

Office of Shaktisinh Gohil
National Spokesperson, AICC & MLA, Abdasa

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PRESS RELEASE

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Shri Shaktisinh Gohil, MLA & Spokesperson, AICC has issued the following statement to the press today-

“Three ‘Ds’ – ‘Deception’, ‘Deceit’ and ‘Double Speak’ have become hallmarks of Modi government vis-à-vis implementation of Goods and Services Tax (GST) as also other economic reforms. BJP government, including Prime Minister and Finance Minister, has been putting up false smoke screen by accusing Congress Party for obstructing GST, while the real truth is that GST stands consistently red flagged for last nine years by RSS and Swadeshi Jagran Manch. BJP government has resorted to green-eyed optics to masquerade its mal-intent rather than sincere operationalisation of GST in the interest of people of India.

Prime Minister, Shri Narendra Modi; Finance Minister, Shri Arun Jaitley and the entire BJP are ideologically opposed to a universal GST regime in India as an engine for economic growth. Shri Narendra Modi and BJP government are now camouflaging the ‘paralysis of governance’ & ‘failure of leadership’ over last 19 months to misguide people by stating that current day grave economic crisis as also deflation of economy is happening because GST has not been cleared. Double speak, deception and red herring of BJP’s leadership, particularly Prime Minister, Shri Narendra Modi is opposing GST, is borne out from overwhelming documentary evidence, which Congress Party seeks to place before 125 crore people of India:-

1. Under Shri Narendra Modi’s Chief Ministership, State of Gujarat consistently and bitterly opposed GST. Between the years 2007 to 2014, 54 meetings of ‘Empowered Committee of State Finance Ministers’ were held. In each meeting, Shri Narendra Modi-led Gujarat government not only opposed the Constitutional amendment comprising GST Bill but also described it against ‘the federal spirit of Constitution’ as also the ‘rights of States to fiscal autonomy’. This is established from the following:-

- (i) **On 04.08.2010**, Shri Narendra Modi-led Gujarat government made detailed written submissions before Empowered Committee opposing GST, copy of which is attached as **Annexure A-1**. It was, inter-alia, stated as follows:-

“3. As I have mentioned before, the proposed constitutional amendment has come at a time when consensus is lacking even within the Empowered Committee on many features of GST..... This amendment fundamentally alters powers of the States to levy and collect indirect taxes.

4. _____. The power to determine rate of taxes is a basic function of legislative body like Parliament or, as the case may be, State Legislature. Article 265 very clearly states that no tax shall be levied or collected except by authority of law. Thus, provisions of proposed Article 279A runs counter to the existing provisions of Constitution. I find it difficult to agree to wide ranging powers given to GST council. These powers shall remain within legislative and administrative purview of State and cannot be ceded to the council as it will take away entire financial autonomy of the State.”

- (ii) **Again on 20.09.2010**, Shri Modi-led Gujarat government gave detailed written submissions to Empowered Committee on GST clearly opposing implementation of GST, copy of which is attached as **Annexure A-2**. It was, inter-alia, stated as follows:-

“Therefore, Gujarat government does not support the proposed constitutional amendment in its present form. This would destabilise balance source of revenue and duties between Centre and States and would adversely affect the financial health of States and deprive them of a very important means of governance._____.

2. The proposed constitutional amendment clearly restricts autonomy of the States and the implications of proposed Article 246A are unclear. Therefore, the proposed amendment to the constitution is not acceptable to us.”

- (iii) **Once again on 29.10.2010**, Shri Modi-led Gujarat government gave detailed written submissions to the Empowered Committee vehemently opposing GST, copy of which is attached as **Annexure A-3**. It was, inter-alia, stated as follows:-

“I reiterate that the constitutional amendment in the present format put forth by the Government of India is not acceptable to Gujarat.
.....

2. So, Gujarat is opposed to the insertion of Article 246A, as conceived now.”

- (iv) **Again on 11.02.2011**, Shri Modi-led Gujarat government gave written detailed submissions to the Empowered Committee rejecting GST, copy of which is attached as **Annexure A-4**. It was, inter-alia, stated as follows:-

“3. The new constitutional amendment draft proposed by the GoI is retrograde in nature and completely against the tenets of fiscal federalism..... Therefore, Gujarat does not support the proposed constitutional amendment in its present form.”

