

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) and (b) Reports received by the Government indicate that some of the smugglers who took a pledge before Shri Jayaprakash Narayan to abjure smuggling have offered to cooperate with the Government by furnishing information about smuggling. This is a welcome gesture on the part of smugglers. However, nothing concrete by way of seizures has been achieved as a result of the cooperation offered.

Introduction of 'Value Added Tax' system for commodity taxation

584. DR. V. P. DUTT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Value Added Tax (VAT) as a system of commodity taxation has gained wide acceptance in recent years in Europe, Germany and South America;

(b) if so, what are the salient features of this taxation system;

(c) whether it is a fact that the study team appointed by the Federation of Indian Chambers of Commerce and Industry to go into the various aspects of taxation system in the country has suggested the Value Added Tax system of taxation in India; and

(d) if so, what is Government's decision in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) Yes, Sir.

(b) Essentially, the Value Added Tax, in its comprehensive form, is a tax on all goods and services (except exports and Government Services), its special characteristic being that it falls on the value added at each stage from the stage of production to the retail stage.

(c) Yes, Sir.

(d) The matter is presently being studied. Government are also awaiting the receipt of part II of the Report of the Indirect Taxation Enquiry Committee. It is, therefore, too early to indicate the decisions that are likely to be taken by the Government in this matter.

Absorption of apprentices

585. SHRI GULABRAO PATIL: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Government have received any representations from the apprentices of the M.M.T.C. for their absorption in the Corporation; and

(b) if so, what action Government have taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI KRISHNA KUMAR GOYAL): (a) Yes, Sir.

(b) Under the Apprentices Act, 1961, it is not obligatory on the part of M.M.T.C. to offer employment to the apprentices on completion of their training. The Corporation is, however, being advised that, other things being equal, preference should be shown to its own apprentices when filling appointments on a regular basis.

British aid to India

586. SHRI JANARDHANA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item which appeared in the Hindustan Times of the 12th November, 1977 to the effect that the British Overseas Development Minister has expressed the view that current level of British aid may not