

included in the List of Business presented by the Hon. Minister of Parliamentary Affairs for the next week :

1. Transport subsidy is provided by the Central Government to step up the industrialisation in hilly areas of the country. The Central Government has recently taken a welcome step to increase the amount of transport subsidy, but one deficiency is still there. The amount of subsidy has been increased from 75 per cent to 90 per cent for the north eastern region, but it remains unchanged i. e. 75 per cent for the hilly areas of Uttar Pradesh. Therefore, there should be a discussion in this House on the need to increase the amount of transport subsidy to 90 per cent for the hilly areas of Uttar Pradesh.

2. Everybody accepts the need of afforestation and land preservation in the hilly areas of Uttar Pradesh. But very meagre amount has been earmarked for this purpose. A national scheme should be prepared for the afforestation and land preservation in this region and the Planning Commission should earmark separate funds for this purpose, because the entire country, especially Ganga-Yamuna plains, derives benefit out of these areas.

Therefore, this issue should also be discussed in the House.

[English]

SHRIMATI SHEILA DIKSHIT : Mr. Deputy-Speaker, Sir, the submissions made by the hon. Members have been noted by me and they shall be considered in the meeting of the Business Advisory Committee which will meet early next week.

I would like to take this opportunity to inform the hon. Members of the House that the discussion on the General Budget will start after the reply of the Railway Minister on Monday afternoon. At 12 Noon on Monday, the Railway Minister will start reply. Thereafter the discussion on the General Budget will take place.

12.18 hrs.

COTTON COPRA AND VEGETABLE  
OIL CESS (ABOLITION) BILL,  
1986—Contd.

[English]

MR. SPEAKER : Now, we take up item No. 12 — further consideration of the following motion moved by Shri G.S. Dhillon on the 24th February, 1987, namely :—

“That the Bill further to amend the Produce Cess Act, 1966 and the coconut Development Board Act, 1979 and to repeal the Copra Cess Act, 1979 and the Vegetable Oils Cess Act, 1983, be taken into consideration.”

PROF. N. G. RANGA (Guntur) : Mr. Deputy-Speaker, Sir, I am glad that this Bill is brought before this House. It is most unfortunate that the Government should not have indicated to the House the concrete measures that they proposed to take, in addition to the abolition of this cess on oil and oilseeds.

12.20 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

In order to increase and push up the production of oilseeds and vegetable oils in our country, there seems to be a kind of an idea that the Agricultural Prices Commission can be expected to look after the price policy to be pursued by Government in order to encourage our agricultural producers to place more and more of their land under production of vegetable oils. I do not think that approach would yield results because generally the Agricultural Prices Commission proceeds on the basis of the earlier prices that were prevalent in a comparative manner with other agricultural prices also and, then they satisfy themselves by suggesting some 5 or 10 or 15% increase in the prices to be paid to agriculturists as an incentive in order to encourage them to divert their land from the production of other crops to the

[Prof. N. G. Ranga]

production of agricultural oilseeds. That approach has not yielded good enough results. It is true some improvement has been achieved in the area under agricultural oilseeds and consequently in the production of vegetable oils in our country. But, that is not enough and that is why Government is obliged to go on bemoaning the increase in the imports of vegetable oils and edible oils.

What I would like the Government to do is to review the whole policy so far as the production of oilseeds is concerned. They should think in terms of the policy to be pursued, what prices are to be paid to agriculturists, in order to divert more and more of their land that is suitable for the production of oilseeds, from the production of other crops and then not only prescribe the prices to be paid for agricultural produce but also pursue a policy of assuring the producers, the kisans, that whatever oilseeds they would be able to produce, would be taken over by the Government at prices that would be not only comparable to prices of other agricultural produce but at much higher prices, because oilseeds cannot be produced in all lands. Oilseeds generally are not amenable for irrigation. Oilseeds can be produced subject to the vagaries of weather in these areas on soils which are specially suitable to them. Now for those lands and for those soils, other crops are competing and so the peasant must be given special incentives through price incentives and the supply of tested seeds, agricultural inputs, manures and insecticides and so on. It must be an all-round air-tight programme which would ensure protection to agriculturists, our kisans, from vagaries of seasons and also the supply of power and timely irrigation facilities wherever and whenever possible and needed.

