

them. What actually happened we do not know.

SHRI H. D. RAJAH: Sir, is this form of punishment to be approved by the Government for finding out the chastity of a woman?

SHRI B. N. DATAR: It would be strongly disapproved, and the persons who commit such an offence will be brought to book.

***429. [The questioner (Shri Gopi-krishna Vijaivargiya) was absent. For answer vide cols. 2610-2611 irira.]**

EXEMPTION OF PAPER AND PAPER ARTICLES FROM SALES TAX

*430. DR. RADHA KUMUD MOOKERJI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the persistent agitation carried on by the Calcutta Paper Traders' Association and influential consumers for freeing paper and paper articles from the purview of the Sales Tax Act or in the alternative to subject them to excise surcharge in substitution of State Sales Tax; and

(b) whether there is any proposal under consideration of Government for freeing paper and paper articles from Provincial or Central impositions such as sales taxes or excise duties as in the cases of tobacco and matches, so as to make education cheaper?

THE DEPUTY MINISTER OF FINANCE (SHRI B. R. BHAGAT): (a) Government have received a number of requests from association? and traders, who deal in paper, suggesting the inclusion of paper and cardboards in the list of articles for replacement of sales tax by a levy of additional duty of excise.

(b) No, Sir. There is also no proposal under the consideration of Government to cover matches in the scheme referred to.

DR. RADHA KUMUD MOOKERJI: Will the hon. Minister be pleased to explain the grounds on which Sales Tax has been replaced by Surcharge on excise duties on articles like textiles, tobacco, matches and sugar?

SHRI B. R. BHAGAT: Sir, it is very difficult to explain comprehensively during the Question Hour these grounds. But as this matter is coming up for discussion, I think these grounds will be explained. But, Sir, I can say that the matter was first gone into by the Taxation Enquiry Commission, then the National Development Council recommended that this Sales Tax on these three commodities should be replaced by the additional surcharge on excise duties.

DR. RADHA KUMUD MOOKERJI: Sir, is it not a fact that the main ground is to have an increase of revenue from this financial measure?

SHRI B. R. BHAGAT: It is also one of the grounds, but the more Important ground is that it is an easier tax to collect, because the loopholes can be plugged, evasion can be stopped, because it is imposed at the source and will result in increased revenue.

DR. RADHA KUMUD MOOKERJI: If this reform can result in increased revenue, is there any reason why paper should be excluded from the operation of this profitable measure?

SHRI B. R. BHAGAT: No particular reason to exclude paper, but the reason is that at present the National Development Council has recommended for such a tax only on three commodities, and before we extend it to other commodities, we want to have some experience of it.

DR. RADHA KUMUD MOOKERJI: Is the Government aware that the levy of a surcharge on excise duty in lieu of sales tax on paper will not merely yield more revenue to the Government but would also benefit the consumers and the honest traders by preventing the evasion of the sales tax?

SHRI B. R. BHAGAT: That is true. I

SHRI N. R. MALKANI: In view of the fact that the Government is committed to bring about free and compulsory primary education at an early date, is it not the policy of the Government to make paper as cheap as possible?

SHRI B. R. BHAGAT: I do not see how education coiaes in here.

SHRI AMOLAKH CHAND: May I know if the imposition of this tax has reduced the consumption of paper? ,

SHRI B. R. BHAGAT: Which tax? "We have not imposed any taxes on paper.

SHRI AMOLAKH CHAND: May I know whether sales tax is paid on the paper purchased by Government also?

SHRI B. R. BHAGAT: I do not think that anybody is exempted from the imposition of the sales tax.

SHRI KISHEN CHAND: May I know if it is the general policy of the Government to replace the sales tax as far as possible by a surcharge on excise duty or the additional excise **duty**?

SHRI B. R. BHAGAT: The general policy is Qonfined to these three goods. In future what would be the general policy, I cannot say.

"431. [The questioner (Shri V. S. Sarwate) was absent. For answer vide cols. 2611—2613 infra.]

MINERAL EXCAVATION IN SAURASHTRA DIVISION

"432. SHRI M. B. JOSHI: Will the Minister of STEEL, MINES AMI FUEL be pleased to state:

(a) the minerals that are being excavated at present in the Saurashtra Division of the Bombay State; and

(b) the minerals that are being prospected there?

THE MINISTER OF MINES AND OIL. (SHRI K. D. MALAVIYA): (a) and (b) A statement is laid on the Table of the House.

STATEMENT

Minerals being excavated and prospected in Saurashtra Division

(a) The following minerals are being excavated in Saurashtra Division of Bombay State: —

- (1) Ball Clay.
- (2) Building Stone.
- (3) Bauxite.
- (4) Clay.
- (5) Chalk.
- (6) Calcite.
- (7) Fire clay.
- (8) Fullers Earth.
- (9) Glass sands.
- (10) Gypsum.
- (11) Iron-ore.
- (12) Limestone.
- (13) Ochres.

(b) The following minerals are being prospected in Saurashtra:—

- (1) Fuller's earth—in Bhavnagar.
- (2) Bauxite—In Halar District.
- (3) Iron-ore—In Bhavnagar.
- (4) Limestone—At Mokhana, Dhabar and near Bhavnad in Halar District.
- (5) Gypsum—In Halar District.
- (6) Coal—In Zalawad District.
- (7) Calcite—In Halar District.

SHRI M. B. JOSHI: May I **know** whether any prospecting is going on for eelinite in addition to calcite In Halar District?

SHRI K. D. MALAVIYA: I am not able to say anything about eelinite, but the information given is that calcite occurs in veins in the Deccan trap