

Per Capita Incidence of Taxation

*995. **Shri A. N. Vidyalankar:** (a) Will the Minister of Finance be pleased to state the per capita incidence of taxation?

(b) Have the Government of India received any protests against the policy of imposing sales tax?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) About Rs. 15.

(b) Yea, Sir.

Shri A. N. Vidyalankar: May I know whether it is a fact that the sales tax is a tax on the consumer?

Shri Tyagi: Yes, Sir, all these taxes, both direct and indirect, have been included here.

Shri A. N. Vidyalankar: Is it a fact that originally this tax was meant to be realised from the traders only and not from the consumers?

Shri Tyagi: Whether this is a provincial tax and whether it is realised from the traders or the consumers, its incidence falls on the total population.

Shri A. N. Vidyalankar: May I know whether it is a fact that a large proportion of the funds realised as sales tax from the consumers by the traders is withheld from the appropriate Government?

Shri Tyagi: The Central Government does not realise any sales tax. It is the appropriate Governments themselves which realise the sales tax and therefore there is no question of "withholding" from the appropriate Governments.

Shri A. N. Vidyalankar: Is it a fact that the consumers and traders and the general public have made representations to the Government that sales tax should not be realised and that it should be abolished?

Shri Tyagi: Yes, Sir, off and on representations of this nature are received, but it does not lie in the hands of the Central Government to abolish the tax.

Mr. Deputy-Speaker: Under the Constitution.

Shri A. N. Vidyalankar: Is Government making any attempt to make the imposition of sales tax uniform in all the Provinces?

Mr. Deputy-Speaker: All that has been debated. Again and again it has been debated on the floor of the House in connection with a Bill.

HINDUSTAN AIRCRAFT LIMITED

*996. **Sardar Hukam Singh:** (a) Will the Minister of Defence be pleased to state what was the volume (and, if possible, value) of the production in the Hindustan Aircraft Ltd., at Bangalore, and the volume (and cost) of the repair work done in that Factory for Government (civil as well as military) aircraft during each of the years since its establishment?

(b) When is the output from this Factory expected to meet India's own needs in this regard, as at present, including both civil and military aircraft and parts?

The Deputy Minister of Defence (Sardar Majithia): (a) H.A.L. have been engaged, for the last three years, in the erection-cum-assembly of aircraft from components/details imported from the U.K. for the Air Force and repairs and overhaul of I.A.F. aircraft. They have also been engaged on the evolution of a trainer aircraft suitable both for Civil and Defence needs. It did not do any work regarding manufacture/repair/overhaul of aircraft on behalf of the civil Government departments I regret it will not be in the public interest to give any detailed information about the volume of the work done. The total value of the work done for the Air Force for the years 1948-49, 1949-50, 1950-51 and 1951-52 is 47.95, 77.04, 126.96 and 205.59 lakhs respectively.

(b) The Factory is adequately equipped to meet the civil and military needs of the country in regard to repair and overhaul of the aircraft. Efforts are being made to manufacture some types of aircraft in the country, but it will be some considerable time before the Factory can be said to have the capacity to meet the entire civil and military requirements of the country.

Sardar Hukam Singh: After the crash of the first Prototype HT-2 in 1951, has any second Prototype been tried and test-flown?

Sardar Majithia: Yes, Sir.

Sardar Hukam Singh: When was it done?

Sardar Majithia: In the same place.

Sardar Hukam Singh: Has the factory gone into production of HT-2?

Sardar Majithia: There are four Prototypes under assembly.

Sardar Hukam Singh: Has any other aeroplane besides HT 2 been tried?

Sardar Majithia: No other plane besides HT-2 has been tried, because they are still in the production stage.

Shri Matthen: May I know the work done, not for Defence, but the other civil work by Hindustan Aircraft during the last few years?

Sardar Majithia: Well, Sir, actually it does not arise out of the question, but I can say that in 1946-47.....

Mr. Deputy-Speaker: Let me see the question: "Will the Minister of Defence be pleased to state what was the volume (and, if possible, value) of the production.....and the volume (and cost) of the repair work done in that Factory for Government (civil as well as military) aircraft.....?"

Sardar Majithia: I am going to give that. So far as work for civil air lines is concerned 1946-47—56.40 lakhs; 1947-48—130.44 lakhs; 1948-49—112.22 lakhs; 1949-50—105.32 lakhs; 1950-51 128.69 lakhs; 1951-52—172.4 lakhs.

Shri Matthen: What were the types of work done: Railways or any other?

Sardar Majithia: I have given these figures so far as civil air lines are concerned.

Mr. Deputy-Speaker: What are the categories of work done: railway coaches built, aircraft repair, etc.?

Sardar Majithia: For that I shall require notice.

Shri G. S. Singh: May I know whether the aircraft assembled in this factory costs more than an aircraft assembled in England and flown direct to India?

Sardar Majithia: No; that is not a fact.

Shri V. P. Nayar: What is the percentage of imported parts used in this Hindustan Aircraft Factory in production and in repair?

Sardar Majithia: The parts which we cannot produce here are imported. So far as.....

Shri V. P. Nayar: it is common sense.....

Mr. Deputy-Speaker: What is the proportion?

Sardar Majithia: As regards the proportion, I have not got the figures here. If the hon. Member is very keen, if he puts a question on that, I shall give.....

