

# Editorial

Saturday, June 30, 2018

## Does India have no interest to protect its boundary at Manipur?

When Chinese troops intrudes to Indian Territory at Arunachal Pradesh at the McMahon line in Upper Siang district in Arunachal Pradesh on December last year, it took no times for the Indian army to rushed the site and took up all precautionary measures to challenge the Chinese troopers. In 1999 when Pakistani troops intrude Indian territory at Kargil in Jammu and Kashmir, a fierce war occurred losing lives of many soldiers including two from the state of Manipur's Sajik Tampak neighbouring Myanmar.

India always stand firm to protect its territory and the army is always prepare to face any occupation or intrusion by any neighbouring state to the territory of the country.

But one thing which confuse to the people is that, why the India government remain silent when Myanmar constructed border pillar three kilometre inside the territory of India at Tengnoupal district in Manipur. Even the proposed inspection visit by the state government team was cancelled on intelligence report that Myanmar army have re-enforced at the area where the district administration of the area had officially stated that the border is being constructed 3 kilometre inside the territory of India.

This is not the first time, earlier too State government reports about the intrusion of Myanmar troops inside Indian Territory at Ukhrul district of Manipur along the Indo-Myanmar border and causing collateral damage at Choro Zingshophai and Aloyo villages on April 18, 2015 does not worry the Narendra Modi led NDA government at the center but they do seriously consider the Myanmar govt. allegations about the constructions by Indians near border pillar number 78 (BP-78), at which the civil society organisations of the state claimed to be Indian territory.

The directives of the Union Ministry of external Affairs to the Manipur state government to clear all sort of constructions and materials piled up near the BP-78 along the Indo-Myanmar border (as reported in this newspaper on April 17, 2015) was nothing but a clear signs of some agenda to please the Myanmar government in the wake of the counter insurgency operation to eliminate militants who are allegedly taking inside Myanmar's territories.

Almost all the leaders of the Union government including MoS Home Kiren Rijiju and other Ministers including the BJP President Amit Shah is at Imphal for preparing to fight the upcoming 2019 parliamentary election.

The intrusion by the Myanmar army at Tengnoupal district seems no important for the Indian leader as there is not a single word spells out from any of the Union government authority regarding this matter.

Now everybody knows that Border pillar no. 81 has been reinstated by the Myanmar authority 3 Km inside the Indian territory at Tengnoupal district of Manipur.

There are many other cases of the Myanmar army coming inside the territory of the country and harassed the villagers at border area.

Even after the CSOs had painted cross mark to the border pillar No. 81 the Myanmar army entered the area and painted again. What is more surprising is the silence of the Indian army posted at various areas of border area.

May be it is not Kargil nor Siang district that they don't bother.

If the Indian authority mentality reached that state than what is the use of Manipur being proud to be one of the state of the country.

Two jwans from the border area were martyred fighting the Pakistani troops. An army Officer in Manipur was among those killed in Sri Lanka for the country, Indian army from the state been deploying at Indo-Pak border protecting country. Having known this why the border of India and Myanmar is left free hand for the Myanmar authority to commit anything that they want.

The BJP's most important person is now in the state with other Union Minister, why should not they disputed the site where the Indian claimed by the Myanmar army.

The BJP National President along with the Union Minister left the state without inspecting what has going on it would be the most unfortunate for people of the region.

## Manipur State Constitution Act-1947 –A Cure for all myriads of ailments in Manipur ? - (4)

This article is the continuation from the previous write up by Dr. Khomdon Lisam Published on our yesterday issue

### 10. States Merger (Chief Commissioners' Provinces) Order, 1950 was "ultra-vires" and "null and void"

As per the Notification issued by the Government of India, Ministry of Law, dated the 22 January 1950, paras 1(1) (2), 2(1) the States Merger (Chief Commissioners' Provinces) Order, 1950 shall come into force only with effect from the 23 January, 1950. Therefore the State of Manipur should have become administered under a Chief Commissioner only from 23 January, 1950 onwards and as such the orders issued by the Ministry of States, New Delhi, dated the 15 October 1949 hurriedly merging Manipur with the Dominion of India was illegal. Further the order issued by the Chief Commissioner, Major General Rawal Amar Singh on 15th October 1949, who was appointed on the same day, ceasing the functioning of the Ministers of the State and dissolving the Manipur Legislative Assembly were clearly "ultra-vires" and "null and void" orders ie they were illegal and invalid orders issued prior to having the "authority to do so". This "violated" the mandatory provisions of the Indian Independence Act, 1947, para 9(5) which say that "no order shall be made by the interim Government of the Dominion after 31 March, 1948" pertaining to any Political issue so long the Paramourty is deemed "to be continuing to exist and its directives and orders issued earlier remaining quite valid till the interim Dominion of India becomes a full-fledged sovereign Power of her own with Laws framed under a Constitution adopted enabling to supersede all the Laws and orders framed and issued within the ambit of the Paramourty ie till the 26 January 1950. Therefore it was in this very context that the Notification of the Law Ministry issued by C. Rajagopalchari, Governor General of India (June 1948 until 26 January 1950), was illegal and invalid. The Indian Independence Act, 1947,

para 9(5) states that "No order shall be made under this section, by the Governor of any Province, after the appointed day, or, by the Governor-General, after the thirty-first day of March, nineteen hundred and forty-eight (31 March, 1948), or such earlier date as may be determined, in the case of either Dominion, by 'any law of the Legislature of that Dominion'". **Post-Merger Blunders committed by the Government of India.** The following blunders were committed by the Government of India after forced merger of Manipur to India:-

