

**Mr. President :** Does any one wish to say anything about this article (*No Member rose*). Then I will put amendment No. 79 to vote.

The question is :

“That in article 252, for the words ‘revenues of India’ the words ‘Consolidated Fund of India’ be substituted.”

The amendment was adopted.

**Mr. President :** Then I put the article as amended, to vote.

The question is :

“That article 252, as amended, stand part of the Constitution.”

The motion was adopted.

Article 252, is amended, was added to the Constitution.

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### Article 253

**Mr. President :** Then we take up article 253.

(Amendment Nos. 2883 and 2884 were not moved.)

**Mr. President :** What about amendment No. 2885 ? Do you wish to move it, Dr. Ambedkar ?

**The Honourable Dr. B. R. Ambedkar :** No; Mr. Tyagi will move his amendment.

(Amendment Nos. 2886 to 2896 were not moved.)

**Mr. President :** Do you move your amendment No. 2897, Mr. Bardoloi ?

**The Honourable Shri Gopinath Bardoloi** (Assam: General): I do not want to move the amendment, but I would like to speak on the article.

(Amendment Nos. 2898 to 2902 were not moved.)

**Shri Mahavir Tyagi** (United Provinces : General): Sir, I had an amendment.

**Mr. President :** I have not finished all the amendments. I am taking them in order and will come to your amendment later. Amendment No. 81.

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

“That in clause (2) of article 253, for the words ‘revenues of India’ the words ‘Consolidated Fund of India’ be substituted.”

**Mr. President :** Then amendment No. 214, in the name of Shri Mahavir Tyagi.

**Shri Mahavir Tyagi :** Sir, I move:

“That with reference to amendment No. 2886 of the List of Amendments, clause (1) of article 253 be deleted.”

Sir, clause (1) of article 253 runs as follows :—

“No duties on salt shall be levied by the Union.”

Sir I am one of those who had participated in that great movement of salt *satyagraha*, and I appreciated then, as I do appreciate today the argument that since the salt tax tells on the pockets of the poor it should not be levied. I still stick to that old opinion of mine. I also confess that it is on account of that conviction that most of the Members of this august House have preferred to bring in through this clause, the prohibition of any duties on salt. But, Sir, to levy a duty, or not to levy it is the business of the State and the Parliament. We are sitting as the Constituent Assembly. I object to this clause being here, not because

I am in favour of salt duties being levied, but because I do not want to tie down the hands of future generations for ever. Once we put it down in the Constitution there shall be no salt duties for centuries to come; and so long as there does not come into being another Constituent Assembly, the government's hands shall remain tied, and even if they want to levy any salt duty and even if circumstances are so changed that salt duty is warranted, they will not be able to levy it. That is the kind of thing we should always avoid. That is the only reason why I wish to commend this amendment to the House.

Sir, at present, after the division of India, we are having most of our salt supply from foreign countries. From Pakistan, in the year 1948-49, we imported about 40,000 tonnes of salt, from Egypt about 25,000 tons and from other countries, about 34,000 tons. This foreign supply of salt—ordinary crude salt and not the table one—was about 300,000 tons. There are agreements between one country or the other. Sometimes, while discussing our import-export problems with Pakistan our future Government may feel the necessity of levying a duty on salt imported from Pakistan. It may also be necessary to levy an import duty on foreign salt in order to protect our own indigenous industries of salt against competition. There are so many other advantages of the duty. Sir, this is a very simple case, and I do not want to dilate on it and waste the time of the House in pressing tile issue. I only want that the hands of the future Generations and of future Parliaments should be free to act. If today the Parliament were to decide the issue about levying the salt duty, like many of my Friends I will put up a strong opposition. We have only lately, and deliberately, given up this income. The income from this source was not less than one to ten crores. For the sake of the principle we have already sacrificed nine crores. If ever the Government feel that instead of resorting to other direct taxes, it is convenient to have some income from salt, must be free to take advantage of and tap this source of revenue. With only these words, I commend this amendment and I hope I shall not be misunderstood. Although this amendment obviously seems to be unpopular, but I want to make it clear that by this amendment, I do not mean to ask the Government to levy any salt duty. Here it is not a question of levying or not levying the duty. It is a simple question of not shutting the door for future governments to exercise their discretion. That is the only question. I hope the House will rise above sentiments and exercise a free vote. Let the future Governments be as free in the matter as we are today.

**Mr. President :** Amendment No. 215, do you move it, Mr. Bardoloi ?

**The Honourable Shri Gopinath Bardoloi :** I do not propose to move the amendment, but as I said, I would like to speak on the article.

**Mr. President :** Yes, let me first get through the List. Amendment No. 216 ?

**The Honourable Rev. J. J. M. Nichols Roy (Assam: General):** I do not propose to move it, but I should like to speak.

**Mr. President :** Amendment No. 217 ?

**The Honourable Shri Gopinath Bardoloi :** That forms part of the same thing.

**Mr. President :** These are all the amendments. Mr. Bardoloi can speak now.

**The Honourable Shri Gopinath Bardoloi :** Mr. President, Sir, it is with considerable hesitation that I am proposing to make certain observations in regard to article 253, of the Draft. I must take this opportunity of conveying my thanks to the Chairman and the Members of the Drafting Committee for having given be Premiers an opportunity to discuss this and other questions, and also for

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giving me an individual interview for the purpose of explaining the special difficulties of the Province of Assam. I must say, however, that while I am not satisfied with what they have proposed, I am surely grateful for their courtesy, I also want to mention in this connection, Sir, the courtesy which I received from the honourable Member for Finance of the Government of India in respect of reply to certain questions which I had raised in connection with these financial arrangements, deserves grateful acknowledgement.

Now, I think I will not be doing my duty to myself, I will not be doing my duty to my people, if I did not place before this House the real financial situation of the province. To put it, in a word it is facing a financial crisis and unless the Government of India by a short-term measure and the Constitution by a long-term measure did something for pulling this Province up, the situation as it appears to me is very dark in the future. I want to lay special stress on this on account of the special difficulties of the Province, on account of its being now a border Province of India, on account of it being a sort of a guardian of the eastern gates of India.

