar, our main argument in favour of transferring the subject to the Central List was a political one. It should not be taken for granted that I or my friends of the Press of India are in any way committed or agreeable to the imposition of such taxes. Not in the least. We have been all along opposed to it; we must recognise that barring the two provinces of Bombay and Madras all other Provinces have so far stood for the freedom of the Press. They have never exercised the right of taxing newspapers. But, ever since this question came up before the country the whole Press has opposed it vehemently on fundamental grounds, and demanded that if these taxes are to be levied they should be levied by the Centre. While making this demand, are we not aware that the newspapers published from the provinces that have not imposed any such taxes remain untouched today, particularly the newspapers of Delhi which are directly under the Centre and on which there can be no question of a sales tax being imposed unless the Parliament goes to the extent of imposing it? If today all newspapers including those published from Delhi, are opposing the imposition of these taxes with one voice and demanding their inclusion in the Centre List, they do so, not because it is a question of saving some money, but because the fundamental question of the liberty of the Press is involved. By advocating their transfer to the Central List we are prepared to run the risk of having these taxes imposed in Delhi, and in other provinces which have not sought to impose such taxes so far. But we do not want to leave it to the provinces so that the liberty of the press remains unimpaired. We have faith in the Parliament; we have faith in the collective wisdom of the country and we have no doubt that when this matter is viewed in the correct perspective, there will be no such taxes imposed on the newspapers, but we have not got that much faith in the

Provincial Ministries. It is in that hope and having a full realisation of the situation that we have agreed, as a matter of compromise, or should I say as a lesser evil, to have these two taxes transferred from the Provincial to the Central List.

I am glad to know that my Friend Mr. Sidhva was also at one time connected with the Press like so many other political leaders who in their career had at one time or other been connected with the Press; and I am sure that if the question of imposing such taxes came up before Parliament, at any time, we will have his fullest support and his voice will be raised against any attempt on the part of parliament to impose taxes on either the sales of or on advertisements in newspapers.

To my mind it appears that in certain quarters there exists a general prejudice against newspapers. As my honourable Friend Mr. Sidhva believes, some newspapers may have given the impression that they are "rolling in wealth", but what is their number? Sir I do not want to take the time of the House in discussing the economy of the newspapers and painting the true picture of the newspapers as to where they stand today as compared with the taxes of other free countries of the world. But, I may point out to Mr. Sidhva and those who think alike, that there may be some big newspapers which can afford to pay taxes and that it may be that it was to hit such newspapers that these taxes were conceived but take it from me that the bulk of the newspapers will be simply crushed and if there is any hope of independent journalism in this country, that can be realised only if we leave the newspapers alone and not impose these distinctive taxes. Otherwise we will be paving the way for the transfer of smaller newspapers which have been struggling all along for existence to the capitalist.

I believe no one knows better than you, Sir as to why the *Searchlight* of which you were the founder has joined a chain. There are other papers which have similarly joined one or the other chain. If you look into the past history of the newspapers you will find that there was not a single nationalist newspaper in India which was not started with the beggar's bowl in the hands of its founder. Sir, who does not know that the late Pandit Madan Mohan Malaviya had to go from house to house begging people to take the shares of one of the biggest papers which Delhi is proud to own today.

**Mr. President :** I did not want to interrupt the honourable Member. But then here we are concerned only with the entry in the Union List.

**Shri Deshbandhu Gupta :** Sir, as Mr. Sidhva has raised the question that the newspapers did not deserve a distinctive treatment, I am only trying to remove that prejudice. I am fully conscious of the fact that I must not take more time of the House. But then as this is an important matter I seek your permission to give me a little more time.

The history of many other newspapers will show that they too had a very precarious beginning and that those who started them did not do so with a commercial motive. It is true that during the last few years some newspapers have financially benefited by the last war. But their past history should not be forgotten and we should not ignore the fact that after all newspapers have a mission to perform and that they are essential for the very existence of a democratic form of Government. They are essential for educating the electorate and for running the democratic form of Government in the country on proper lines. In these circumstances any step taken to weaken the Press will be calculated to harm the democratic form of Government, nay, the freedom of the people will be jeopardised as has been rightly pointed out by the U.S. Supreme Court Judges to whose memorable judgment reference was made the other day. According to them "Fettering the press is fettering ourselves." So,

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in the name of the freedom of the Press and in the name of the future of Indian journalism, I appeal to this House always to bear in mind that newspapers as such to deserve a distinctive treatment. Newspapers are as essential for the Government as for the good of the country and we must always regard them as such.