Mr. Deputy-Speaker: Why should these remarks be unnecessarily made? The hon. Minister need not have start-

ed with this and then say, if the hon. Member is keen. Certainly, it is expected that every hon. Member is keen. This will bring out a volley of questions on the other side.

Shri V. P. Nayar: One more question, Sir. Arising out of the answer of the hon. Minister, may I ask from what countries these spare parts are imported?

Sardar Majithia: Mostly, U.K

Shri Kelappan: What are the parts imported? What are the parts manufactured here?

Sardar Majithia: It is not in the interests of India to disclose what parts are produced here and what are imported.

Shri Jalpal Singh: May I know why the IAF have accepted HT-2 as suitable and why the D.G., C.A does not consider it good enough?

Sardar Majithia: If that question is put to the Ministry of Communications, they will be in a better position to reply to that.

Shri Matthen: The hon. Minister said that the cost of assembling an aircraft in India is not more than the cost of assembly in England. Will the hon. Minister please state what exactly is the average cost per unit in England and in India?

Mr. Deputy-Speaker: Does it not depend on each individual aircraft?

Shri Matthen: The same aircraft. The hon. Minister said that the cost in India is not more than the cost in England. I have doubts about it. I want to know the cost for the same aircraft.

Sardar Majithia: As I said already, I should not like to make a present of these figures.

Shri Saraswathi Das: May I know if the factory is running at a margin of profit now?

Sardar Majithia: The factory is running at a profit at the moment.

Shri S. C. Samanta: The hon. Minister said that the second prototype is complete. May I know how many test flights have been made?

Sardar Majithia: I am afraid I have not got that information at the moment. I shall certainly try to remember that.

Shri Bansal: What were the profits during the last financial year?

Sardar Majithia: I am afraid I have not got the information at present.

Mr. Deputy-Speaker: Next question.

DEVALUATION OF STERLING

*997. **Sardar Hukam Singh:** Will the Minister of Finance be pleased to state:

(a) whether the attention of the Government of India has been drawn to press reports published in July last regarding the further devaluation of Sterling, or its dislinking from the American Dollar;

(b) whether there is any agreement, understanding, or arrangement with Britain, regarding the course of the Exchange Ratio of the Indian Rupee with the Pound Sterling, in the event of any devaluation of the latter, in terms of the American Dollar or its dislinking from that standard of currency;

(c) whether any steps have been taken of provisions made, by the Government of India to guard against the unilateral devaluation of the Pound Sterling, which would adversely affect the value of India's Sterling Balances in terms of the American Dollar; and

(d) if so, what are those steps?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) Yes, Sir.

(b) and (c). No, Sir.

(d) Does not arise.

Sardar Hukam Singh: The hon. Minister must have noticed the speech of our hon. Finance Minister in London when he said that it requires the strengthening of the sterling. May I know whether any practical steps have been suggested for strengthening that?

Shri Tyagi: I cannot really recollect what my hon. friend means by reminding me of the speech. In his original question he wanted to know.....

Sardar Hukam Singh: The speech may be left alone. I want to know whether any practical steps have been suggested in that conference for strengthening the Pound.

Shri T. T. Krishnamachari: The hon. Finance Minister is now in London. I think the House must be well assured that all possible steps in the direction the hon. Member has indicated would be taken by him.

Sardar Hukam Singh: I only wanted to draw the attention of the Government to the speech of the hon. Finance Minister because he had observed that the sterling had taken a plunge and we should see that it swims and not sinks. I wanted to know whether in that conference any concrete suggestions have been made.

Shri Tyagi: The Conference is being held in camera. In fact, as far as financial matters are concerned, they cannot be discussed in open. The proceedings of the conference are top secret. They are making efforts and I hope they will fructify. I am not in a position to disclose any secrets because they are not only the secrets of the Government of India, but the secrets of other Governments with which I cannot take liberties.

Sardar Hukam Singh: Are we to presume that the Government has that information and in the public interests, it is not going to disclose it, or that it has no information at all?

Mr. Deputy-Speaker: Really in such matters, if hon. Members want any more information about this matter, let us wait until the Finance Minister comes back. There is no good asking as to what is in his mind and what he has said there. The hon. Minister is not in a position to give those details or if he has then, he does not think it desirable to give them while the proceedings are going on there. As soon as we find there is some convenience, let us not pursue the matter and any that the hon. Minister has not got the information, etc.

श्री टी० एन० सिंघु : क्या यह ठीक है कि जितने स्टर्लिंग कर्तृज है हिन्दुस्तान की ले कर के सोने की कीमत नीची करने की तरफ कोशिश हो रही है और यदि ऐसा है तो क्या इस से डीवैल्यूएशन पर और ज्यादा असर नहीं पड़ेगा ?

श्री स्वामी : मैंने अर्थ किया कि यह तमाम मसले इस वक्त तमाम मुल्क आपस में साथ मिल कर तय कर रहे हैं और इस वक्त यहाँ पर किसी एक सर्वेनमेंट का कुछ कमिट करना मेरे ह्याल में बहुत ज्यादा दमिनामःदी नहीं होगी ।

Mr. Deputy-Speaker: As soon as the hon. Finance Minister comes, certainly, I am sure, he will take the House into confidence if there is anything to inform the House.

Shri T. N. Singh: I put this question because reports are appearing in the papers that such and such things are being done. These reports are very dangerous and they affect the market. That is why I put this question to know whether there is any fact in the reports that steps are being taken by India as well as other sterling countries to raise the price of gold?