Sir, talking about the history of the financial arrangements from which this Province is suffering, I do not propose to take the time of the House; but I would like to observe that even from 1919 this Province has been suffering from grossly unfair treatment in the matter of financial arrangement. In 1919, although the Province had not even anything which would go by the name of social service—not even educational institutions enough for giving education to students, when even 10 per cent of the school-going students had not the opportunity of going to primary schools—even then this Province was put under the obligation of contributing Rs. 15 lakhs to the Centre under the Meston Award. The result was that the finances of the Province broke down and within seven or eight years the whole thing had to be revised. I think in 1927 or 1928, Sir Alexander Muddiman revised this scheme and exonerated Assam from the payment of this contribution. Soon after that there was a proposal for the revision of the financial arrangements but things went on like that till the picture of the new Constitution under the Government of India Act of 1935 loomed large before the country. At that time, the Percy Committee thought that the arrangement under which Assam was suffering must be removed and a fair deal must be meted out to the Province. I do not propose to repeat the various stages through which the final award given by Sir, Otto Niemeyer had to be accepted, but all that the Otto Niemeyer award gave us was only Rs. 30 lakhs of subvention. The result was that the situation which existed in the Province in 1919 continued; no social service whatsoever could be possible with the finances available and no educational institution worth the name. I do not think the Government of the time was very anxious for that either. It was a planters' *raj*. It cannot be the object of an alien Government to educate the people; and when things could run so smoothly possibly without education and other social service to pay, they thought that things would go on like that

This was the position of Assam before partition. The period of deficit continued in the budget of the Province excepting perhaps in those two years of war when some revenue was obtained on account of sales-tax on petrol etc., and which brought in an amount of about a crore or more each year. But all these years the provincial budget had to run at a deficit although as I said just now the social services were *nil*, and there were no educational institutions where you could educate your children, and although in every sphere of development we were held up. This was the pre-partition position. With partition, is thrown a responsibility which I hope we have all been able to realise. We are cut off from India, and though most of the linking work is being done under the provi-

sion of Central grants, a lot of provincial expenditure had also to be incurred in order that from the link up to the areas within the Province some kind of communication is possible. But the most important fact in regard to communications is this. All the four hundred miles of border area verges on Pakistan, China or Burma and the border with Pakistan runs through hills. The entire economy of this Hills area was disturbed and these poor people in the border areas, particularly the hill people, have to depend entirely upon supplies from the Province of Assam instead of Sylhet or Mymensingh as it formerly used to do. The necessity therefore of linking these areas with road communications has become very imperative and the Government had to undertake the work. Some money was provided in the post-war grant for that purpose; but I regret to say that on account of the curtailment of the post-war budget, these activities had, most unfortunately, to be curtailed.

Then, on account of the creation of the border, and I must add, the difficulties created by the communists, we had to increase the number of the provincial police force to an extent which bears no proportion whatsoever to the provincial revenue and expenditure. We had to increase our expenditure on police by more than 120 per cent. Those frontier areas which were formerly looked after by the Centre through the Assam Rifles which were entirely paid by the Government of India, had also to have provincial police force. The result was that about five districts had to be immediately posted with police forces, on account of which, formerly, the Province did not have to pay anything.

Sir, I want specially to stress the mischief from which the Province is suffering and is likely to suffer from the communist activities in that part of the country. You know that an attempt is being made by this party to connect themselves with people of the same profession in Burma and China. Already a recrudescence of violent actions has taken place;—and if you go through the newspapers you will see that the tactics they have adopted at Dibrugarh are the same as they adopted in Calcutta, namely trying to occupy places of Government by violent means like acid-throwing, bombing, hand-grenading, pistol-firing etc. Now, the police might show you one way of putting down some of these activities; but my point of view is—and I hope this view is shared by all of us—that if we want to root out the evils of communism it can ever be done with the police force alone. We have to take recourse to ameliorative measures to raise the standard of the people and give them training in a sort of self-government which I suppose is being preached by these communists also. That can be done only by having a very much more *per capita* expenditure on the people than the Province is able to give today from its finances.

What I want to point out, Sir, is that these circumstances have made the financial position of the Province very difficult. Its original revenue was Rs. 3½ crores just before partition. It is almost the same today. Today we have little over 5 crores with the Government of India grants. But we cannot definitely manage with that income of Rs. 5 crores and over. Already the provincial budget is suffering a deficit of Rs. 70 lakhs; I understand Rs. 30 lakhs will come in as a supplementary demand in the coming session. So it is absolutely necessary that there should be an increase in the provincial revenues by Rs. 1½ crores if the Province is to run in the most normal level, according to the prepartition standard. In the meanwhile, through the kindness of the Finance Ministry, we, as all other Provinces, have got some development grant. It has been calculated that that grant will throw a recurring expenditure of about Rs. 2½ crores a year on the Provincial finance. In other words for the immediate requirements of the Province we shall require Rs. 4 crores—1½ crores immediately and 2½ crores in the course of the next four or five years.

The point therefore is, how to meet this demand. I have tried to examine the benevolent provisions that have been put in the Draft, one of which we

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accepted just now—article 251. According to the present distribution, on the basis of which money is given to Assam, we will get only 3 per cent of that revenue and it does not come to more than 1½ crores. There is of course, the subvention of Rs. 30 lakhs. I do not know what will be proposed in the future by the Financial Commission. We have also been given about Rs. 40 lakhs on jute duty. But when I am speaking about the deficit of the Province, I want to say that all this income has been taken into consideration and the deficit is there in spite of them. The fact, therefore, is how are you going to get the money? I am prepared to believe that the Financial Commission would be very charitable to the Province and will be able to find some more money, but will that be enough to meet the requirements of the Province even to the minimum ? That is the reason why I think, Sir, that a share of the excise duties, particularly on products which are produced in the Province, might very well be allocated to us and that was the reason why I had proposed two amendments. The existing, provision is to the effect that “if only Parliament passes the law, the duty will be distributable”. I wanted that that clause should be substituted by a positive clause by which the duty would be distributable as a matter of fact without any reservation as to legislation by Parliament. In that connection I want to say that for the last twelve years the same provision has been there in the constitution, but no Province has got any benefit out of it because the Parliament in the meantime did not pass any law. What, therefore, I want in order that the Province might get a little benefit is that the excise duty on tea which is produced in Assam—and the total produce of Assam is two-thirds that of India,—petroleum which I suppose is produced only in Assam, and kerosene, should be distributable immediately after the House passes this provision.

