

Mr. Speaker: Before the enquiry, can we say whether anyone is responsible?

Shri Priya Gupta: In the other one hon. the Deputy Railway Minister just now said there was a preliminary enquiry and that the railwaymen were at fault.

Shri Shahnawaz Khan: These will be known after the enquiry has been held.

Mr. Speaker: Has there been any preliminary enquiry?

Shri Shahnawaz Khan: No, Sir. (*Interruption*).

Shri Priya Gupta: Because of compensation cases.

Mr. Speaker: Order, order.

12.21 hrs.

CONSTITUTION (SIXTEENTH
AMENDMENT) BILL*

The Minister of Law (Shri A. K. Sen): I beg to move for leave to introduce a Bill further to amend the Constitution of India.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

Shri A. K. Sen: I introduce the Bill.

12.21½ hrs.

INDIAN TARIFF (SECOND
AMENDMENT) BILL

The Minister of International Trade in the Ministry of Commerce and

Industry (Shri Manubhai Shah): I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1934 be taken into consideration".

This Bill provides for automatic levy of countervailing duty on imported articles where an excise duty is leviable on similar articles produced indigenously. Every time the Finance Bill came before Parliament there were scores of items on which adjustments had to be made under the Indian Tariff Act and the Indian Customs Act, and this became a very lengthy and cumbersome procedure. Therefore, this Bill seems to simplify the procedure and make the levying automatic. The Bill also provides for the applying of the normal rates of duty to certain items on which the duties were originally reduced due to commitments under the General Agreement on Tariffs and Trade (GATT) but where such commitments no longer exist. As liberalised trade policies are being followed now, as the General Agreement on Tariffs and Trade is getting more liberalised and items on which restrictions used to prevail are being deleted, this Bill seeks to amend the Indian Tariff Act to remove those items which are redundant now as far as the Indian export and import policies are concerned.

The Bill also provides for the amendment of articles falling under different items in the first schedule in order to make the tariff more specific and rational by providing component parts of various articles being assessed under the same items as the articles themselves, and also for the deletion of item No. 77(1) I.C.T. from the first schedule relating to instruments, apparatus and appliances imported by a passenger as part of his personal baggage for provision in the Personal Baggage Rules.

*Published in the Gazette of India, Extraordinary Part II, Section 2, dated 21-1-1963.

When an excise duty is imposed on any article produced indigenously, it has been the practice in recent years to levy a countervailing duty equal to the excise duty, on like articles imported from abroad. Other similar duties also are subject to countervailing customs duty. These are necessary to ensure that the indigenous manufacturer is not placed at a disadvantage compared to the imported product. Such duties are imposed by making suitable amendments in the relevant entries to the first schedule or by adding new entries in that schedule. This tended to make the entire Tariff Act very flabby and a number of items had to be included from year to year. Different formulae have been adopted from time to time in altering the first schedule to achieve the purpose.

I will give an example. The rates of duty against item No. 60(2) and 73(21) for electric lighting bulbs, not otherwise specified and electric motors, all sorts and parts thereof, are entered as "the excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates the highest duty and the duty so leviable shall be in addition to the duty which would have been levied if this entry had not been inserted." This makes the whole Act very complicated and very difficult for the normal businessmen or the customs authority to interpret correctly. This method of levying countervailing duties by altering the first schedule was feasible so long as the articles on which the countervailing duty is leviable are fairly small in number. But, with the expanding industrialisation of India and its foreign trade, numerous commodities are entering into the bilateral parts and import and export schedules of the country. However, with the levy of central excise duties also, there are so many new items which are being added into the Finance Bill from year to year. Therefore, a large number of entries have had to

be amended or added to the first schedule and this schedule is now burdened with frequent repetition of the formula for countervailing duty against several entries. In the House also, this matter has been commented upon and hon. Members have urged for a simplification.

Mr. Speaker: Illicit talking must be subdued more!

Shri Manubhai Shah: The present method has just resulted in making the tariff schedule unnecessarily lengthy, complex and inelegant. With a view to avoiding frequent repetition of the formula for countervailing duty in the First Schedule and the possible confusion arising from the adoption of the present method, it is proposed to simplify the procedure for levy of countervailing duty by inserting a new section in the body of the Indian Tariff Act itself to provide that, if any excise duty is leviable on any article produced indigenously, a countervailing duty, equal to such excise duty, shall be levied on similar imported articles. Consequent upon such a general provision in the body of the Act, the relevant entries in the First Schedule referring to the levy of countervailing duty are proposed to be suitably amended, or, as the case may be, omitted. The articles which are at present not subject to countervailing duty will be exempted from levy of such duties by notification and the position reviewed from time to time.