Sir, I hope most of the Members of the House are well aware that in the freedom movement of 1942 out of the 145 papers, as many as 96 papers voluntarily closed their offices soon after the memorable Resolution of 9th August was adopted. Can you cite another example in the history of the whole world when such a large number of newspapers at a moment's notice closed their shops without caring as to what will happen to them in the future? Most of them were not content with merely closing their shops, their proprietors and editors took active part in the movement and went to jail. Sir, even today there are many nationalist papers which, although struggling for existence, have imposed a voluntary check on themselves and do not publish advertisements of liquor, and foreign cloth? Can one deny, Sir, that these papers have placed an ideal before them and that they have been trying to live up to those ideals? Do not they deserve exemption from such taxes? It may be that even a few rich newspapers will benefit if no such taxes are levied. But such newspapers have been benefiting from the very beginning. They have been enjoying Government patronage in the past in large measure, and perhaps the House will be surprised to learn that there are some papers in this country today which had closed in 1942 voluntarily, and had always been the vanguards of the freedom movement, but are being discriminated against in the matter of placing advertisements by some Governments. In some cases old circulars still continue to be acted upon and these nationalist papers are being discriminated against in the matter of placing Government advertisement.

**Mr. President :** We are not concerned here with any circular, or any decision for levying a tax. It is only a provision in the Constitution that we are concerned with. When the question of levying a tax arises, all these arguments will arise.

**Shri Deshbandhu Gupta :** I only wish to say, Sir, that even our Government has recognised the distinctive nature of the Press, in the matter of transport facilities, in the matter of concessions in postal rates, in the matter of so many other concessions. So it is already recognised that newspapers have to be treated distinctly.

I do not want to elaborate the argument further but I do wish to place before the House one other aspect of the question and the reason why we seek to transfer these subjects to the purview of the Centre. There is a Bill that is pending before the Select Committee in Madras. I wish to make a passing reference to some of the clauses of this Bill. Under the Madras Bill they seek to impose an advertisement tax of 10 per cent. on the gross revenue from advertisements.

**Prof. N. G. Ranga (Madras : General) :** Only newspapers getting above a minimum revenue.

**Shri Ramnath Goenka (Madras : General) :** It is not so.

**Shri Deshbandhu Gupta :** If you refer to the Bill, you will find that it applies to all newspapers. The Madras Government has not only gone to the extent of proposing a tax of 10 per cent. on press advertisement revenues of newspapers; their Bill further seeks to give to the Government the power to exempt certain papers from these taxes. It also seeks to provide the taking of a licence by newspapers before they can start functioning. So this is the respect they show to the newspapers and to the honourable profession of journalism. There is no realisation of the fact that newspapers are the real saviours of democracy, and the fighters of the rights of the common man. The Bombay

Government too has imposed a tax of  $6\frac{1}{4}$  per cent., that also on the gross revenue from advertisements. This was an eye-opener to us and a clear indication of the fact that if these taxes were allowed to remain within the purview of the provincial governments, there may come a day when most of the smaller newspapers will have to close down. It was in view of this realisation, by the Press that my Friend, Mr. Goenka and other, suggested as a lesser evil that these taxes should at least be transferred to the Central List so that the country may as a whole decide whether newspapers should be taxed at all and, if to be taxed, to what extent.

One word more and I have done. Sir, although I support the amendment proposed by my Friend, Dr. Ambedkar, I only wish to make it clear that this should not be taken to mean that we agree to the imposition of any such taxes on newspapers in the future. Perhaps the House is aware that the All-India Newspaper Editors' Conference, the Indian and Eastern Newspaper Society and the Indian Languages and Newspapers Association, all these three bodies representing the Press of India met in Delhi last month and passed a unanimous resolution against all such taxes on newspapers—of course I am not referring to income-tax or super-tax, to which no one objects. All these bodies take a very serious view of this question. I hope that in any decision which this House takes now or the Parliament may take in future, they will always bear in mind that the existence of a vigorous and independent press is very essential for the good of the country and that anything done to weaken the press will weaken democracy, weaken the Government and will weaken the strength of the people. With these words, Sir, I extend my support to the amendment moved by Dr. Ambedkar and I thank him once again for having appreciated the point of view of the newspapers.