Such a policy has not so far been developed. Years ago, we had a Oil Seeds Committee. But most unfortunately after a time, it was abolished. Its functions were transferred to the ICAR. Then they found that they could not make much progress. Then the ICAR was provided with an additional Committee like this.

There was no money for that Committee. So, they imposed this cess. Instead of giving additional facilities, incentives to agriculturists, to our kisans, they have thought of imposing a cess, collecting money. They collected Rs. 6 crores and more in order to improve the scientific researches and other activities that Government should carry on in order to help their production. That was a wrong thing to do. I am glad that they are going to give it up. That is not enough. They say that from general revenues they are going to provide sufficient funds, funds for research. That is not enough. Funds for ensuring a remunerative price are needed. What is that remunerative price to be? Funds for maintaining what is known as support price. What is that support price to be? But that support price for oil-seeds would not be satisfactory if it is to be fixed only in relation to what the price had been till now and some increase there upon. It has got to be such a price as would induce our farmers to transfer their land, to shift their land from the cultivation of other crops to the cultivation of oil-seeds.

In regard to cotton, such special cess was not there, did not bore to be necessary because there were enterprising farmers in Andhra Pradesh, in Karnataka, in Gujarat and also in Punjab who were prepared to sink their money and they readily produced so much that India has become not only self-sufficient but also surplus in regard to long staple cotton and now self-sufficient in regard to short staple cotton also. We have now decided to support our own exports in regard to cotton. Now such opportunities are not available for the producers of oil-seeds. The producers, kisans, who are interested in producing oil-seeds in these areas where they can be produced, they can be cultivated, are not so rich, are not so enlightened, are not so awakened. They have got to be specially nursed, helped, assisted and encouraged. Therefore, I would like the Government to take time by its fore-lock, think of a comprehensive policy and programme, if necessary, by appointing a Committee to go into this

matter and to submit their report as soon as it is possible. Then we have to depend upon our kisans to transfer their land for the production of oilseeds. Otherwise, it would not be possible for the Government to increase the area under oilseeds and their production and in that way reduce their present dependence upon imports of oilseeds from abroad to the tune of hundreds of crores of rupees.

**SHRIG.M. BANATWALLA (Ponnani):**  
Mr. Chairman, Sir, the Bill seeks to abolish cess on cotton, copra and vegetable oils. I must here stress upon one important point and that is that the provisions of this Bill really give effect to the proposals contained in the Budget of the last year—not this budget. One full year passed by. We had another budget also. It is shocking that the proposals of even the last year's budget were not implemented through out. I do not remember whether any such callous attitude, to this extent, has ever been taken by a Government that functions. Look at the Statement of Objects and Reasons. There is not even a single indication that the proposal to abolish the cess was announced in the Budget last year. It is given as if to say that it is now that this thing is being done. I must, therefore, submit most respectfully that this is a highly objectionable way in which even the Statement of objects and Reasons is drafted, with the result that almost all the Member who spoke before me thought that this was a proposal coming now and they never realised in the pressure of work that we have that one full year had passed by and the proposal of the last year's budget had not been implemented. I would quote from the Budget Speech of last year, not the present one but of last year, para 151, part B :

“The long-term fiscal policy recognises that cesses levied as excise duties contribute to the multiplicity of taxes. As an endeavour to reduce the number of such cesses, it has been decided to dispense with the cess on cotton,

copra and vegetable oil. The Ministry of Agriculture will take appropriate action in the matter. The loss to the exchequer on this account will be Rs. 5.90 crores.”