Regarding some General Agreement on Tariff and Trade items, nine items were introduced in the First Schedule to the Indian Tariff Act by the Indian Tariff (Amendment) Act, 1949, in order to give effect to the tariff concessions negotiated under the GATT by India with KMT China, the Philippines and Colombia. China was already a party to GATT and negotiations with Philippines and Colombia were made on the assumption that they would become parties thereto. KMT China since ceased to be a party to the GATT while

[Shri Manubhai Shah]

Colombia and the Philippines did not become parties thereto as was assumed. There is thus no longer any obligation on India to continue the concessional rates of duty on the articles covered by the nine items in respect of which concessions were negotiated with these countries. Accordingly notice was given by India under article XXVII of the GATT in February 1961 of her intention to withdraw these concessions. These concessions had not been negotiated with any other GATT country and no GATT country had requested consultations with India in the matter. India is, therefore, now free to withdraw the concessions and change the rates of duty in respect of the articles in question in the light of developmental and revenue considerations. After examination it has been decided that a revision of duty is necessary only in respect of items Nos. 15(11), 28(25), 52(4), 53(2) and 55(2). The Bill, therefore, provides for deletion of the above mentioned items from the First Schedule to the Indian Tariff Act, and the articles covered by them will be classified under the general items to which they originally belonged and will be subject to the duty currently applicable to those general items.

Coming to the provision for assessment of parts of certain articles, some of the items in the First Schedule to the Indian Tariff Act refer to certain articles and parts thereof, whereby the "whole" article as well as parts thereof are dutiable at the same rate. This is also an anomaly of the old imperialist regime when the Government policies were moved for importing finished products from abroad to the detriment of the indigenous industry. Therefore, parts were levied at the same rate as the whole product. Many of the items, however, refer only to the "whole" article and not to its "parts", with the result that sometimes it is not clear whether the parts of such articles have to be assessed to duty under the item for the whole article or under some other

item. It is, therefore, considered that as far as possible the various items which refer only to the "whole" article and not to its "parts" should be amended to provide that "whole" articles as well as the "parts" are leviable to duty under the same item. The proposed amendment would make the tariff description more precise, will protect the machine-building industry and remove doubts in regard to assessment of the parts.

Regarding item 73, the body of the Act provides for all these items and I need not take the time of the House on them. Those hon. Members who are interested may kindly see the description of this article.

I now come to the last item included in this Bill. Item 77(1) in the First Schedule to the Indian Tariff Act provides that instruments, apparatus and appliances falling within the head "Scientific and Precision Instruments and Apparatus; Watchmakers' and Clockmakers' Wares; Musical Instruments", imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling, shall be duty free.

This article has been much misused and a lot of finished instruments of this type and equipments are coming in as personal baggage. This concession is, therefore, intended to be restricted only to those articles which are specially designed for use in the exercise of the passenger's profession. Thus, the concession pertains to passenger's baggage and the other provisions regarding passengers' baggage are regulated by rules made under the Sea Customs Act, 1878. It is therefore appropriate that this concession, in its intended form, should also find a place in the baggage rules. It is accordingly proposed to delete item 77 (1) in the Tariff Schedule and to make suitable amendment to the

Baggage Rules to cover this concession.

Sir, the Bill is a simple one and the objectives of the Bill are so conducive to India's economic interest that I hope it would receive consideration by the House.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934 be taken into consideration."

Shri Prabhat Kar (Hooghly): The hon. Minister said that the Bill is non-controversial and its intention and also the effort is to simplify matters. It is all the more welcome when he says that the Bill seeks to provide an automatic levy of countervailing duty on imported articles where an excise duty is leviable on similar articles produced indigenously. But I think this Bill was long overdue in the sense that today indigenous production is not in a position to survive as a result of competition by the imported articles and it is essential that this should be done to help indigenous production. From that angle these things are all welcome. When he also says that there are certain commitments which were made under the GATT and they are not at all necessary now, it is welcome that they are being eliminated now.

He also mentioned about the amendment of the baggage rules. When certain scientific instruments, watches etc., were brought by passengers saying that they were for personal use they were all exempted. I do not know exactly what type of restrictions are being imposed now. But I welcome this in the sense that this is one of the ways in which various goods are being brought to this country duty-free saying that they are personal baggages of the passengers. I welcome this change. But I would only like to know, so far as the general tariff policy is concerned, what further safeguards Government pro-

pose to give to the indigenous production.