**Prof. N. G. Ranga :** Mr. President, Sir, I am glad that this clause has come to be included in the Constitution. It is necessary that the newspapers should come within the purview of Central taxation. It also shows how strong has come to be this fourth estate today. If the newspapers of this country, especially the daily newspapers, had not come to be so powerful, it would not have been possible for these alterations to be made in the lists of taxation that are proposed to be included in this Constitution. This question would not have come up at all for such serious consideration if the Madras Government had not taken the initiative in proposing to tax all advertisement revenues of the daily press and the other presses also. Once the taxation move was made by the Madras Government, my friends of the newspapers opened their eyes and saw that any amount of mischief could be done against themselves and their revenue if ever the provincial governments were to be given this power to tax. Therefore they have raised this matter in this forum and succeeded in including this in the Central List, as an item of Central taxation. Sir, I do not grudge this, but I do wish to maintain that the financial position of the newspapers has considerably altered ever since the last war. Whatever might have been the position of many of the daily papers in this country before the last war ever since this war most of them have come to make huge profits and many of them are not mere independent journals, mere independent newspapers, but many of them have come to be included in a series of chains of proprietors and proprietorships.

**Shri Deshbandhu Gupta :** May I ask honourable friend, who has been to the Western countries, as to how does the best of the Indian papers compare with those in the Western countries?

**Prof. N. G. Ranga :** I wish my honourable friend every success in his attempts to gain as much money as the Western proprietors are making. I would not grudge him indeed if his paper were to flower out one of these days like the *New York Times* and produce 60 or 64 pages on every Sunday and



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serve its readers; but I do grudge him when he has got all the revenue for himself and he is not prepared to part with a portion of it to the State. That is why I say Sir, that these daily newspapers which make these huge profits anyhow and these newspapers which are making profits over a particular prescribed minimum should not be given any special treatment but should on the other hand be made to pay as any other estate would have to pay upon the revenues that they would be deriving from advertisements.

**Shri Ramnath Goenka :** They pay income-tax and super-tax.

**Prof. N. G. Ranga :** In spite of that they make such huge profits. My honourable Friend Mr. Goenka himself must be knowing it, not to his cost, but to his benefit; and these newspapers have got to be made to pay and contribute as well as they could, and I do not see any reason why these concessions should continue to be given, and it is high time that our politicians and our legislators should be able to assert themselves in all their independence and see that these people, powerful as they are, more and more powerful as they threaten to grow in the near future, that they should be expected to make some sort of contribution correspondingly and indeed progressively as any other source of income that we find in our part of the world.

Sir, newspapers, it is true, serve a very useful national interest; otherwise, they would not be here at all. They would be prohibited just as arrack and spirits and all these things are prohibited; merely because they serve a useful purpose they are allowed to carry on their trade. As long as they are allowed to carry on their trade; let them be treated only in the same way as all other trades and let them not ask for any special privilege. My honourable Friend, Mr. Deshbandhu Gupta has grown eloquent about the contribution made by the newspapers during the national struggle. All glory to them and to such of them which had the courage to close down their offices. That is no reasons why the profits they are making today, tomorrow and the day after tomorrow....

**Mr. President :** I wish to tell Mr. Ranga, that we are not discussing any proposal for taxation today but that we are only discussing an entry in the Constitution.

**Prof. N. G. Ranga :** I am very glad indeed that this entry is being made in the Constitution. But I would have been gladder if this item had been kept in the Concurrent List so that it would have been a boon to the Provincial Governments as well as the Central Government.