We, therefore, find that the Finance Minister last year said that it had been decided to dispense with the cess on cotton, copra and vegetable oil and that the Ministry of Agriculture would take appropriate steps. I would like to know that what was this Ministry doing throughout the year and why this decision was not implemented for full one year. I must point out that, when this announcement about abolition of the cess was made in the Budget speech last year, the industry did not make any provision for payment of cess from March, 1986; they thought that since the announcement for the abolition of the cess had been made, the Agriculture Ministry would come forward with appropriate action and, therefore, for payment of crores of rupees the industry did not make any provision in their accounts. Further, the loss to the government exchequer by the removal of cess was also taken into consideration in the Budget for 1986-87. Having taken the loss into consideration, it is only now that the Bill has come to abolish the cess, with the result that according to the provisions of this Bill, the cess for the one full year, even after the announcement of its abolition last year, is required to be paid by the industry. This is a very unsatisfactory state of affairs. On 28th November, 1986, the Minister of State of agriculture announced that necessary action was being taken and that the notification for removal of cess would be issued within a month. Even after, this, no action was taken. And this Bill itself, after a lapse of a long time, was introduced in this House on 8th December, and then the Bill went on. Being the victim of this lethargic way in which the budget has been treated—announcing the abolition of the cess in the budget last year, then taking into account the loss that will arise in the budget and then keeping quiet and now asking the industry to pay, to shell out the cess for the whole of the year—I must respectfully submit that this is a

[Shri G.M. Banatwalla]

total destruction of the sanctity of the budget. As it is today, the sanctity of the budget has been eroded on various counts and now we find that even the proposals announced in the budget are not being implemented expeditiously.

Clause-13 of this Bill says that all the case that has remained unpaid till the time this Bill comes into force—not till the time when the last budget announcement was made; but till the time this Bill comes into force—will be collected as arrears. I think it is not at all just and fair to the industry to proceed in this manner. I think that perhaps things have gone by oversight or some such thing, though inexcusable. I must fervently appeal to the Minister of Agriculture that this clause should be amended and no cess should be collected for the period 1986-87, since the time the announcement for the abolition of the cess was made.

I must now make one more point and resume my seat. The proceeds of the cess are utilised to meet expenditure incurred in connection with measures to promote the improvement, development and marketing of produce. But now you are abolishing the cess. I must also urge upon the Government to see to it that promotional activities are not to suffer and that necessary funds are provided through budgetary allocations to encourage promotional activities.

This was announced last time that the budgetary allocations will take care of the needs for promotional activities and I am sure that these promotional activities will not be allowed to suffer. Take the case of the coconut. In Kerala several problems are there. There is even a bad disease affecting our coconut trees. They need to be paid attention to. I am sure, all these activities will not suffer; but will receive due attention of the Government.

Later I will come forward with my amendment to Clause 13 to see that the proposal that was announced in the

budget last year is given full sanctity and that the abolition of the cess takes place since the budget of the last year. At that time I may not take again the time of the House to speak, unless the Hon. Minister comes forward with some new brain-wave. I hope and I am sure he will not. Looking at the just and fair nature of the claim I hope he will accept this amendment when it is moved.

\*SHRI A.J.V.B. MAHESWARA RAO (Amalapuram): Mr. Chairman, Sir, I whole heartedly support the Cotton, Copra, Vegetable Oils Cess (Abolition) Bill. Sir, the plight of Cotton growers in the country is known to every one. Similar, is the fate of the farmers who produce copra and oilseeds. Sometimes, I wonder, whether the various development boards which were supposed to contribute to the promotion and development of cotton, copra and oil seeds are working at all! The performance of these Boards is not satisfactory.

Sir, coconut is being grown on a large scale in my constituency. It is being grown in several thousand acres. But it is unfortunate that there is not even a single member representing Andhra Pradesh in the Coconut Development Board. There is no representative of either the coconut growers in the State, or the State Government. Hence I appeal to the hon. Minister to nominate a member from my State to the Coconut Development Board at least now.