The second point was that I wanted that of this duty 50 per cent should be allotted to the Province. I should like to point out in this connection that the Government of India gets on petroleum and kerosene about Rs. 2 crores of revenue from the produce of Assam. I want you also to consider that the mineral wealth of this Province is being depleted every day by the extraction of petroleum and when it is exhausted the Province will have to suffer a big loss of revenue, even on crude petrol, and ground rent. If at least a fair portion of the duty is given to us it would not only be helpful but equitable. Then as regards tea, two thirds of tea that is produced in India comes from Assam. The Government of Assam gave a special concession to the tea planters in the matter of land revenue and many other things for bringing this industry into existence. Now that sphere has been taken by the Centre and the Province has suffered a lot and should be entitled to obtain compensation on account of that. I thought therefore that I was making only a fair proposition when I was putting these facts before the House. When the Centre was getting Rs. 8 crores I could see no reason why 50 per cent of the duty could not be allotted to the Province so that it might be saved from the difficulties which it is facing today. Against that argument, it may possibly be advanced that the overriding needs of the Centre should outweigh the considerations of a particular Province. I am no less an appreciator of the overriding needs of the Centre; mine is a frontier Province and I should realise it more than any other man. But after all Assam is India also, it is a very important part of India today on account of the frontier; and therefore if you wanted that it should function as a province it should have a level of administration which should at least be able to stand in such a manner as you could keep the people contented, you could have a little development and be able to do away with those evil forces which are out to destroy society today. I was therefore not claiming anything extraordinary. I again plead that I am not asking for anything extraordinary, but only for a fair deal.

Then, Sir, I would like you to consider the expenditure which provincial revenues have been able to incur per head of the population. In that connection, if I want to compare with a province like Bombay, I should not be mistaken. I wish well to any other province, but it does us good to have that comparison. The poor Province of Orissa has been able to spend only Rs. 3 per head of the population for their social service including Government expenditure also. Assam is able now to spend only Rs. 5. But Bombay spends, I think, Rs. 22 per head of the population and that does not include, I am sure, the foodgrains concessions that the Government of India make to keep up supply to the deficit areas. If all that is taken into account, I am sure the expenditure per head will come to Rs. 30 in the case of Bombay. I do not want to cast any reflection on anybody. When passing the Objectives Resolution, we had high hopes of the future of India. When passing the clauses on Fundamental Rights, we thought that poverty, distress, disease and ignorance will be dispelled from the face of India. Now, I want to ask: How are you going to do it? Well. I am personally not saying that my amendments are sacrosanct. All that I plead to you is that unless you look at the whole thing from that standpoint, India is not going to be the India of the Objectives Resolution or according to the Fundamental Rights that we have passed. I further want to point out to you that Bombay possibly imposes a sort of taxation for all exports of textiles that go out of Bombay. On the other hand, look at Assam with Rs. 5 per head. Its sources of revenues from petroleum and tea are depleted in every way and it is not able to give the necessary social services that the State ought to give to the people who are so backward and lowly; I want to put it to you whether this not a case of:

To him that hath, more shall be given, and

From him that hath not, even the little that he hath shall be taken away.

I believe that this state of things will not be allowed by this House to be continued and that if they are not able to accept my amendment, then at least they will look at the questions of Provinces like Orissa, and Assam with sympathy for adequate grants.

**Shri B. Das :** Sir, the heart-rending speech of the Premier of Assam revealed in what way the finances of India are being allocated or are being thought of being allocated. Central Excise should mainly belong to the Provinces. The Sarker Committee report in para 18 remarks :

“During the war, all Provinces except Bengal and Assam, had surplus Budgets.”

We have heard from the Premier of Assam in what distressful condition Assam is at present, and that distress has been enhanced by the advent of Communists, both from the East and from the West—from Burma and from East Bengal: both foreign governments. Therefore, Assam's needs deserve very careful consideration by this sovereign House. If the Government of India is careless, if it has no idea of helping the Provincial Units or observing the fundamental duty of the State, if the Finance Department of the Government of India is adamant and bureaucratic then this House must compel the Government of India to function as a democratic government. In para 40, page 9, the Sarker Committee has discussed the Central Excise duties and it has reached the conclusion that at least 50 per cent. of the Central Excise duties collected by the Centre must go to the Provinces. My honourable Friend Mr. Bardoloi has said that he would like Assam to get 75 per cent of the Petroleum and Kerosene excise duties. I think on the ground that he has advanced, he is justified in claiming that percentage of Central Excise duty.

I am very grateful to him for referring to Orissa. Talking of Orissa, we are entitled to the share of the excise duty on tobacco. Government or India is

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at present adamant. It does not accept N. R. Sarker's report where it says on page 10:

"We accordingly, recommend that 50 per cent of the net proceeds of the excise duty, on tobacco should not form part of the revenues of the Federation but should be distributed to the provinces."