**Shri Ramnath Goenka :** Have you taxation in the Concurrent List? Have you ever heard of it in our Constitution?

**Prof. N. G. Ranga :** To the extent that it can possibly be kept there.

**Mr. President :** Mr. Goenka, I hope you would not go into the history of newspapers. All that we have already done.

**Shri Ramnath Goenka :** Mr. President, Sir, I did not want to intervene in this debate, but Messrs. Ranga and Sidhva have prompted me to say a few words. So far as I am concerned, I am not proud of the fact that this entry finds a place in the Central List. In fact this taxation had been condemned as far as 150 years back in the advanced democracies of the world. I am really ashamed that such an entry should be found in the Constitution of this country. There is no Constitution in the world where such an entry of taxation of newspapers exists. This is the only country where we have it, not because it is the right thing to do, but because we have Sidhvas and Rangas and therefore it is that we have this entry in this List. I am sure, Sir, when the time comes for the Central Parliament to decide the matter in

regard to the taxation, they will go by—not the revenue which the newspapers make, by circulation, advertisements and such things—but on the basis of the net profits that they make. I am one of those who will say that newspapers are not money-making propositions. I will say that newspapers are there to serve the public and give them a free flow of information. I am one of those who will go the whole hog and say that newspapers should not be allowed to make an considerable sums of money; but you shall not take away the money before they are allowed to serve the public, by taxation on sales and advertisements, whatever their incidence may be.

**An Honourable Member :** You serve the Public very rarely.

**Shri Ramnath Goenka :** What I would like to say is this that if any taxation is to be levied on newspapers, it should be levied on the basis of the net profits they make. I am one of those who would say that if any newspaper makes more than 3 per cent. of its capital, the rest of the money should be appropriated by the State but before you allow them to serve, you cannot take away the money from them. So far as the newspaper economy is concerned, you will be amazed to know that the cost of the newsprint used in production of a newspaper is only equal to the net proceeds of the sale of the newspaper. Therefore, the gross revenue is only the advertisement revenue and if you take away 10 per cent., 15 per cent. and 20 per cent. of the gross revenue, what will be its effect on newspaper economy? Do you want your newspapers to compare favourably with the *Manchester Guardian*, the *London Times* and the *New York Times* or would you like your newspapers to be some sort of a rag produced in this country?

**Shri R. K. Sidhwa :** Produce the balance sheet.

**Mr. Naziruddin Ahmad :** On a point of order, are we considering the item as in the List or are we considering a proposal for taxation?

**Mr. President :** You are perfectly justified in raising the point of order. I have myself remained the speaker several times that we are not considering any proposal of taxation but only an entry in the Constitution.

**Shri Ramnath Goenka :** I will bow to your ruling : but so far as the newspapers are concerned, they are not proud of seeing this entry either in List I or II, but as a matter of compromise we had to agree to it and I say that this taxation which has been condemned in all the advanced democracies of the world 150 years ago, should not have found a place in this Constitution and since we have certain difference of opinion in regard to this matter, we have agreed to this; and I hope, believe and trust that the Central Government will not resort to his taxation.

**Mr. President :** I do not think any further discussion is necessary.

**Shri B. L. Sondhi** (East Punjab : General) : Closure, Sir.

**Shri Prabhu Dayal Himatsingka** (West Bengal : General) : I should like to say just one or two words. I want the sales tax should be put in the Central List. In fact there was an amendment to that effect.

There is so much confusion in the different provinces on account of the sales tax that something must be done to regularize the thing and remove part of the difficulty that is being felt by all under it.

**Mr. President :** We are not discussing that now.

**Dr. P. S. Deshmukh** (C.P. & Berar : General) : Closure will save exposure.

**The Honourable Dr. B. R. Ambedkar :** Sir, in view of what my honourable Friend Mr. Sidhwa said that I have been inconsistent in my attitude towards these entries, I should like to offer one or two observations by way of explanation. Sir, I said in the course of the debate that took place last time over this matter that the newspapers were very intimately connected with article 13 which deals with Fundamental Rights. Therefore in making any provision with regard to newspapers that is a matter which has to be borne in mind.

The second thing is that so far as any regulation of fundamental rights is concerned, under article 27 of the Constitution which we have already passed we have left all matters of legislation regarding fundamental rights to Parliament and we have not left any power with the States. It therefore appeared to me and also to the Drafting Committee that in view of these consideration, namely, that newspapers were coming under fundamental rights, and all laws regarding fundamental rights were being left to Parliament, it was only a natural corollary that newspapers for purposes of taxation should also come under the authority of the Centre.