Sir, coconut is being grown extensively in my constituency. I am afraid, the removal of the cess may benefit the middleman rather than the farmer. Since the Government proposes to abolish the cess, it should see to it, that the farmers do not suffer in any manner. The coconut trees in my area have been affected by some plant diseases affecting the yield very badly. I brought it to the notice of hon. Minister through a letter. The loss of the farmers caused by a particular plant disease was quite heavy. Farmers are now suffering a lot. Since the cess is going to be abolished now, the

Government should come forward with substantial grants to help the farmers in combating these plant diseases.

Sir, besides the growers, several others are also engaged in the preparation of copra. It provides means of livelihood for many people in my area. The Government should take welfare measures for the benefit of these workers. Mere abolition of the cess is not going to help anybody. Every one engaged in the cultivation should be benefitted by it. Farmers should be helped at every step in growing coconut. Developmental activities have to be stepped up. Simultaneously welfare measures for every one who is engaged in coconut industry must also have to be taken up. For all these measures it is quite necessary to allocate more funds. The Government should allocate more money for this purpose. There are many workers who are engaged in the coconut industry. They are not getting even the minimum wages. There are several legislations meant for the benefit of the labourers. But these not being applied to the workers in the coconut industry. They are leading a miserable life. I have seen with my own eyes the miserable conditions of these workers.

Sir, growers of coconut are not getting remunerative prices. The prices have been stagnant for the last two years. Couple of years ago the producers were getting Rs. 1500 to 3000 per thousand coconuts. But immediately after some time the prices had fallen to Rs. 1000 per thousand nuts. We brought this downfall in price to the notice of Government I appeal to the hon. Minister not only to fix a supporting price for coconuts but also see that the growers do get it. At present support price is being given to the farmers in certain States. But it is not being given in our State. As a result, the coconut growers are facing many difficulties not only in my constituency but also in other parts of the State. The growers are now compelled to dispose off the nuts at distress rate. So the mere abolition of cess is not going to help the farmers unless and until they get all assistance

from the Government in growing more coconuts and also are given a minimum support price which is remunerative to them.

Sir, many farmers and traders in my area had applied for the loans from the coconut development Board. Not even a single person from my constituency of Amalapuram had been given any loan by the Board so far. I want to bring this fact to the notice of the hon. Minister since my constituency happens to be predominantly coconut growing area. I appeal to the hon. Minister to see that the loans are given to the applicants in my areas.

Sir, Coir industry is an important industry. There are many people engaged in this industry. The labour laws should be applied and implemented for the benefit of these workers also. I take this opportunity to request the hon. Minister to help promote the coir industry in my area by setting up units there. Coconut is being extensively grown there. Hence the Central Government should set up coir industry in Konaseema area of Andhra Pradesh. Lot of coir is going waste as there is no industry in the area at present. Farmers cannot afford to export coir to other parts of the country where there is coir industry. They cannot afford the transport costs. So the entire coir is going waste at present. We have got a good market for coir products in foreign countries also. Hence the Government should set up a coir industry in my area. It will also help in providing jobs to the many unemployed in the area. It will boost coconut cultivation also. So I request the coir industry should be set up in Konaseema either by the Government or Coconut Development Board. I hope and trust that the hon. Minister will take the decision to set up coir industry in my area soon.

Before I conclude, I once again request that all the labour laws which are meant for the benefit of workers be extended to all the persons engaged in coconut industry.

[Shri A.J.V.B. Maheswara Rao]

I thank you very much for giving this opportunity and conclude my speech.

[Translation]

SHRI KALI PRASAD PANDEY (Gopalganj) : Mr. Chairman, Sir, I support the Cotton, Copra and Vegetable Oil Cess (Abolition) Bill, 1986. You have mentioned in this Bill about some facilities to be provided to the farmers, but nowhere you have mentioned about the target for increasing the production. So far as the production of edible oils is concerned, it is a fact that production has increased marginally this year, but the increase has not been to the desired level. You should try to go into the root cause of it. The reason is the increasing sense of frustration among the farmers. They do not get fertilizer and seeds in time. No proper arrangement is made for the marketing of their produce. You should at least make such arrangements as are available in case of Housing Co-operative Societies and such other societies so that the products of the farmers are disposed of. Only then we will be able to increase the production of various agricultural commodities. No suggestion has been given in this Bill for augmenting production, so that the farmers may get at least the cost incurred by them on their produce in any shape. The Government should make arrangements especially for the growers of cotton and oilseeds and constitute a committee to make proper utilisation of their production capacity. This committee should also decide as to how the Government should procure the produce so that farmers may get remunerative price and get some encouragement also. But no such provision has been made in the Bill. This Bill is silent about the programmes of the Government to be undertaken for providing encouragement to the farmers so that oil production may increase and the cotton and oil-seeds growers may get remunerative prices for their produce. In the general Budget, proper provision should also be made for this purpose so that production capacity of various agricultural commo-