Sir, the Government of India enjoys a superior position. It does not think it has any responsibility to explain its conduct, or its attitude towards financial disbursement to this sovereign House. A moment ago, we heard Dr. Ambedkar saying that a Special Officer or a Special Committee is going to be appointed to examine how resources can be re-allocated to provinces. That came out incidentally in the course of his reply. Why was it that the spokesman of the Government of India on the floor of this House did not feel it his responsibility to take this House into confidence ? I wish to criticise again the conduct of the Finance Ministry of the Government of India, that it is not observing democratic principles. Excise duties are produced by the sweat and toil of the citizens of the provinces. If my honourable Friend Mr. Bardoloi referred to Communists threatening Assam, I may say that the Central Excise duty ought to be used for fighting them, as the very method of collection of the Central Excise duties in the Provinces is strengthening communist activities. The excise duty which is being collected in every province, in the United Provinces, in Madras, in Orissa, etc., is done by an undemocratic method and this is seized by the communists in their propaganda. We all know what is happening in the north Madras districts in Nalgonda and in Chittoor. One of the items in the agitation of the Communists among the peasants is : "You grow your tobacco and the Government of India comes and charges duty". The Government of India are so silly that they stick to this method of collection. They do not collect this revenue through the officers of the provinces. They have got their own staff for the collection of the excise duty from tobacco from the villagers. Who are the Central Excise officers? They are all urban people. Talking of my own province, most of them come from Calcutta. Speaking their Calcutta language, they adopt a highbrow attitude towards the villagers in Orissa. They do not know how to talk as brothers to brothers. They irritate the poor peasants who have grown the tobacco from which the Government of India collect so much excise duty. Sir, this House has had no opportunity to discuss the proper method of taxation and allocation of the taxes. If we had such an opportunity we would have advised the Government not to follow the British methods which they have, inherited. The provincial officers know and are in constant touch with the local people and they are alive to the needs of the public and handle problems with human sympathy. Let them collect the tobacco duty. Incidentally I may say that the Government of India in the Finance Department must mend its manners.

Sir, I support on principle my Friend Mr. Bardoloi's demand that 75 per cent or a higher percentage of the duty on petroleum and kerosene should go to Assam in view of its great need and lack of expanding resources. I support also wholeheartedly the recommendations of the Sarker Committee that 50 per cent. of the Central Excise duty should go to the provinces.

I also hope that the point which I have raised, namely that the Central Excise duty should be collected by provincial agencies and not through the alien agency of the Central Government who have very little sympathy for the villagers who produce the article on which this duty is charged, be immediately given effect to.

Next I come to article 253 (1) which says : “No duties on salt shall be levied by the Union”. This is a sentimental provision. Already in another place during the last session my Friend Mr. Thirumala Rao advocated that salt duty should be reimposed. The removal of the salt duty has benefited nobody. it has made the black-marketeers and the salt manufacturers raise the price of salt. When the Salt duty existed we used to buy salt at one anna per seer, today I think we have to pay five or six annas per seer. So, the provision contained in -article 253(1) is a mere sentimental provision. I do not say anything more about it.

As regards sub-clause (2), the draftsmen including Shri T. T. Krishnamachari may take pride, saying that they have included such a provision in the Constitution. But what is the Constitution worth if it does not give the the benefit of its provisions to the masses? Therefore, although I did not move any amendment to this sub-clause, I may say now that my intention was to compel the Government of India to bring legislation before Parliament within six months from the date of the commencement of the Constitution over such redistribution. The subclause says that *by law* so much of the excise duty shall be distributed. But who will compel Parliament to pass such a law ? This Draft Constitution is so worded that it does not compel the Government of India Finance Department to do anything or to part with the monopolised sources of revenue. We are slowly giving all the powers to the Central Government and taking away the little freedom and the little power that the provinces now possess. In this matter of the Central Excise duty which is to be collected by the Union, why this pious language here, ‘such duties as are mentioned in the Union List. We have not yet settled the Union List. If it wants, the Finance Department of the Government of India will direct the Drafting Committee to omit from or include in the Provincial List such items as they want. That is why the sub-clause says : ‘if Parliament by law provides .... in accordance with such principles of distribution as may be formulated by such law.’ I think this goes against our principles. This august House has every right to demand from the spokesmen of the Government of India what will be the principles of such law—the principles of distribution. We see everywhere a lukewarm sympathy. I find that no Government of India spokesman is present here. Always the Draft is accepted; that is bow we are carrying on. How does it benefit the masses ? It is no-use our passing a Constitution which cannot be implemented automatically and the Government of India is not compelled to let go its hold on the finances of India. This is a point on which I am shouting too much. I do ask you, Sir, with all respect, to examine whether the Draft articles on the financial distribution are fair to the masses and whether they automatically provide for the Government of India Finance Department disbursing the resources which the British Government financiers from 1924 have commandeered from the provinces. I hope in due course you will direct the Drafting Committee to examine the aspects which have been brought to your notice.

**Mr. Tajamul Husain** (Bihar: Muslim): Mr. President, I had sent in an amendment that clause (1) of article 253 be omitted. I was not present in the House at the time of the consideration of that article and therefore somebody else moved the amendment. Sir, I do not think it is right to incorporate in the Constitution that no duty on salt shall be levied by the Union. I think this is an important matter and should be left to the Parliament to decide. Parliament can make any law it likes. It is the duty of the Parliament to tax or not to tax and so far Parliament has been doing it, *i.e.*, levying tax on salt. Why prevent Parliament from making laws ? After all, Parliament is the representative of the people and if at any time the Parliament feels that this tax should be levied, it should be free to do so. If this provision remains in the Constitution, Parliament will be helpless and the people will be helpless. You are binding the people by this article. If the representatives of the people feel that in the interests of India



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this tax should be levied, they should be at liberty to do so. It should be left to the discretion of the Parliament. Now, Sir, the question is, who will benefit by it ? If there is no duty on salt, none will benefit. If foreign salt is imported into India, are we then to lose money and not tax the salt which is imported ? Who will be the loser in that case ? It will be the people only. No doubt we have got to respect the wishes of Mahatma Gandhi. He was at one time of the opinion that there should be no duty on salt, but the time has changed. In those days we were a subject people and we used to do many things in order to turn out the British from this country. The British are no longer here; we are now completely independent and it is for us to increase our income without detriment to the country at large. I hope that the honourable the Law Minister will consider the position and accept the amendment that has been moved.