A third consideration which prevailed with the Drafting Committee as well as with myself was that in view of the fact that newspapers were connected with fundamental rights, namely the freedom of expression and thought, it was desirable that any imposition that was levied upon them should be uniform and not vary from province to province. Such uniformity can be obtained only if the matter was left to Parliament to make laws. These are the three considerations which prevailed with me and prevailed with the Drafting Committee in the view that they have taken.

The only other consideration of importance was that this item was not purely an item dealing with making laws. It also dealt with levying a tax in so far as newspapers were included in the term goods in entry 58 of List II. We therefore thought that in order not to deprive the provinces of such revenue as they might be able to make by imposing a levy upon newspapers under the Sales Tax Act, the proper thing to do was to include the sales tax on newspapers in article 250 which includes many other items and provides that if any taxation was levied upon them, the proceeds shall be distributed among the various provinces.

Therefore, the only question for consideration that arises is whether by making this transfer from List II to List I, we are injuring so to say the finances of the provinces. My answer is that we are not doing any injury to the provinces because if the House would agree to carry my amendment No. 374, the provinces will get such portion of any tax on the sale of newspapers as they may have raised and now receive, under the amendment No. 374. In making these proposals, we have taken into consideration as I said the general proposition that newspapers having been connected with fundamental rights, ought to come under the jurisdiction of the Centre, and that any financial gain which the provinces would have got should not be lost sight of. Both these considerations have prevailed with the Drafting Committee in making these changes.

I submit, notwithstanding the declamations of my honourable Friend Mr. Sidhwa which I can understand, because he is smarting under a great injury which he suffered in another place, I say that there can be no objection to the entries that we have proposed.

**Shri R. K. Sidhwa :** Sir, I take exception to Dr. Ambedkar's remarks when he said that I am smarting under some injury. I shall pay him in his own coins unless you ask him to withdraw those remarks.

**The Honourable Dr. B. R. Ambedkar** : I am quite prepared to withdraw them, Sir. But, I know it very well.

**Mr. President** : That settles the matter. I shall now put the amendments to vote.

The question is :

“That in amendment No. 378 of List VIII (Seventh Week), for the proposed new entry 88-A in List I, the following be substituted:—

‘88-A. Taxes on advertisement published in newspapers.’ ”

I think the Noes have it.

**Some Honourable Members** : Ayes have it, Sir.

**Mr. President** : No.

The amendment was negatived.

**Mr. President** : Then I put the original proposition moved by Dr. Ambedkar :

The question is :

“That after entry 88 in List I of the Seventh Schedule, the following entry be inserted:—

‘88A. Taxes on the sale or purchase of newspapers and on advertisements published therein.’ ”

The motion was adopted.

Entry 88-A was added to the Union List of the Seventh Schedule.

**Mr. President** : The question is :

“That in amendment No. 379 of List VIII (Seventh Week) in the proposed entry 58 of List II, the words ‘other than newspapers’ be deleted.”

The amendment was negatived.

**Mr. President** : Then, I put the entry as moved by Dr. Ambedkar.

The question is :

“That for entry 58 of List II of the Seventh Schedule, the following entries be substituted:—

‘58. Taxes on sale or purchase of goods other than newspapers.

58-A. Taxes on advertisements other than advertisements published in newspapers.’ ”

The motion was adopted.

Entries 58 and 58A, as amended, were added to the State List of the Seventh Schedule.

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### Articles Re-opened

**Mr. President** : We have got several articles placed in the order paper today which require reconsideration of the articles that have been passed. The first is article 250 which is intimately connected with the amendments which we have just now passed. Under the rules, no question which has once been decided by the Assembly shall be re-opened except with the consent of at least one-fourth of the Members present and voting. I should like to know if the House gives its consent.

**Some Honourable Members** : Yes.

**Shri R. K. Sidhwa** : In the second reading stage, Sir, when article by article is being passed, it is not permissible to reopen. If you allow this precedent it will be very bad precedent for the future. You cannot shut out any other Member from moving for a reconsideration of any article. There will be no finality then.