

(b) if so, its effects on India's economy; and

(c) the steps that have been taken to tighten the watch on frontier borders to detect gold smuggling?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The information available with the Government indicates that of late there might have been some increase in the smuggling of gold across the Indo-Pakistan Border.

(b) Apart from the loss of revenue, the general effect of large scale smuggling of gold would be to impose additional strain on the foreign Exchange reserves of the country, and hamper through hoarding or other unproductive use, capital formation for productive purposes.

(c) Various and progressively intensive steps are being continuously taken by the Government of India to combat smuggling on the Indo-Pakistan Border.

Central Sales Tax, 1956

- *361. {
 Shri Radha Raman:
 Shri L. N. Mishra:
 Shri Raghunath Singh:
 Shri S. M. Banerjee:

Will the Minister of Finance be pleased to state:

(a) whether the suggestion that sales tax on some commodities should be recovered by adding it to excise duty has been considered by Government;

(b) if so, which are these commodities; and

(c) decision taken in the matter?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) Yes. A scheme is being processed in consultation with State Governments.

(b) These commodities are—textiles, tobacco including manufactured tobacco and sugar.

(c) The matter is still under correspondence with State Governments.

Orders placed with Ordnance factories

*362. **Shri T. B. Vittal Rao:** Will the Minister of Defence be pleased to state:

(a) the number of orders placed with Ordnance Factories in India that were outstanding at the end of the financial year 1956-57;

(b) the factories with which the orders were placed and the approximate period for which the orders have been outstanding;

(c) the nature of the stores and equipment involved;

(d) the reasons for the delay in execution of the orders; and

(e) the steps taken by Government to eliminate the delays?

The Deputy Minister of Defence (Sardar Majithia): (a) The number of overdue orders outstanding on the Ordnance Factories on the 1st April, 1957 was 5198.

(b) The orders were placed on all the Ordnance Factories. About 900 of the orders are outstanding from 1950-51 or earlier; about 800 from 1951-52 and about a 1000 each year from 1952-53 onwards.

(c) The orders comprise various kinds of Service stores, equipments, weapons and their spare parts.

(d) and (e). A statement is laid on the Table of the House. [See Appendix II, annexure No. 55.]

Finance Commission

*363. **Shri Bibhuti Mishra:** Will the Minister of Finance be pleased to state when the final report of the Finance Commission is expected to be submitted?

The Deputy Minister of Finance (Shri B. R. Bhagat): As at present understood by about the end of August, 1957.

Hindi as Medium of Instruction

*364. **Shri Wodeyar:** Will the Minister of Education and Scientific Re-