1. Imposition of Indian Constitution without representation
2. Manipur with its own constitution and State Legislative Assembly was relegated to the position of Part C State status without legislative power on 15 October, 1950
3. Government of India's repeated attempts to disintegrate Manipur from 1949 till date.
4. Abolition of the Permit system by Mr. Himmat Singh, the then Chief Commissioner on 18 November, 1950 allowing massive influx of outside migrants from mainland India creating population imbalance in Manipur.
5. On 1 November, 1956 Manipur ceased to be a Part C State and became a Union Territory under the States' Re-Organization Act 1956 and Constitution (Seventh Amendment) Act 1956. Under the Territorial Council Act 1956 ignoring the demand for Statehood.
6. On 16 August, 1957 Manipur was allowed to constitute a Territorial Council consisting of 30 elected Members and 2 nominated Members without considering the long standing demand for Statehood.
7. Emergence of insurgency problem in Manipur solely due to wrong policies and blunders of the Government of India creating the most violent theatre of conflict in India.
8. Manipur had been declared a 'disturbed area' in its entirety in 1980.
9. Imposition of the Armed Forces

Special Powers Act (AFSPA) since 8 September 1980. till date

10. India carried out a series of massacres by its forces killing thousands of Manipuri youths every year.

11. India's racist attack against the people of Manipur killing educated youths in many cities of India because of their mongoloid looks.

12. Loss of territory of Manipur to Myanmar due to utter negligence to safeguard the territorial boundary of Manipur by the Government of India. Protection of International Boundary is the exclusive jurisdiction of the Government of India.

13. Pending Payment of compensation for the loss of 7000 sq. miles of Kabow valley to Myanmar due to unilateral decision of the Prime Minister of India in 1953 amounting to Rs. 139855 lakh crores. (Rs. 139855000000) without a Parliamentary resolution

14. Government of India's failure to maintain security of two National Highways of Manipur allowing illegal Tax payment of Rs. 10 lakhs everyday for the last 30 years to underground elements. Further the economic blockade along the two national highways caused a loss of Rs. 2-3 Crores per day. This loss money plus 3500 Crore of illegal tax should be compensated by the Government of India.

15. Likely Imposition of Citizens (Amendment) Bill-2016

After experiencing all these discriminatory treatment of Manipur -politically, legally, socially, culturally now we feel that there is nothing common between Manipuris and Indians. The Indian Constitution make us feel that we are not Indians.

What can be done now ? I am placing these facts before the people of Manipur particularly the learned lawyers, experts, historians, researchers, academicians etc. so that they may explore the legality of the various events cited above and also to examine the strength, weakness opportunities and threats (SWOT) of the revival of the operation of the Manipur State Constitution Act-1947 through legal measures in any

International Court. I think everything depends on our mindset. I understand that the Government of India will play political game to defeat our mission. Freedom is not free. We have been working for seeking piece meal solutions for a long time. Let us work for finding a permanent cure for all ailments in Manipur. This action will lead to the revival of a nation called Manipur. We must stand up now, arm in arm and shoulder to shoulder and secure the ramparts to restore the Freedom of this beloved land. It is time for us to come together and proclaim in unity. We must unite—regain our beloved Manipur's honour, dignity and prestige. This is the Home of the Brave-Paona Major, Bir Tikendrajit, Chokkani Naga, Chirai Naga and Rani Gaidindli. We will stand united. Nationalism is the fusion of all religions, all ethnic groups and all cultures. We will revive the operation of our own constitution and will restore our sovereignty and independence. The Political Parties and eminent Politicians should understand the sentiments of the people and come forward courageously to protect the Manipuri Nation and lead us towards achieving this goal of revival of the Manipur State Constitution Act-1947. This is not something anti-Indian or illegal, The International Law allow us to form our own government and declare independence. We need not request the Government of India to grant us revival of operation of the Manipur State Constitution Act-1947 and to grant us independence. The destiny of Manipur should be decided by the Manipuris themselves. This is a cause worth fighting for and worth dying for. We should not leave behind a repressive and oppressive national government for our children and grand children.. The choice is ours. It is up to all of us to decide today. The time for action is today, tomorrow may be too late.