So far as engineering goods are concerned, we know that today indigenous production of engineering articles is facing various difficulties including supply of raw materials and also excise duty. As a result thereof they are not in a position to make the progress that they could have done. I would therefore like to know from the Government, apart from bringing all these things at par with the imported articles, what further steps they propose to take in this direction.

So far as the Bill is concerned, the Minister said that it was meant to simplify matters. I do not know how far it is going to simplify matters because the Bill itself is very difficult to understand. The Minister was referring to 72(iv) and others. I do not know how many of us were in a position to know exactly which particular item he was referring to. Ordinary men doing small business always find it very difficult to know which of the finished products that they go and buy come under the ambit of the Tariff Regulation.

12.34 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

An attempt has been made, as the hon. Minister said, to simplify matters, but I cannot say whether it has been so simplified.

Shri Manubhai Shah: They are given in the Bill itself.

Shri Prabhat Kar: An attempt has been made to simplify, and I wish further simplification is made, if possible, so that even ordinary persons who produce these indigenous articles may be able to know exactly what items, what all ingredients which they will be using, will fall under the ambit of the Tariff Regulations.

[Shri Prabhat Kar]

With these words, Sir, I welcome these changes.

Shri Narendrasingh Mahida (Anand): Mr. Deputy-Speaker, Sir, this amending Bill was long over due and I am glad that the hon. Minister has brought it during this session. Indian tariff was neglected during the British regime and there is still a lot of room for improvement in the tariff regulations. Slowly and slowly we learn things and we are making improvements in our tariff regulations.

Dr. M. S. Aney (Nagpur): What is the rate at which improvement is being made?

Shri Narendrasingh Mahida: There are certain suggestions which I would like to make to the hon. Minister. One is in connection with personal baggages of persons coming from abroad, whether Indians or foreigners. Articles like cameras and typewriters which are mentioned as strictly for personal use, are sometimes sold in the market. There is a tendency on the part of the travellers coming from abroad to bring these articles as personal baggage and later sell them off in the market at a high bargain rate. I think we can have some restrictions as in the case of motor cars. People importing cars—just now it is completely prohibited—are not allowed to sell them for about two years without the permission of the Government or without informing the Government. Likewise, I would like to suggest to the hon. Minister that in genuine cases where people bring typewriters for their own personal use some sort of a guarantee or some sort of a commitment may be taken from them so that they may not sell off these personal goods for some time. These are very ordinary measures which require attention.

I am glad that Indian-made goods are also included in the Tariff Schedule, particularly goods produced or manufactured in India. But I would like one clarification. What is the posi-

tion when the very same goods sent from India to foreign countries are being brought back. For instance, cycles are sent from India to Iraq. Supposing those cycles are brought back by Iraqis or Indian citizens staying in Iraq, what happens? There are goods like furniture of wicker-work or bamboo etc. which are given incentive for export and other small articles. I do not want to take them up in detail.

In short, I welcome this measure and request the Minister to tighten up the restrictions in the case of articles like cigarette lighters, watches etc., which are easily brought into our country and sold in the market. Also, there are very many articles which are not at all necessary to be imported into India. I would request the Minister, in consultation with the Finance Minister, to impose stricter measures in respect of these luxury goods which are not at present required at all in our country and which should not be brought here.

With these words, Sir, I welcome this Bill.

Shri Sham Lal Saraf (Jammu and Kashmir): Sir, while supporting this Bill I want to make a few observations which come up in my mind when I see the Bill as a whole.

Firstly, this clearly reflects the gradual, steady and speedy progress in certain respects that we are making within the country as far as indigenous products are concerned, because looking to the explanations that have been given section after section one feels, one is very much satisfied to find, that the progress made is something really very good. I welcome it and I congratulate the Ministry for giving this account on the working of the Ministry.

In spite of that progress that we are maintaining within the country, all the same, we still continue to

import a number of items from other countries in the world which shows that the consumption within the country is increasing. Because of that the general economic condition of the people is becoming better and better. That is also an aspect of the progress that the country is making today.

Coming to the other aspects of this Bill, I am very happy to find that the Government, and more particularly the Ministry of Commerce and Industry, are very alive to the fact as to what protection is necessary to be given to different industries at different levels from time to time. I have been observing for the last few months I have been here in the Parliament that they are losing no time in coming to this House to get themselves armed in order to widen the scope of protection to the indigenous industry that is so necessary and very much needed in the country.

