

Memorandum from Gold Smiths' Organisation, Maharashtra

937. SHRI GANGADHER APPA BURANDE: Will the Minister of FINANCE be pleased to state:

(a) whether any memorandum from Gold Smiths Organisation, Maharashtra Pradesh Subarnakar Sangh dated 20-7-77 addressed to Prime Minister has been received; and

(b) if so, what steps have been taken on their demands?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b). A memorandum dated 20-7-1977 from the Maharashtra Pradesh Sawarnkar Sangh, addressed to the Prime Minister was forwarded to this Ministry by the Prime Minister's office. The memorandum contained certain demands for liberalisation of the provisions of Gold (Control) Act relating to the goldsmiths as also a plea for affording further relief measures such as concession in the matter of employment and write-off of rehabilitation loans granted to the goldsmiths. The various points raised in the representation are under the consideration of the Government and certain propo-

sals for the amendment of the Gold (Control) Act are being considered.

Excise duty Imposed on Khandsari

938. SHRI GANGADHER APPA BURANDE: Will the Minister of FINANCE be pleased to state how much excise duty has been imposed on Khandsari since March, 1975?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): The rate of central excise duty applicable to khandsari sugar is 17½ per cent *ad valorem* 116 per cent Basic Excise Duty under the Central Excises and Salt Act, 1944 and 2½ per cent Additional Duty under the Additional Duties of Excise (Goods of Special Importance) Act, 1957]. These rates have been in force from 1-3-1970

Manufacturers have also the option to pay duty on the basis of a compounded levy. The weekly rates of compounded levy, based on the size of centrifugal installed and also whether a sulphitation plant is used or not, as on 1-3-1975 and 30-4-1975 when these were last revised, are given in the annexed statement.

Statement

Weekly rates of compounded levy for units working with the aid of Sulphitation Plant

Size of Centrifugal				With effect from	
Height		Diameter		1-3-1975	30-4-1975
Exceeding cms.	Not exceeding cms.	Exceeding cms.	Not exceeding cms.	Rs.	Rs.
..	22.9	..	45.7	1,760	4,400
22.9	30.5	45.7	61.0	2,360	5,900
30.5	45.7	61.0	76.2	3,440	8,600
Not otherwise specified				4,560	11,400
Weekly rates of compounded levy for units working without the aid of Sulphitation Plant					
..	22.9	..	45.7	1,180	2,360
22.9	30.5	45.7	61.0	1,560	3,120
30.5	45.7	61.0	76.2	2,320	4,640
Not otherwise specified				3,040	6,080

The Compounded levy system remained suspended from 1-3-1975 to 30-4-1975.

The rates shown are consolidated rates viz, they include basic duty under the Central Excises and Salt Act, 1944, plus additional duty under the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

Review of Centre-State Fiscal and Economic Relations

941. SHRI M. N. GOVINDAN NAIR: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the West Bengal Finance Minister's regret on the Centre taking a series of decisions like introducing rolling plans and removing inter-State restrictions on paddy movements, without consulting the State Governments;

(b) whether the issue of Centre-State fiscal and economic relations needs urgent review; and

(c) if so, Government's reaction thereto?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Government of India have seen Press Reports to that effect.

(b) and (c). The Centre-State fiscal and economic relations are governed by the relevant provisions of the Constitution which have stood the test of time. Given a spirit of understanding, good-will and cooperation, it is possible to find satisfactory answers within the frame-work of these provisions to the problems which may arise from time to time in the Centre-State fiscal and economic relations.

Consultation with Trade Unions over Constitution of Committee on Wages, Income and Price Policy

942. SHRI SAMAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government consulted the Central Trade Unions before constituting the Committee on Wages, Income and Price Policy;

(b) if so, the nature of the consultations; and

(c) if not, reasons for not consulting the trade unions?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) to (c). Presumably the Honourable Member is referring to the Study Group on Wages, Income and Prices set up by the Government in October, 1977. It was not considered necessary to consult Central Trade Union or any other outside organisation in constituting a Study Group.

Taxation System in the country

943. SHRI SHANKERSINHJI VAGHELA:

SHRI ANANT DAVE:

Will the Minister of FINANCE be pleased to state:

(a) whether the Federation of Indian Chambers of Commerce and Industry had appointed a study team to go into the various aspects of taxation system in the country;

(b) whether the study team had suggested the Value Added Tax system of taxation in India which is prevalent in Germany and several other European and South American countries; and

(c) the reaction of Government thereto and when a final decision is likely to be taken in this regard?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b). As a follow up of its reply to the Indirect Taxation Enquiry Committee on Value Added Tax, the Federation of Indian Chambers of Commerce and