**Mr. Naziruddin Ahmad** (West Bengal: Muslim): Mr. President, Sir, I wish to confine my remarks to the deletion of clause (1) of article 253, to the effect that no duties on salt shall be levied by the Union. The amendment of Mr. Mahavir Tyagi seeks to delete it and I desire to support his amendment. I may inform the House-as they will find from the printed blue book of amendments that my honourable Friend, Sardar Hukam Singh, Mr. Tajamul Husain, I and some others gave notice of this very amendment long before. We did not move the amendment so that Mr. Mahavir Tyagi who has suffered in the last noncooperation movement, especially in connection with salt, may have the honour of moving it.

Sir, I shall discuss the amendment purely on a statistical basis. Speaking, of pre-Partition figures, the salt tax brought 'to the Central Government nine crores of rupees per annum. That amounted, on a pre-Partition basis, to a tax of three annas per head per year, *i.e.* three pies per month per head, which actually works out at one tenth of a pie per head per day. The amount per head is so infinitesimal that if this tax is remitted, it is impracticable to pass on this small exemption to the poor consumer, and the result has been that the poor consumer for whose benefit this remission was intended, could not be benefited. The result of this remission has been that some middlemen in the salt trade got the entire benefit. It was practically a gift from the Government to some big salt dealers and therefore the pious purpose for which this salt tax was remitted has been entirely frustrated, and there is practically no means of giving effect to this laudable object. I therefore suggest that the tax should not be abolished by an article in the Constitution. It should be left to the legislature to deal with this subject in the way best suited for the benefit of the poor. I would suggest that this tax should be imposed and the amount collected should be reserved for the benefit of the poor who are the real object of Mahatma Gandhi's solicitude. Sir, there is no point in retaining clause (1) in the Constitution. We have violated the sacred principles of Mahatma Gandhi so often in this Constitution that the deletion of clause (1) should not be objectionable on that account. One of the principles of Mahatma Gandhi was that there should be decentralisation, that power should be taken away from the Centre and made over to the Provinces and States. Instead of that, we find that so long as Mahatma Gandhi was alive, there was some amount of sympathy for that view, but after his death, the idea of decentralisation has been given up and excessive centralisation is our object today. I think Mr. Mahavir Tyagi's amendment should be accepted by the House.

**Shri Raj Bahadur** (United State of Matsya): Mr. President, Sir, I regret I do not find myself in agreement with the amendment which has been moved by my honourable Friend, Mr. Mahavir Tyagi. He has urged only three or four points in support of his amendment. He says that we should not tie

down the hands of the future generations in this respect, and he goes on to say that we have been importing huge quantities of salt from Egypt, Pakistan and other foreign countries to the tune of one hundred thousand tons annually. The last thing he said was that the deletion of the salt duty has resulted in a loss of rupees nine crores to the revenues of India. These are mainly his arguments.

I think, Sir, that on a closer scrutiny these arguments would be found to hold no water. It is true that human memory is proverbially short. But I would still remind my friend, that the glorious salt satyagraha under the leadership of the Father of the Nation constitutes a glorious chapter in the history of our nation, which can hardly be forgotten or ignored on the mere question of tying-down the hands of the future generations. On the other hand, we should embalm the memory of this heroic struggle in our Constitution itself so that it may serve as a source of inspiration for the coming generations. It is a short-lived consideration to say that loss has resulted to the revenues of India. Objection has also been taken by certain other friends that the abolition of salt duty came as a free gift to the black marketeers in the country. I say that black market does not prevail in the salt market alone; it prevails elsewhere also. The remedy is not to deny the principles, to deny the heroic struggle by which we stood during the course of the struggle for Independence; the remedy lies elsewhere. We should abolish the black market entirely not only from the salt market but from other commodities also. It is obvious that after food grains and cloth, salt constitutes the third most important commodity for human consumption and is required by human beings to the greatest extent. As such the effect of abolition or retention of salt duty would fall on the masses in general. I would submit that I stand for the retention of this clause not on purely sentimental grounds, and yet I say that I do not, in any way, intend to minimise the importance of sentimental grounds. National sentiments, I think, every Member of this House must covet and for them every member of the nation must lay down his life. This provision should therefore, be enshrined in the Constitution in memory of the glorious salt satyagraha under the leadership of the Father of the Nation. How can we forget the famous Dandi march ? If not for anything else let it remain at least as a tribute of the nation, a homage of the country, to the memory of that heroic struggle and to the memory of the Father of the Nation. We must preserve something in our Constitution which may reflect the tone and temper of our struggle, which may serve as a proud reminder of the glorious struggle against foreign domination. As I said earlier it is not a question, merely of national sentiments alone. I oppose it on ground of national economy also. As I said, if in the past the abolition of salt duty constituted a gift to the black marketeer, then that black market may properly and effectively dealt with elsewhere. But somehow this question brings to the forefront of the present discussion another problem. The problem of how our salt industry was suppressed by the British and what we should do to revive it. Coming, as I do, from one of the Indian States which have suffered heavily on account of the suppression of this industry, I have got a special feeling in this respect. In my own province. Rajasthan and in my own state, the Bharatpur State, several lakh mounds of salt were manufactured annually by way of a well developed cottage industry, but in the year 1879 the British suppressed that industry for their own purposes and for their own ends. The result was that the population of that State dwindled and the people migrated to other places. It resulted in the loss of employment to hundreds and thousands of people. Have we not to rehabilitate that industry once again ? While we may lose by the abolition of salt duty a few crores of rupees as revenue to the Union, we shall be providing employment to hundreds and thousands of people if we try to establish the industry once again. At the same time we shall become self-sufficient so far as the salt supply for our country is concerned. It is a shame that even at the present day we have got to import as much as one lakh of tons of salt from other countries. If we take certain steps so that our industry is revived and if it flourishes, we can eliminate these

[Shri Raj Bahadur]

imports of salt entirely. Meanwhile we can impose added customs tariff for such imports. We can devise means and ways by which the industry may thrive once again and in that case what little we may lose by way of revenue, we shall gain in other ways.