I am also happy that another avenue has been found for augmenting our revenues. Also, whenever any loophole is found anywhere, it is being plugged, as is being done in the present case. With regard to the import of certain articles or commodities we were simply levying excise duty that is already recommended by the Tariff Commission in the past. At the same time, when we compare them with such of the indigenous goods or articles that are manufactured within the country and are subject to excise duty, we find that levy of excise duty on imported goods becomes a necessity. I am very happy to find this point has also been brought out clearly and is being looked into, as also the question of augmenting the revenues, so far as excise duty is concerned.

My hon. friend referred to personal baggage. It is an open secret that a number of people, even influential people, import costly articles as personal baggage and make the exchequer suffer much. I am happy that Government have been prompt in

getting that stopped. We should permit the import of only that which is necessary and not valuable articles under cover of personal baggage which will make us suffer losing of income that would otherwise accrue to the exchequer as customs duty.

Then, as the hon. Minister has explained in great detail, we have agreements with certain countries with regard to imports and exports and Government have found that they have not been able to fulfil their part of the agreement. So, they have withdrawn concessions given under such agreements. I am happy this has been done, thereby helping the augmenting of our revenues. Reduction of duty on imports of spare parts is a welcome step and long over due.

I find that tools is one of the items on which you are levying tax or customs duty. We are not as yet near self-sufficiency with regard to tools of different varieties and we need a lot of tools for bring up our industry as a whole at all levels. I hope the hon. Minister will tell us in his reply that he has been very careful in seeing that such tools have not been subjected to customs duty as may be needed very badly for our industries in the country, right from the handicrafts industry and village industries up to small-scale, medium-scale and large-scale industries and in particular tools for mechanical and machine tool industries.

Shri Prabhat Kar made a reference to the simplification of the customs and income-tax laws and the rules made thereunder. My experience so far has been that the laws and rules made thereunder are so complicated that it becomes very difficult for ordinary people to follow the implications of the various provisions. I would say that not only this law but all the laws and the rules made thereunder should be simple to the extent it is possible so that the common man can follow them and derive benefit out of them.

After making these few observations, I want to say that I am happy in

[Shri Sham Lal Saraf]

that the Ministry, as usual, have taken prompt action in coming before the House with a Bill of this kind. So, I am happy to give my support to this Bill. In the end, I would again request the hon. Minister to see that all tools are not subjected to customs duty without carefully seeing whether their import is really and badly necessary in the interest of the development of this country.

श्री बिशु चन्द्र सेठ (एटा): उपाध्यक्ष महोदय, इस बिल के सम्बन्ध में सबसे पहले यह निवेदन करना चाहता हूँ कि मैं इस का स्वागत करना हूँ कारण कि हमारे देश में प्रोडक्शन को एनकरेज करना बहुत महत्वपूर्ण आवश्यकता है।

परन्तु मैं एक विशेष बात की ओर आदरणीय मिनिस्टर महोदय का ध्यान दिलाना चाहता हूँ। बहुत सी चीजें जो कि देश में बन सकती हैं वे भी आज बाहर से आती हैं। हम कागजों में और अड्डारों में तो ऐसी बहुत सी चीजें छाने देखते हैं कि जिनसे पत्ता चलता है कि गवर्नमेंट इन चीजों का देश में बनना एनकरेज करना चाहती है। लेकिन जब आप प्रेक्टिकल फोल्ड में जाएं तो प्रतीत होता है कि गवर्नमेंट इन चीजों की तरफ से उदासीन है। मैं आदरणीय मिनिस्टर महोदय का ध्यान इस तरफ दिलाना चाहता हूँ कि बहुत सी ऐसी चीजें हैं जो कि देश में बन सकती हैं मगर वे विरनों से आ रही हैं। इस तरफ सरकार का ध्यान नहीं जाता कि उन चीजों को देश में बनाने के लिए लोगों को कैसे एनकरेज किया जाए।

अन्य कई मित्रों ने कहा है कि कई चीजें जो यहाँ बन सकती हैं आज बाहर से आ रही हैं। मैं सरकार को बताना चाहता हूँ कि आज लोगों के अन्दर एक

