

Tourism Organisation Commission for South Asia of which they are members, as also through bilateral arrangements. The Commission is drawing up a joint marketing programme for promotion of tourism to this region. This will be discussed at the next meeting of the Commission in Kathmandu in June 1979 and thereafter it will be finalised for implementation. Our neighbouring countries have also been invited to take advantage of the Institute of Tourism and Travel Management that is proposed to be set up by the Central Department of Tourism for developing professionalism in tourism and for providing a cadre of trained managerial personnel for the tourism industry.

Implementation of Wanchoo Committee Recommendations

8972. SHRI M. V. CHANDRASHEKHARA MURTHY:

SHRI P. M. SAYEED:

Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether it is a fact that the recommendation of the Wanchoo Committee Report on tax cut has resulted in securing more revenues;

(b) if so, to what extent;

(c) whether all the recommendations of the Wanchoo Committee have been fully accepted and implemented;

(d) if not, how many of its recommendations are still pending for implementation and the reasons therefor; and

(e) when they will be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) and (b). The Wanchoo Committee had, *inter alia*, recommended that the maximum marginal rate of income-tax, including surcharge, in the case of individuals, Hindu undivided families, unregistered firms, association of

persons, etc. should be brought down from the then prevailing level of 97.75 per cent to 75 per cent. The Committee had also recommended some reduction in tax rates at the middle and lower levels.

This recommendation of the Committee was accepted by the Government in 1974 with minor modifications. The Finance Act, 1974 lowered the rates of income-tax at all levels of personal incomes and fixed the marginal rate of income-tax, including surcharge, at 77 per cent which was made applicable on the slab of income over Rs. 70,000. In his Budget speech for the year 1976, the then Minister of Finance had stated that the expectation of the Government that the reduction in rates would lead to better tax compliance had been fulfilled as was reflected in the increase in income-tax collections in the immediately preceding two years. The then Minister of Finance further stated that while there were some other factors, including the drive against tax evaders and other economic offenders responsible for the up-trend in collections, the reduction in tax rates also played a role in promoting better tax compliance.

The Income-tax collections depend on several factors, namely, the state of the economy, price trends, efficacy of tax administration, rates of taxes, etc., and accordingly, it is difficult to say how far the reduction in rates of income-tax had led to better collections over the years.

(c) to (e). The Wanchoo Committee made 393 recommendations. Decisions have so far been taken in respect of 326 recommendations. Out of these 326 recommendations, 9 recommendations are pending for implementation. A statement indicating such recommendations with reasons for their pendency is laid on the Table of the House [Placed in Library. See No. IT-4376/79]. Necessary action will be taken to implement the recommendations which have been accepted by the Government.