The third point which also is as material as the previous ones is the psychological factor which the deletion of this clause involves. Supposing we delete this clause. People rightly or wrongly already accuse some of us that although we profess loudly from the house tops the principles by which Mahatma Gandhi stood, the principles which he preached to the nation, not only preached but practised himself, we have abjured all those principles. In case we delete this clause from the article the charge will come : It is hardly two years that Mahatma Gandhi is not amidst us and we have denied ourselves even the remembrance of his great deeds. We have refused the retention of a clause in our Constitution, which could have made immortal the cause for which he once sacrificed so much and on the basis of which he aroused millions of our countrymen. I would submit therefore that the psychological effect on the masses would be very bitter in case we remove the clause and we would come in for criticism at every doorstep and at every street corner. It is therefore proper that at this state of our nation's existence, we must see that we do not do anything which may result in bitterness amongst the masses. Salt is a thing which comes in for daily use by everybody, particularly the Kisans of our country require salt for their cattle and for their own selves. It may be true that the duty on salt may be very little *per capita* but the psychological effect would be great and as such it is necessary that this clause must be retained.

While giving my opinion for the retention of this clause, I would submit that it requires certain amendments. We cannot use the word "salt" alone here, because from Calcium Chloride to Platinum. Chloride there are a thousand and one salts and it would be better if the word "common salt" is used. Similarly it would have been better if we use the words "produced in India" after the word "salt". If these amendments are incorporated the clause would have nothing to be desired I think. With these remarks, I submit Sir, that this clause must be retained in our Constitution.

**The Honourable Rev. J. J. M. Nichols Roy :** Mr. President, though I have not moved the amendment which stood in my name, yet the feeling is that there must be certain adjustments regarding the excise duty between the Union and the Provinces or the States, so that the States might have enough money to carry on their own administration. I realize that there is an opinion that the excise duty belongs to the Centre and must not be considered as a duty which should be given as a vested interest to a province or a State. But at the same time, Sir, we must also realize that the States which produce the commodities from which these duties are realized feel that they have a right simply because these commodities are produced from their areas. For example, petroleum is produced in Assam as the Honourable the Premier of Assam has already stated, and the Centre realizes about two crores, of rupees from that petroleum and kerosene as the Central Revenue. Moreover, Sir, this House and the country know that two-thirds of tea produced in India is produced in Assam and the Central Government gets excise duty *plus* export duty on tea, about which I shall have occasion to speak afterwards, of about more than 6 crores of rupees. We in Assam do not get anything from that. We surely feel that we have a right to get something, at least some percentage and our claim is not less than 50 per

cent. of the amount of duty that has been realised from the commodities produced in Assam. That feeling is there, it has been there for many years from the very beginning when petroleum was produced in Assam. Now, Sir, we have got our own Government and we realise that it is no use fighting against the ideas of the Central Government which is also sympathetic to all the States and especially to our backward Frontier Province of Assam. We expect that some kind of adjustment will be made and aid given to the States so that the States may be able to run their own administration.

The reason why we are so much troubled on this question is this. As the Honourable the Premier of Assam has stated, we are in a very bad financial condition. We have a revenue of three and a half crores. We get from the Central Government one crore and twenty lakhs by way of Income-tax. We also get from the Central Government as share of jute duty about forty lakhs and a subvention of thirty lakhs. In spite of all that we are now in deficit and the deficit runs to about one crore. This will be more when our institutions which we have just started will be carried on and maintained by the provincial Government. We have calculated that that deficit would come to about two and a half crores, may be about three crores. This is the position in a province which is a frontier province and not well developed. We need, as the Honourable the Premier of Assam has stated, four crores just now in order to balance our budget and also to carry on those institutions which we have started. We hope that immediately a Finance Commission will be set up and that the President will give us at least four crores. If four crores are given, we shall be getting about what we demand, that is fifty per cent. of the excise and export duties. For this reason, we believe that immediately the Finance Commission must be set up which must give relief to the provinces of Assam, Orissa and other provinces which are running in a deficit.

Sir, I want to speak on one point more, that is, clause (1) of article 253. I, myself have always considered that the fight against the old regime was strengthened by this great weapon of abolishing the salt duty, and stirring up the masses of India against the then ruling Government. That seemed to me to be the cause of the abolition of the salt duty and the sentiment in India against the salt duty. But, I see no reason why we should bind the future generation by putting it in the Constitution at all that there shall be no salt duty realised in the Union of India. The word "Duties" in this clause will include also import duty. Parliament can make law if they want regarding this. But, once we put it in the, Constitution it becomes almost a permanent fixture. Therefore, I should say that we should not bind the power of Parliament to make laws regarding this. Parliament may easily help a place like Rajasthan as my honourable Friend Mr. Raj Bahadur has stated and encourage the people in that State and give them some financial help in order to bring up the salt industry, and I wish that Parliament would do something of the kind. Therefore, I consider that it is unwise for this House to put this in the Constitution itself. It may be the sentiment of many people on account of our great respect and admiration for Mahatma Gandhiji; but the cause that produced the sentiment that stirred us at that time against the old regime is now different altogether. Now, we must have a sentiment for helping the poor to get as much money as possible in order to raise the condition of the poor people. We should not tie up the hands of the Government and tie up the hands of Parliament to impose a duty on this commodity if it is necessary to do so. I believe members of Parliament will be able to decide whether to impose a tax or not impose a tax according to the conditions that exist at the time. Therefore, Sir, I would like, to leave out altogether clause (1) of article 253.

Finally, I would also request that this House will realise the position of the deficit States and render them help as far as possible and strengthen the hands

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of Government also to help these deficit States like Assam, Orissa, and others. With these words, I resume my seat.