भावना है कि जहाँ तक हमारी तिजारत का सम्बन्ध है हम किसी भी देश पर निर्भर न रहें। लेकिन खेद है कि बहुत सी चीजें जो कि देश में बनायी जा सकती हैं उनको एनकरेजमेंट नहीं मिलता, जैसा कि कागजों में छापा जाता है। अगर आप कागजों में देखें तो आपको मालूम होगा कि इस दिशा में बड़ा काम हो रहा है, लेकिन अगर आप वास्तव में जाकर देखें तो विभागों के अधिकारियों को पता नहीं और हर प्रदन एक विभाग से दूसरे विभाग को जानकारी के लिए भेजा जाता है। इसीलिये मैं मंत्री महोदय का ध्यान इस तरफ दिलाना चाहता हूँ कि उनको आवश्यक कदम उठाना चाहिए। इस बिल के मूल में जो भावना है उसका मैं स्वागत करता हूँ।

आज अवस्था यह है कि जो चीजें देश में बन सकती हैं वे विलयत से आ रही हैं। आपके पास ऐसा विभाग होना चाहिए जो यह देखे कि जिन चीजों को बनाने के लिए कच्चा माल हमारे देश में उपलब्ध है उनको यहाँ बनाने के लिए एनकरेजमेंट दिया जाए और जो थोड़ी सी चीजें बाहर से मंगाना आवश्यक हों उनको मंगाने उन चीजों का उत्पादन देश के अन्दर ही कराया जाए।

इन शब्दों के साथ, और इस भावना को मंत्री महोदय के सामने रखते हुए मैं इस बिल को स्वागत करता हूँ।

Shri Sonavane (Pandharpur): Mr. Deputy-Speaker, Sir, I would like to make a few general observations on this Bill. I am always of the opinion that whenever any Tariff Amendment Bill comes before the House the interest of the Indian consumer is not protected as regards the quality and price of the indigenous goods. In the name of protection and providing shelter to our indigenous goods we do

give our consent to such tariffs but, at the same time, I have a feeling, as a consumer of our indigenous goods that the quality of our goods has not at all improved so far. The protection given to such indigenous products is equal to the excise duty levied in the country plus the differential and the quality of such goods should have been equal to that of the goods of foreign make of the best quality. Though we are giving to the indigenous products equal value or price, the quality is not of that standard. I think, our able Minister has not paid equal attention to this aspect of the question of the quality of the product and the price. Both these aspects hit the Indian consumer to a very great extent.

Take for instance the parts of stoves that are manufactured in India. We protect their manufacture but they are so bad that they do not last even for three or six months. We have to pay a heavy price for all these spare parts for stoves. That is one instance; but there are so many others, machine parts etc. manufactured by our factories indigenously the quality of which is not up to the mark and the Indian people have to pay more for goods which are not of a good standard. Therefore when any protection is to be given, this aspect has got to be put before the Tariff Commission which goes into the cases of protection, *ad valorem* or otherwise. I feel that the consumer should not be hit, the quality products should be encouraged and the prices of the indigenously produced goods should be lower than that of imported goods of the same type. I hope, our hon. Minister, will pay more attention to this and will impress it upon the Indian Tariff Commission whenever they assess or go into the question of levying duties on goods that are to be protected.

With these words, I welcome the Bill.

श्री बड़े (खारगोन): उपाध्यक्ष महोदय, इंडियन टैरिफ (सेकेंड अमैंडमेंट) बिल जो सदन में लाया गया है उसका मैं

स्वागत करता हूँ लेकिन साथ ही साथ मेरी मिनिस्टर महोदय से विनती है और यही पहले जब एक अमैंडमेंट बिल आया था तब भी मैंने निवेदन किया था। टैरिफ बोल्स इसलिए रखी जाती हैं ताकि अपनी इंडस्ट्रीज को प्रोटेक्शन दिया जा सके और मंशा यह रहती है कि इम्पोर्टेड गुड्स हमारी चाइल्ड इंडस्ट्रीज के गुड्स से कम्पीट न कर सकें। मैंने पहले भी इसी हालत में कहा था कि हालांकि बोल बियरिंग्स की इंडस्ट्री को हमने १० साल का प्रोटेक्शन दिया लेकिन तो भी हमारी इंडस्ट्री अच्छे किस्म की बोल बियरिंग्स तैयार नहीं कर सकी और किलोसकर कम्पनी ने उसके खिलाफ शिकायत की थी कि यहां की बनी बोल बियरिंग्स काव.ज करती हैं और गरम हो जाती हैं। उनके उत्पादन में कुछ सुधार नहीं हुआ है।