ditities may be increased. With these words I support this Bill.

[English]

THE MINISTER OF AGRICULTURE (DR. G.S. DHILLON) : Sir, I am thankful to the honourable Members who spoke on the first day and today for raising very useful points. I am glad to note that they have generally welcomed the Cess Bill for Cotton, Copra and vegetable Oils. They are all to be abolished, as already mentioned by Shri Banatwalla, after the Finance Minister in the last Budget Session announced that there will be a new process by which so many collection points and cesses will be abolished and they could be substituted by some other means so that these Boards may not suffer. At the same time, we may devise some other ways and means to accomplish those objectives. Many points were raised the other day. Most of them were relevant to the Bill.

While introducing the Bill, I mentioned the main objectives to do away with the multiplicity of collecting and imposition of other cesses. But the development of cotton, coconut, oilseeds and vegetable oils will continue to be provided all assistance and encouragement. This point was raised by the honourable Members, more particularly by Shri Banatwalla. If we abolish the cesses, what will be the alternative machinery to carry on the work of these Boards. That was the main point and we devoted a lot of time to find out alternative ways to achieve that objective. I consulted the various Ministries and the Finance Ministry and it took quite some time to make them agree to the proposal, which I am going to place before the House.

A decision has already been taken, in principle, to provide the following amounts annually during the 7th Plan. For that we had to bring this legislative measure, because we could not stop collection of cess or do anything unless the legislative measures were passed. We introduced this Bill in the last Session, winter Session, but it got prolonged, and

we are now bringing it at the earliest opportunity.

Now, it was estimated that Rs. 7.8 crores would be spent on the National Oilseeds and Vegetable Oils Development Board. The rate of cess was Rs. 5 per quintal. After discussions with the Finance Ministry and others, a budgetary provision will now be made for Rs. 10 crores. In respect of the Coconut Development Board, the rate of collection of cess is Rs. 5 per quintal. The cess collection was Rs. 70 lakhs. Through the budgetary provision, we will now be getting Rs. 80 lakhs. The cess on cotton being levied is at the rate of one rupee per bale; the collection was Rs. 65 crores earlier and we will now be getting Rs. 65 lakhs through the budgetary allocation.

These funds are to be provided through budgetary allocations keeping in view the actual requirements.

The functions of the National Oilseeds and Vegetable Oils Development Board and the Coconut Development Board are comprehensive and provide for integrated development of the oilseeds and vegetable oils industry and the coconut industry respectively. These cover production, processing, marketing, technical and financial assistance for research and development and adoption of suitable measures for providing incentive prices to the growers.

The two Boards are fully representative in character. Some hon. Members raised the question of representation. Representations have been given on these Boards to all connected interests including Central and State Governments, Members of Parliament, growers, industry, trade etc. On the National Oilseeds and Vegetable Oils Development Board, non-official representatives include three representatives of growers. We cannot confine ourselves only to the Central and the State Government and others. We have fixed the number for the growers. Sometimes, they may be interested or may not be interested. We do not deprive

them of their share. There is one representative of processing industries as also one representative of exports. In the case of Coconut Development Board also, adequate representation has been given to coconut growers and the coconut processing industry.