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## India's GST Bill –A Critical Evaluation

### By Siddhartha Thyagarajan & Kabir Narang

The original blueprint of the Goods and Services Tax (GST) bill was first introduced in 2001. It aims to adopt a value added tax (VAT) model, and replace the current national-level central excise duty and state-level sales tax model. Heated debates in parliament has hindered the passage of the bill, which has been modified several times.

India's current tax system is complex and multi-layered. Cross-border compliance, compounding of taxes on domestically produced goods and services, in addition to several central and state taxes, exacerbate the complexity of the system. This is why the government has realized the need for an efficient, transparent, and simple method of indirect taxation in the form of the GST bill. The bill indicates that the GST will be a tax on the final consumption or the actual supply of goods and services. The basic provision of the tax is that economic activity at each stage of production is taxed at the same rate, preventing further fragmentation. The GST will comprise of three main taxes: CGST (Central), SGST (State), and IGST (Inter-State). This article critically evaluates the bill. The first section looks at the benefits of the GST, the second section addresses the drawbacks of the GST, and the final section looks at how the GST will affect the landscape of the Indian economy.

### Beneficial features

The GST subsumes all other indirect taxes, including central excise, service tax, countervailing duty, special additional duty, octroi, CST (Central Sales Tax), and VAT (Value added Tax). Consequently, the GST facilitates the creation of a single tax reporting structure. The setting up of an all-

encompassing tax will finally push India one step closer to becoming a unified market. Currently, states vastly differ in taxation compliance, making intra-state and inter-state trade cumbersome. The introduction of the GST will reduce the economic distortions caused by inter-state variations in taxes.

It will broaden the tax base. The concept of Value Added Tax (VAT) was introduced for central excise duty in 1986. Prior to this, excise duty was levied on both inputs used and the output produced. This meant that an amount paid as tax on the input was subject to taxation again at the output level (with limited set offs). This was applicable to each intermediate good in the manufacturing process. A similar cascading of taxes will take place under the GST regime. However, different stages of production will not be taxed at different rates. Subsequently, one stage of production is not favored over the other, and will further prevent corruption in the supply chain.

Another degree of unnecessary complexity has been removed by avoiding the differentiation between a good or service, whether as an input or as a finished product. Under the GST, tax paid on inputs is deducted from the tax payable on the output produced. The tax is collected only at the place of consumption. This design addresses the cascading of taxes and emphasizes on how no goods or service is exempt from the tax. This mechanism also encourages voluntary compliance. A person in the supply chain gets credit only when the previous person pays tax. Currently, goods are taxed comparatively heavier than services, while some services are not taxed at all. This directly causes a structural

bias against the manufacturing industry, and creates several complications.

Production costs will be significantly reduced, allowing more space for greater productivity, innovation, and creating exports that are more competitive. It will reduce the bureaucratic bottlenecks by reducing the interaction points with several government agencies and will lessen the associated paperwork. The GST is also forecast to increase tax revenue for the government, while simultaneously decreasing the tax burden on the final consumer. Statistical estimates show that at least a 1 to 3 percent increase in the Gross Domestic Product (GDP) originates from cost-cutting. The GST and associated cost savings will boost investment in machinery, build process capability, and increase consumption, all of which will feed back positively into the economy.

### Drawbacks

Some electricity and petroleum products are exempt from the GST for at least a few years, from when the tax is introduced. The products include petroleum crude, high-speed diesel, motor spirit (petrol), natural gas, and aviation turbine fuel. Separately, natural gas, real estate, and alcohol are also exempt. The exemptions defeat the purpose of the bill's primary objectives, which allow for discrimination of some supplied goods and services. Since a good like petroleum feeds into other industries, exemptions for such goods will also lead to a revenue loss for the government.

A few states such as Punjab, have expressed their preference for taxing specific goods separately. The central government has granted some tax exceptions in certain cases. Such exceptions dilute the applicability of the law. Instead of granting such exemptions, a possible alternative

would be for the central government to compensate state governments for the revenue shortfall that the GST may entail.

The Bill states that the central government may levy an additional tax of up to 1 percent on the supply of goods in the course of interstate trade for two years or longer. This tax will be collected by the central government and will accrue directly to the states from where the supply of the good originates. The levy of the additional tax distorts the creation of a national market, as a product made in one state and sold in another would be more expensive than one made and sold within the same state. Cascading of taxes will be magnified if the production and distribution chain passes through several states. In addition, the eventual burden will be borne by the final consumer of the product, thus creating a disproportionate tax spread.

### Observations

The government's attempt to implement the GST bill is noble as it aims to reduce the complexity in India's existent tax regime. The passage of the bill can abolish unnecessary complications by creating a well-defined and uniform tax regime. However, the government faces many obstacles. It first needs to clear political roadblocks, as the bill seeks passage from both the houses of parliament in India to become a law. Secondly, it needs to alter the bill's structure in a manner that is acceptable to all states. Finally, the bill needs smooth implementation, which can only be assured if companies and citizens are educated about the nuances of the bill. If the government is able to overcome these roadblocks, it will help to create a conducive tax environment in India that boosts business and helps the overall economy.