(v) In fact, demand for supporting GST Bill as introduced by Congress Party was made to the then Gujarat Chief Minister, Shri Narendra Modi by captains of industry in the ‘**FICCI National Executive**’ held for the first time in Ahmedabad, Gujarat on **17.12.2011**. Instead of rising above bitter opposition to GST, Shri Narendra Modi chose to completely scuttle the issue. Please see the link - http://articles.economictimes.indiatimes.com/2011-12-17/news/30528833_1_gst-regime-tax-regime-goods-and-service-tax

2. Even the current Finance Minister, Shri Arun Jaitley; Smt. Sushma Swaraj and the entire BJP leadership opposed GST Bill tooth and nail inside and outside Parliament between the years 2006 to 2014. In fact, as Leader of Opposition (Rajya Sabha), Shri Arun Jaitley addressed **84th Annual General Meeting of FICCI on 18.01.2012** and opposed GST publicly. This opposition is till date available on the website of Bhartiya Janata Party i.e. www.bjp.org. Following link on BJP website may be seen which proves the clear-cut double speak of BJP:-

<http://www.bjp.org/en/media-resources/press-releases/press-shri-arun-jaitley-addressing-ficcis-84th-annual-general-meeting>

3. Complete hypocrisy and deception of BJP as also Prime Minister, Shri Narendra Modi stands exposed by the fact that even after formation of Union Government on 26.05.2014, BJP government of Gujarat has opposed GST by making written submissions on 11.12.2014 before Empowered Committee of Finance Ministers. It opposed the 122nd Constitutional Amendment Bill introduced by Finance Minister, Shri Arun Jaitley on three major grounds. **Firstly;** BJP’s Gujarat government is of the opinion that GST Bill is an attack on fiscal autonomy of the State. **Secondly;** GST Bill has an adverse impact on revenues of the States and the 122nd Constitutional Bill on GST brought by Modi government does not address any of the concerns. **Thirdly;** implementation of GST would cause severe loss to manufacturing State and affects ‘Make-in-India programme’. Copy of these written objections dated 11.12.2014 of Gujarat government is attached herewith as **Annexure A-5**. Relevant portion is reproduced below:-

“The States have time and again expressed their concerns through all these forums mainly about the fiscal autonomy and the adverse implications on the revenues of the State due to introduction of the GST regime. We have just received a draft of the 122nd Constitutional Amendment Bill from the Empowered Committee and I regret that many of the concerns raised by the States have not been reflected in the draft. However, the States would lose their fiscal autonomy which was continued when we moved from sales tax regime to VAT regime.

..... Our Hon’ble Prime Minister has launched the Make in India campaign..... In the GST regime, the abolition of CST and the implementation of the destination principle would result in severe losses to manufacturing states that are also net exporting States.”

4. Congress Party has made three meaningful and constructive suggestions to make the GST Bill people friendly, widely acceptable and implementable, which, among others, include putting a constitutional cap of a maximum rate of 18% taxation so as to not over burden the ordinary person.

Despite the endorsement of Congress stance by Chief Economic Advisor of the government, Finance Minister and BJP leadership have been opposing these people friendly suggestions of the Congress Party.

What completely exposes this double speak of BJP is the fact that in the 2009 Election Manifesto, BJP itself had suggested a maximum taxation cap of 12% to 14%. Relevant portion of BJP's manifesto of 2009 is attached herewith as

Annexure A-6. Please see the link -

<http://www.bjp.org/en/documents/manifesto/manifesto-lok-sabha-election-2009>

We urge upon Prime Minister, Shri Narendra Modi and BJP to stop hoodwinking, misleading and pulling wool over the eyes of Nation on the issue of GST and economic reforms.”

Note: Press Not in Hindi, English and Gujarati along with evidences in this regard are available on the website www.shaktisinhgohil.com, which may kindly be downloaded.

To,
The Editor,

Request to kindly publish this press note in your esteemed newspaper.



(Sunil Rami)

Personal Assistant