The National Oilseeds and Vegetable Oils Development Board, through recently set up, has taken up a number of steps to popularise cultivation of oilseeds in new areas. The Board has taken up pilot projects for—as Prof. Ranga has pointed out and this is to meet his point—

- (a) diversion of areas from rain-fed wheat to rape-seed mustard and
- (b) popularisation of rabi-summer groundnut in non-traditional areas.

These schemes provide for large size demonstrations to motivate the growers, organisation of field days and effective monitoring. These pilot projects will lay down the basis for undertaking larger programmes for oilseeds production in future.

Members are aware that the Government has given the highest priority to oilseeds production. As a result of the various efforts undertaken by the Government, the annual average production of oilseeds during the Sixth Plan increased to 114.48 lakh tonnes against 96.90 lakh tonnes during the Fifth Plan. There was corresponding improvement in productivity also. During 1984-85, a record level of production of 129.5 lakhs tonnes was achieved.

The Coconut Development Board is implementing a number of schemes for development of the coconut industry. These include extension of area under coconut, production of quality coconut seedlings, promotion of primary processing and marketing activities, promotion of coconut technology development and providing irrigation facilities for the coconut growers. The Board has made

[Shri G.S. Dhillon]

efforts to introduce coconut in non-traditional areas such as in the Eastern States. There is quite a good success in that.

The coconut production has registered significant increase in recent years. Against 5807.9 million nuts during 1983-84, the production rose to 6620 million nuts in 1985-86.

In case of oilseeds crops, support prices have been fixed for groundnut, mustard, soyabean, sunflower, toria and safflower. The need for providing incentive to the producers for adopting improved technology and maximising production is the key consideration in fixing support prices. The Price Support Scheme in respect of oilseeds is being implemented through the National Agricultural Cooperative Marketing Federation (NAFED) as the nodal agency. The support prices are a guarantee from the Government to assure the producers that prices of his produce will not be allowed to fall below the support level fixed by the Government. I think Prof. Ranga was talking about it. I think he had not noticed that we have already included in this.

13.00 hrs.

MR. CHAIRMAN : One minute—hon. Members, can we pass this Bill and then adjourn for lunch, or...

DR. G.S. DHILLON : I will be very grateful if you allow some time, because after the lunch hour.....

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) : He can speak for five minutes, Sir...

MR. CHAIRMAN : Now the Minister might speak for ten minutes more and finish.....

SHRI BAJU BAN RIYAN (Tripura East) : For this Bill, there should be quorum in the House.

DR. G.S. DHILLON : I have been Speaker here, for a long time. We do not count quorum during this hour.

SHRI AJOY BISWAS (Tripura West) : On a point of order. There is no quorum in the House.....

MR. CHAIRMAN : Mr. Minister, now that the question of quorum has been raised.....

DR. G.S. DHILLON : There is a problem for me. I have to receive the Bulgarian delegation after this. May I request you for some special consideration—because after the lunch hour, I have to go to receive the Bulgarian delegation. That is the problem. I will read only for ten minutes more, You can accommodate my request.

MR. CHAIRMAN : But the question of quorum has already been raised.....

SHRI UTTAM RATHOD (Hingoli) : No, Sir ; he is going to withdraw it.

MR. CHAIRMAN : Let the quorum bell be rung, because it has come on record that the quorum question has been raised. It cannot be withdrawn ; once it is raised, it is raised.

DR. G.S. DHILLON : Mr. Chairman, as you know, you have been in the other Lok Sabha, along with me. During lunch hour, they do not go in for quorum.

MR. CHAIRMAN : But once the quorum question is raised, I must see that there is quorum.....

The bell is being rung.....

Now there is quorum. Mr. Minister, please go on now.....

DR. G.S. DHILLON : Thank you, Sir.

I would like to point out that the oilseeds market since last season has been experiencing an upward trend, with the present prices ruling much above the support level. For example, the price of

rapeseed/mustard is rulling around Rs. 600/- per quintal, as against the support price of Rs. 415/- per quintal. Similarly, the price of safflower seed is being currently quoted at around Rs. 500-525 per quintal, as against the support price of Rs. 415/- per quintal. This is a very good incentive to farmers.

