

Mr. President : The question is :

“That in clause (1) of article 249, after the words ‘such stamp duties’ the words ‘as are imposed under any law made by Parliament’ be inserted.”

The amendment was adopted.

Mr. President : The question is:

“That in clause (2) of article 249, for the words ‘revenues of India’ the words ‘Consolidated Fund of India’ be substituted.”

The amendment was adopted.

Mr. President : The question is:

“That article 249, as amended, stand part of the Constitution.”

The motion was adopted.

Article 249, as amended, was added to the Constitution.

Article 250

Mr. President : The motion is:

“That article 250, form part of the Constitution.”

(Amendments Nos. 2842 to 2850 were not moved.)

Shri R. K. Sidhwa (C.P. & Berar : General): Mr. President, I move:

“That at the end of article 250, the following be added :—

‘The net proceeds of said distribution shall be assigned by the States to the local authorities in the jurisdiction.’ ”

I have got another amendment to this amendment, No. 201. Shall I move that also, Sir ?

Mr. President : That has also the same effect.

Shri R. K. Sidhwa : I want to move the second part.

“That with reference to amendment No. 2851 of the List of Amendments, in article 250, the following proviso be added at the end :—

‘Provided that the proceeds collected by the Government of India under clause (c) shall be assigned to local authorities in the jurisdiction of the States.’ ”

Sir, this article has been more or less borrowed from the Government of India Act, Section 137. This article refers to the collection of four kinds of taxes : One is in respect of succession to property; the other is estate duty; the third is terminal taxes and the fourth is taxes on railway fares and freights. My amendment is to the effect that the taxes collected under clause (c) by the Government of India should be assigned to the local authorities in the jurisdiction of the States.

My object in moving this amendment is this. Tolls, octroi and terminal taxes are the major sources of revenue of the local bodies. Before the Government of India Act of 1935, these terminal taxes were a provincial subject; but under the Government of India Act, 1935, this has been put down in the Central List. Unless the Centre agrees to levy a terminal tax, no provincial Government can increase or put an additional item for terminal tax, which has created a great deal of difficulty to the local bodies. There have been a great many references on this matter to the Government of India.

The Honourable Dr. B. R. Ambedkar : I am very sorry, Sir, I should have requested you at the very outset to allow this article to stand over.

Mr. President : It is suggested that this article be held over.

Shri R. K. Sidhwa : I would request, Sir, that my amendment also may be held over.

Mr. President : If the article is held over, your amendment also will be held over.

Shri R. K. Sidhwa : All right, Sir.

Article 251

Mr. President : Then we take up article 251.

(Amendments Nos. 2852 to 2857 were not moved.)

Shri Upendra Nath Barman (West Bengal: General) : Sir, I beg to move:

“That in clause (2) of article 251. after the words ‘such percentage’ the words ‘not being less than sixty per cent.’ be inserted and the words ‘or the taxes payable in respect of Union emoluments’ be deleted : and the following proviso be added to clause (2) of article 251:—

‘Provided that for a period of five years from the commencement of this Constitution, of the net proceeds assigned to the States, thirty-three and one-third per cent., shall be distributed among the States on the basis of population, fifty-eight and one-third per cent. on the basis of collection and the remaining eight and one-third per cent. shall be distributed in such manner as may be prescribed.’”

Mr. President, Sir, my amendment resolves itself primarily into three proposals, firstly, that the Central emolument should not be excluded in computation of the tax on income for distribution to provinces. The Centre will have a large amount out of income-tax and it is only proper that the Central emolument as described in clause (4) sub-clause (c) should also be computed in that allocation.

The next proposal is that some minimum percentage should be fixed here and now. It is a fact that after five years a Commission will be appointed which will go into all the factors under which a province is to work the Constitution *viz.*, its requirements, commitments and its future advancement, but during this interim period it is not provided in the Constitution as to how this allocation is going to be made. I understand the Finance Department is going to appoint a Committee in order to make some interim arrangement but this Committee also will find the same difficulty as the ultimate Commission which is going to be appointed after five years is going to face them. This is a very controversial matter and the sub-committee to be appointed now will be troubled with various considerations and claims from different provinces. It will be extremely difficult for them to adjust different claims of different provinces. During the period before which the Finance Commission makes its recommendations of the principles on which allocation is to be made, the various provinces are to do several things, and they have to undertake several development measures. If they are in the dark as to what would be their income from this allocation, it will be very difficult for them to adjust their budget from year to year. If certain minimum of this distributable tax be fixed here and now, then the provinces will know how much they are going to get out of this tax, because every province from past experience knows what is the collection every year in their province and also what is going to be the collection in the year under question. So they shall know, at least roughly what amount they are going to get out of this Central distribution of income-tax. If that is not fixed and it is left to the Committee's recommendation, it will be very difficult for them to launch upon any permanent development scheme. It is for that reason that a certain minimum should be fixed. My proposal is that at least 60 per cent. should go to provinces and States and my main argument is that some minimum should be fixed.