**Sardar Hukam Singh** (East Punjab: Sikh) : Mr. President, Sir, I have come here to support the amendment moved by my honourable Friend Mr. Tyagi. I congratulate him on moving this amendment because I feel that such a strong congressman, a staunch supporter and believer, in Mahatma Gandhi should take a realistic and practical view of the whole thing. Even after hearing, my honourable Friend Mr. Raj Bahadur I have not been convinced of the utility of this clause and I do not find any reason except sentimental ground, for keeping this clause. I had myself sent in this amendment and if I am permitted, I might say that this amendment to amendment is only a repetition of the old amendment itself. As it has been moved now, I heartily support it.

As I was saying, I do not find any grounds other than sentimental ones on which this clause can be supported by anybody. It has been said that it would be a fitting memory to our revered Mahatma Gandhi if we were to retain this clause. My submission is that in other places and other respects, we have disregarded many desires of our great leader. If we really want a memorial to Mahatma Gandhi we have other ample opportunities and I would remind my honourable Friends that there are amendments proposed to article (1) where some honourable Member of this House wants to propose that the great name should be introduced in our Constitution itself. I agree that that would be a proper place for a fitting memorial.

So far as I can make out, I think it would not have looked nice to keep, a provision here in the Constitution itself binding an future Parliaments not to levy a particular tax. In my humble opinion it is not justified on any grounds whatsoever. This has been urged here by me of my Friends that it would have a psychological effect. I fail to understand what that effect would be. It is already remitted, we are not levying that; but I do not see any psychological effect. Rather we have suffered a heavy loss in our revenues and I do not feel any justification for such a loss under the present circumstances when our finances are so scanty and we are rather in an awkward position at this moment. Besides this heavy loss, I do not find any appreciable relief to the poor which was our real intention. My Friend Mr. Naziruddin Ahmad has referred to this aspect of the question that 9 crores of rupees distributed over our population—though I do not agree that he worked out the calculation rightly—that means 4 annas per individual per month, which will come to 2 pies per man per day. This reduction has not produced any psychological effect but it has lost us a great amount of revenue; and then the prices have even gone higher and so the effect has been rather reverse of what we desired. Then again there is a third thing that I wish to impress *i.e.*, this refugee problem is causing a very great headache to our Government and so far it has baffled any solution. In the last meeting that was convened where the officials And non-officials all assembled, it was discussed that the refugees could be given bonds for the present and payments could be made by instalments or even if they could be paid interest on those bonds they would be satisfied. I now find a solution of the whole refugee problem in this. If we were to levy this duty and to earmark this for rehabilitation purposed we could liquidate the bonds given to our refugee brethren and then there would be no additional burden on the State revenue as well. So in my estimate there is no justification on any ground in retaining this clause and I support wholeheartedly the amendment moved by my honourable Friend Mr. Tyagi.

**Prof. Shibban Lal Saksena :** Mr. President, Sir, that is another very important clause in the Draft Constitution. The first part deals with salt duty. My Friend Mr. Tyagi has moved an amendment for its deletion. I humbly beg to oppose his amendment. I do not appreciate why this clause should have been kept in the Draft and should now be sought to be deleted. Was it when Mahatma Gandhi was alive that this clause was put in and after him we want to remove it? In fact I notice that the Drafting, Committee did not move the amendment, but got it moved by Mr. Tyagi. It has been said by Mr. Tyagi and other friends that the removal of the clause does not mean that we want to impose duty on salt, and what we want to see is only that we should not bind the future Parliament. They say it is only sentimental. I personally feel even sentiment has a great value in life. Salt has a history in our freedom movement and I think we shall not be doing anything harmful if we keep this clause as a memento to the great part which salt played in our freedom movement in the Constitution. I am therefore deadly opposed to the removal of this clause about salt. There is no sense, in saying that because it is there that all future Parliaments will be bound by it. If there is an occasion when it is necessary to do it, then they can change the Constitution also; but why do you want to first remove it from here and then say in Parliament “we want revenue and so we must impose salt duty.” It is not only on sentimental reasons that I object to its removal, in fact the reasons are mainly economic. It is even the poorest of the poor who have to pay duty on salt and therefore Mahatma Gandhi wanted that the poor man’s salt must not be taxed. That was the principle on which that great movement of salt satyagraha was launched. I think by removing this clause we are denying all the arguments which we advanced at that time, for which we suffered and fought. I am therefore deadly opposed to the removal of this clause from this article. Removal of the clause would be really an outrage on the sentiments of the people and on the history of our freedom movement.

Coming to the second part, about excise duties, I think a very strong case has been made out by our Friends Mr. Bardoloi and Rev. Nichols Roy. They have shown that the present distribution of finances is wholly lop-sided. In fact I was surprised to learn that Assam contributes about 6 crores in excise on tea and 4 crores in export duty. Similarly we, have 2 crores on excise on petroleum so that from these two products only Centre gets about 12 crores and yet we pay only thirty lakhs subsidy to Assam. I think a frontier province whose needs should be paramount should not be so badly treated. ‘there must be some amendment of the present system of distribution of finances and at least Assam must get some share of the huge revenue that we get from Assam products. He has demanded 1½ crores for meeting his normal budget deficit and 2½ crores for development purposes. I endorse his demands and I think we must be able to help Assam financially so that it may become fully competent to be our Eastern Frontier.

Then I want to raise another question of principle in this connection. This question is distribution of excise duty not only for Assam but to other provinces also. United Provinces contributes about 6 crores on sugar excise. There should be some system by which the provinces should get a share out of their contributions. I realise that the principle of allotment out of these duties is not very fair.

The Next clause deals with jute export duty. We have to pay several crores as share to some provinces. I therefore think that all these clauses must be reconsidered. There must be some rational method of allocation of finances of the country. I suggest that all the collections from income-tax or excise etc, must be pooled and whatever the Centre requires must be set apart, but out of the remainder there must be an equitable distribution based on many things, on the

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needs of the provinces, secondly, on their backwardness, thirdly, on population, fourthly, on sources of origin of the revenue and all these facts must be taken into consideration and an equitable distribution made on an examination of these things.