As regards coconut, Government has taken a decision to help the coconut growers in case of any undue fall in the price of coconut through market intervention. The Market Intervention Scheme is also implemented by NAFED as the Central nodal agency, and the State-designated agencies. Such market intervention has been instrumental in stabilizing the prices. It is not true that the price of coconut has been showing a declining trend. During the current agricultural year also, prices have tended to rule firm in all important markets. In fact, there has been a rise in prices; in February 1987, as compared with the prices during July 1986.

Government has also decided, in principle, to announce the minimum support price for coconut—this was mentioned by Prof. Ranga—and copra on a regular basis, as in the case of major agricultural commodities. The modalities in this regard are being work out.

Some Hon'ble Members have also mentioned that import of coconut oil has adversely affected the growers. I would like to clarify that is not proposed to import coconut oil in the near future on a regular basis.

In the cases of cotton, as the Members are aware, the Government has announced a further increase in the minimum support prices for raw cotton for the 1987-88 season at a higher level. This I did just the other day. The Cotton Corporation of India is responsible for procurment of cotton from the farmers when the price falls below the minimum support price.

Mention has also been made about the attack of white fly in the Andhra Pradesh.

The ICAR has evolved a suitable package or practices in consultation with the State Agricultural University and the State Govt. Appropriate action in the matter including publicity of remedial measures and visits by the scientists to the affected areas, is being taken by the State Government.

I may assure the House that the Govt. is keeping a close watch over the price situation and every step will be taken to provide adequate incentives to the procedures to encourage them to adopt improved technology and increase the production of cotton, coconut and oil-seeds.

As I have said earlier, intead of mentioning this Bill as 1986 Bill, we will mentioned this as 1987 Bill. A notice has already been given by me regarding my amendment.

MR. CHAIRMAN : The question is :

“That the Bill further to amend the Produce Cess Act, 1966 and the Coconut Development Board Act, 1979 and to repeal the Copra Cess Act, 1979 and the Vegetable oil Cess Act, 1983 be taken into consideration.

*The motion was adopted.*

MR. CHAIRMAN : The House shall now take up clause-by-clause consideration of the Bill.

There are no amendments to Clauses 2 to 12. I put them together to the vote of the House. The question is :

“That Clauses 2 to 12 stand part of the Bill.”

*The motion was adopted.*

Clauses 2 to 12 were added to the Bill.

*Clause 13—(Collection and Payment Arrears of Duties of Excise)*

SHRI G.M. BANATWALLA (Ponnani) :  
I beg to move :

Page 2, —

*for Clause 13, substitute —*

“13. Notwithstanding anything contained in the amendments made to the Produce Cess Act, 1966 or the repeal of the Copra Cess Act, 1979 or the Vegetable Oils Cess Act, 1983, by this Act, any duty of excise, levied under any of the said Acts before the first day of March, 1986 but has not been collected before that date, shall be liable to be collected in accordance with the provisions of the said Acts for being paid into the Consolidated Fund of India as if this Act has not been enacted.”(3)

Since the proposal to abolish cess arises from the budget of last year, it is just and proper that no cess should be collected for 1986-87. My amendment deserves a positive response from the government and the House.

DR. G.S. DHILLON : Mr. Banatwalla mentioned about it in the main speech also. Unfortunately, I cannot please him about this. I cannot accept it not that there is nothing contained in the amendment but because as I have already told him that without proper legislation we could not go through the implementation of the announcement made by the Finance Minister.

SHRI G.M. BANATWALLA : The legislation can take effect from that date in order to keep the sanctity of the budget of the last year.

DR. G.S. DHILLON : No, Bantawala-ji. You went to the High Court; you went to many places. They denied you full benefit of that because there was no legislation at that time. Now, after this legislation, we can only provide that after the enforcement, whatever consequences follow you will have to stand by them. I cannot accept your amendment.

SHRI G.M. BANATWALLA : Mr. Chairman. Even you are not being satisfied being a lawyer.

MR. CHAIRMAN : Do you want to withdraw it ?

