

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) The requisite information based on the annual average Index Number of Wholesale Prices (1970-71—100) is furnished in the attached statement.

(b) For the years prior to 1979-80 the factors responsible for the price changes and the remedial steps taken by the Government have been discussed in the Economic Survey presented every year to Parliament on the eve of each Budget. As for the current year, the socio-economic measures proposed to be adopted in the furtherance of broad objectives including price stabilization, as mentioned in the President's Address to Parliament on January 23, 1980, will be spelt out in the coming Budget and subsequently. A beginning has already been made by introducing a Bill in the current Session of Parliament to validate the ordinance on the Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities.

(c) The principal factors responsible for the price rise are: widespread drought, upward revision in administered prices of certain commodities, international factors like increases in the prices of oil and oil products, shortfall in the supply of essential inputs like coal and power, stagnancy in industrial production and speculative forces reinforced by the liquidity in the system.

Year	Rate of price change
1972-73	+10.0
1973-74	+20.2
1974-75	+25.2
1975-76	(—) 1.1
1976-77	+2.1
1977-78	+5.2
1978-79	No change
1979-80*	1+14.3
(April-December)	

*Variation in 1979-80 is over the

Income Tax Rebate to Individuals Practising as Professionals

185. SHRI MOTIBHAI R. CHAUDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether individuals practising as professionals are not allowed any rebate on account of Income-tax for the periodicals and newspapers purchased by them for the efficient conduct of their business, whereas those returning income in the style of & 'Co' or 'Associates' etc. are given this relief.

(b) if so, the reasons for this disparity;

(c) whether he proposes to issue instructions to the Income-tax authorities to grant relief to such individuals returning their income as 'professionals'; and

(d) if not, the reasons for not granting this relief?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) and (b). The information is being collected and will be laid on the Table of the House.

(c) and (d). The matter will be examined in the light of information received in connection with (a) and (b) above.

Direct Air Service between Delhi and Bhubaneswar

186. SHRI CHINTAMANI PANIGRAHI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether the direct Indian Airlines Service from Delhi to Orissa State capital Bhubaneswar will start soon; and

(b) if so, by what date?

THE MINISTER OF TOURISM AND CIVIL AVIATION AND LABOUR (SHRI J. B. PATNAIK): (a) and (b). F-27, IC-271/272 service on

corresponding period last year.

the Calcutta/Bhubneshwar/ Varanasi/ Delhi route is being introduced by Indian Airlines effective 1st February, 1980. It would operate thrice weekly.

Abolition of Sales Tax

187. DR. VASANT KUMAR PANDIT: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken a final decision on the abolition of Sales Tax in the country;

(b) whether Government are thinking of imposing additional excise duties or any other levy in lieu of Sales Tax to compensate the loss in the State Revenue; and

(c) what is the total revenue by way of Sales Tax in each of the States during 1977-78 and 1978-79?

THE MINISTER OF FINANCE AND INDUSTRY (SHRI R. VENKATARAMAN): (a) and (b). Levy of tax on sales or purchases of goods taking place within a State is a State subject of taxation under the Constitution. Efforts were made by the previous Government to persuade the State Governments to agree to the abolition of Sales-tax and its replacement by appropriate Excise Duties in a suitable manner; but the State Governments showed reluctance towards such a course of action. The question of extending the scheme of replacement of Sales-tax by additional Excise Duties on some essential commodities like cement, medicine, vanaspati and petroleum products as recommended by the Indirects Taxation Enquiry Committee was last considered at the meeting of the Chief Ministers of States held on 19th and 20th May, 1979. This proposal was also objected to by a large majority of States. The present Government will explore, with the cooperation of the State Governments, the possibility of reforming existing Sales-tax structure in the interests of consumers and traders.

(c) The total revenue from Sales-tax which includes Central Sales-tax, General Sales-tax, tax on motor spirit and purchase tax on sugarcane during these years is as under:—

(In Lakhs of Rupees)

Name of State	1977-78 (R.E.)	1978-79 (B.E.)
Andhra Pradesh	1,55,63	1,65,29
Assam	29,50	31,82
Bihar	1,24,81	1,34,82
Gujarat	2,09,85	2,24,29
Haryana	73,12	83,46
Himachal Pradesh	6,90	6,3
Jammu & Kashmir	7,50	7,98
Karnataka	1,48,50	1,62,00
Kerala	1,12,18	1,25,00
Madhya Pradesh	1,42,15	1,56,61
Maharashtra	4,74,03	51,800
Manipur	1,41	1,55
Meghalaya	1,32	1,49
Nagaland	98	1,09
Orissa	61,00	58,16
Punjab	98,33	1,09,22
Rajasthan	1,00,00	1,11,38
Sikkim	32	36
Tamil Nadu	2,47,16	2,61,03
Tripura	80	90
Uttar Pradesh	2,33,01	2,45,01
West Bengal	2,16,99	2,42,61
TOTAL STATES	24,45,49	26,48,46
Delhi	96,01	1,06,00
Other Union Territories	15,34	15,96
TOTAL Union Territories	1,11,35	1,21,96
TOTAL ALL INDIA	25,56,84	27,70,42