Only then can our provinces be run properly. At present the financial award of Sir Otto Niemeyer has been condemned by everybody, and yet it has continued and will continue. Of course there will be the report of the proposed Finance Commission and then a revision of the present arrangement, will take place but for two or three years just now, which are most crucial in the history of the nation, we shall have to continue under the same arrangement. I feel this question is a most urgent one and must not be delayed. The Centre also must be strong, financially. We have listened to the remarks of Pandit Kunzru about the burdens that the Centre has to bear. All these things have to be considered and so from the very commencement of the new Constitution, we should have, a proper system. To say that when the Commission reports, we shall revise the arrangement, will not do. This part of the Constitution should be reconsidered and we must have a proper system of distribution of finances between the Centre and the provinces.

**Shri T.T. Krishnamachari** : The question be put.

**Shri R.K. Sidhwa** : There has not been any discussion on the amendment moved by Mr. Tyagi.

**Mr. President** : There has been discussion on that amendment. About four or five Members have spoken on that clause.

The question is :

“That the question be now put.”

The motion was adopted.

**Mr. President** : Dr. Ambedkar, do you wish to say anything?

**The Honourable Dr. B.R. Ambedkar** : Sir, I am prepared to accept the amendment moved by Mr. Tyagi, and I think it is necessary that I should offer some explanation on behalf of the Drafting Committee as to why it has proposed to accept this amendment.

Before I begin with the main points, which justify the acceptance of the amendment, I should like to meet the point of criticism which has been levelled against the Drafting Committee by my Friend Professor Saksena.

Professor Saksena said that it was not proper for the Drafting Committee to have originally put clause (1) in the article, and now be ready to accept the amendment moved by Mr. Tyagi. I should like to state that clause (1), which the Drafting Committee put, does not have its origin in the deliberations of the Drafting Committee itself. That clause was suggested, if I remember correctly, in the report of the Union Powers Committee where a decision was taken that there should be no imposition of any salt duty. As the Drafting Committee was bound by the directions and the principles contained in the Report of the Union Powers Committee, they had no option except to incorporate that suggestion in the article which deals with this matter. Therefore, there is really no question of vacillation, so to say, on the part of the Drafting Committee.

I now come to the practical difficulties that are likely to arise if that clause was retained. It will be recalled that in List I, we have two entries, entry 86 which permits the levy of excise by the Central Government, we have also entry 85 which permits the levy of a duty of customs. Now, if sub-clause (1) of article 253 remained as part of the Constitution, it is obvious that the Central Government would not be entitled to employ either entry 86 or entry 85 for the, purpose of levying an excise or custom on salt. That is quite clear, because

clause (1) takes away legislative power with respect to salt duty which was otherwise levied by entry 86, or entry 85. Now, it was represented that while the non-employment of the powers given under entry 86 to levy excise may not cause much difficulty to the country, the embargo, if I may say so, on the utilisation of the powers, given under entry 85 to levy a customs duty may cause a great deal of difficulty, because that would permit the importation of foreign salt to be brought into India without the Government of India being in a position to apply any kind of legislative remedy to stop such influx of salt which may practically destroy the Indian salt industry. It was, therefore, felt that the better thing would be to remove the embargo and to leave the matter to the future Parliament, to act in accordance with circumstances that might arise at any particular moment. That is the reason why the Drafting Committee is prepared to accept the amendment of my Friend Mr. Tyagi.

**Shri R.K. Sidhwa :** May I know why the item of prohibition was entered in the directive policy? If clause (1) of this article is to be deleted, may I know why the item regarding prohibition was inserted in the Directive Principles of the Government, and may I also know why the wearing of Kirpans was also put in the Fundamental Rights ?

**The Honourable Dr. B.R. Ambedkar :** Oh, Kirpans stand on quite a different footing.

**Mr. President :** Before I put the amendments to vote, I desire to say a few words about the amendment moved by Shri Mahavir Tyagi. I was considerably surprised by the attitude which has been adopted by the Drafting Committee in regard to this amendment. It was not without reason that salt was selected by Mahatma Gandhi as the one tax out of so many taxes which the poor people of this country paid, for disobedience, when he started this movement of disobedience. It was because he felt that even the poorest beggar, when he took his morsel of food, perhaps once in a day, he had to pay a share of this tax, that he selected this particular tax, and it was for this reason that when he made his appeal it caught everybody throughout the country. There were people then who felt that this civil disobedience would not be a success because he had selected a tax which after all, was such a small tax, and which had such small incidence. But we saw the result. Within three weeks, from one end of the country to the other there was hardly a village, there was hardly a place where the law was not disobeyed.

I say that even today if you are going to reimpose this tax you will have the same kind of movement which convulsed the whole country from one, end to the other. I would therefore suggest to the House to consider carefully whether it should not have this clause in the Constitution as a memento of that glorious struggle which we had. My advice—and deliberate advice—to this House is to reject the amendment of Mr. Mahavir Tyagi. But that is left to the Members of the House.

**Shri Brajeshwar Prasad (Bihar: General):** I formally move that the consideration of this article should be held over.

**Mr. President :** I think I had better put it to the House to vote.

**Shri Mahavir Tyagi :** Sir, if you will kindly permit my putting a question Honourable Members : (No questions) do you think the deletion of this clause (1) will mean that the salt tax will be levied ?

**Mr. President :** It opens the door for it, and in our present financial difficulties I am not sure that it would be taken advantage of.



**The Honourable Shri K. Santhanam** (Madras : General): It refers not only to the excise duties on salt but also duties on salt coming from abroad. That is why we wanted the deletion of this clause. Otherwise this will mean this Government of India cannot impose any duties...

**Several Honourable Members :** No speeches now.

**Mr. President :** Let, there be no speeches. If the Members so desire, I may allow the article, to be held over for further consideration.

**The Honourable Shri K. Santhanam :** The article may be held over.

**The Honourable Dr. B.R. Ambedkar :** The article may be held over.

**Shri Mahavir Tyagi :** The article may be held over.

**Mr. President :** This article will stand over. The House stands adjourned till 3 P.M. on Monday.

The Assembly then adjourned till Three of the Clock on Monday, the 8th August 1949.

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