SHRI G.M. BANATWALLA : I want to press for it.

MR. CHAIRMAN : Now I shall put amendment no. 3 to clause 13 moved by Shri G.M. Banatwalla to the vote of the House.

*Amendment No. 3 was put and negatived.*

MR. CHAIRMAN : The question is :

“That clause 13 stand part of the Bill.”

*The motion was adopted.*

*Clause 13 was added to the Bill.*

*Clause 1—(Short title)*

MR. CHAIRMAN : For Clause 1 there is an amendment by the Government.

*Amendment made :*

Page 1, line 6, —

*for “1986” substitute “1987” (2)*

(DR. G.S. DHILLON)

MR. CHAIRMAN : The question is :

“That Clause 1, as amended, stand part of the Bill.”

*The motion was adopted.*

*Clause 1, as amended, was added to the Bill.*

*Enacting Formula*

MR. CHAIRMAN : There is an amendment to the Enacting Formula also.

*Amendment made :*

Page 1, line 1, —

*for “Thirty-seventh” substitute “Thirty-eight” (1)*

(DR. G.S. DHILLON)

MR. CHAIRMAN : The question is :

“That the Enacting Formula, as amended, stand part of the Bill.”

*The motion was adopted.*

*The Enacting Formula, as amended, was added to the Bill.*

*The Title was added to the Bill.*

DR. G.S. DHILLON : Sir, I beg to move :

"That the Bill, as amended, be passed."

MR. CHAIRMAN : The question is :

"That the Bill, as amended, be passed".

*The motion was adopted.*

13.11 hrs.

*The Lok Sabha adjourned for Lunch till ten minutes past Fourteen of the Clock.*

*The Lok Sabha re-assembled after Lunch at Twenty Four Minutes past Fourteen of the Clock*

[MR. DEPUTY SPEAKER *in the Chair*]

#### MERCHANT SHIPPING (SECOND AMENDMENT) BILL, 1986

[*English*]

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : I beg to move :

"That the Bill further to amend the Merchant Shipping Act, 1958, be taken into consideration."

The Merchant Shipping (Amendment) Bill, 1987 seeks to revise the provisions of Part VI of the Merchant Shipping Act, 1958.

This part prescribes *inter-alia* the manning scales for Indian ships and fishing vessels for Navigating officers and Engineering officers, the various grades of certificates of competency that should be granted after conducting examinations. The present provisions are based on generally accepted international practices. However, International community has recognised that safety of life at sea, safety of ship itself and protection of marine environment can be ensured through accepted standards of construction of

ships, inspection, survey, provision of life saving appliances on board ships, prevention of discharge of oil by ships into sea, etc. also can be achieved by better training of persons working on board. It was recognised that a large number of maritime accidents were caused by human error. With improved training and certification standards accepted internationally and implemented, the human element on board ships will be much better equipped to avoid maritime casualties and ensure safety at sea and protection of marine environment.

With this objective in view at the IMO Conference held in 1978, the International Convention on the Standards of Training Certification and Watchkeeping for Seafarers was adopted. This Convention lays down mandatory minimum standards for the certification of masters, mates, engineers, radio officers, etc. It further prescribes the syllabi for the examination of various officers before certificate of competency can be granted and prescribes various training courses in relation to first aid, radar, fire fighting, medical aid, survival at sea, tanker safety, radio telephony, etc. which are designed to improve the skills of maritime personnel on board ships.

India became a party to this convention in November, 1984 and consequently this Bill seeks to implement the provisions of the Convention by revising Part VI of the Merchant Shipping Act. Opportunity is also being taken to revise the provisions about manning and certification of officers of fishing vessels in conformity with the international practice.

One important feature of the Bill is that while the present provisions of Part VI are applicable only to Indian registered ships, the revised provisions are also sought to be enforced on foreign flag ships when they call at Indian ports. This extension to foreign flag ships is essential because the Convention requires contracting States (and India is a contracting State having accepted the Convention) to ensure that even foreign flag ships while in their ports, are manned and certificated accord-