इसी प्रकार से इलेक्ट्रिक स्विचज के बारे में भी मैंने देखा है कि वहां के वन इलेक्ट्रिक स्विचज और इम्पोर्टेड वंस में बहुत फर्क रहता है। इसके सम्बन्ध में शासन को लक्ष्य रखना चाहिए कि यहां की बनी चीजें अच्छी हों और वे इम्पोर्टेड गुड्स से कम्पीट कर सकें। टैरिफ बोल्स देश की नई इंडस्ट्रीज को प्रोटेक्शन देने के लिए इस्टैबलिश की जाती हैं और यह ठीक भी है कि हमारी देशी इंडस्ट्रीज और नये खुलने वाले कारखानों को सरकार प्रोत्साहन दे लेकिन उसके साथ ही इस बात की भी सरकार को निगरानी रखनी चाहिए कि वे अच्छा माल तैयार करें और ऐसा न हो कि कंज्यूमर्स देशी माल न लेकर इम्पोर्टेड चीजें लेना ही पसन्द करें। देखा यह जाता है कि इम्पोर्टेड गुड्स हालांकि टैक्स की वजह से महंगे पड़ते हैं लेकिन तो भी लोग उन्हीं को लेना पसन्द करते हैं। अब कुछ चीजें ऐसी हैं जैसे कि रिस्ट वाचेज के पुर्जे

[श्री बड़े]

बगैरह उनको इम्पोर्ट करना ही पड़ता है, यहां उनका उत्पादन नहीं हो सकता है। उनके लिए यहां एस्साइज ड्यूटी और इम्पोर्ट ड्यूटी लगाई जाती है। देश में सुईंग मशीन और रिस्ट वाचेज के लिए सरकार ने नये कारखाने स्थापित किये हैं लेकिन जैसा मैंने बतलाया हालांकि इम्पोर्टेड चीजें मंहगी पड़ती हैं तो भी लोग देश में बनी चीजों के मुबाबले बहर की चीजों को लेना पसन्द करते हैं क्योंकि वह अच्छी बनी होती है। यहां के बने बौल बियरिंग गंस और इलेक्ट्रिक स्विचेज को यहां के लोग लेना पसन्द नहीं करते। मैंने इन और मंत्री महोदय का ध्यान भी आकर्षित किया था। मैं चाहूंगा कि शासन इधर ध्यान दे और इस बात को देखे कि इंडस्ट्रीज जो अनुचित फायदा उठाती हैं वे न उठा सकें और अच्छी क्वालिटी का सामान बनायें ताकि कंजूमर्स देश में बनी वस्तुओं को लें। आज उपभोक्ताओं को जो ज्यादा मंहगी चीजें मिलती हैं उसके बारे में भी सरकार ध्यान दे और अच्छी चीजें मुतासिब दाम पर उपभोक्ताओं को मुलभ कराने की समुचित व्यवस्था करे। आज कारखानेदार केवल प्राफिट की तरफ देखते हैं और प्रोडक्शन ठीक होता है या नहीं होता है उसकी तरफ ध्यान नहीं देते हैं जिसके कि कारण क्वालिटी सफर करती है। प्रशासनिक कर्मचारी जिन पर कि इस काम की देखरेख करने की जिम्मेदारी है वे अपना कर्तव्य ठीक से नहीं निभाते हैं और देखा यह जाता है कि जहां उनकी पान, सुपारी आदि से अच्छी खातिर हो जाती है वहीं के लिए वे रैकमंड कर देते हैं कि इस इंडस्ट्री को टैरिफ प्रोटेक्शन मिलना चाहिए या उनका समय बढ़ना चाहिये। मंत्री महोदय को इन बातों की तरफ ध्यान देना चाहिए।

जहां तक इस बिल के उद्देश्यों का सम्बन्ध है वे अच्छे हैं। बिल में थोड़ी सी क्लेरिफिकल मिस्टेक है। पेज २ पर एमनडमेंट श्री क फल्ट शैड्यूल के नम्बर ६ में जहां

wherever they occur shall be committed लिखा है तो कमिटड के स्थान पर ओमितड होना चाहिए। इतनी ही क्लेरिफिकल मिस्टेक है और यह जो प्रिंटर्स डवल है इसे दुस्त होना चाहिए। बाकी जहां तक इस बिल के उद्देश्यों का ताल्लुक है वे सराहनीय और स्वागतयोग्य हैं और इस से यहां के देशी कारखानों को इनकरेजमेंट मिलेगा। मैं उनका समर्थन करता हूं।

इसके साथ ही मैं फिर कहना चाहता हूं कि शासन को इन और देखना चाहिए कि यहां के कारखानेदार अच्छी क्वालिटी की और रीजनेबुल रेट पर चीजें बनाते हैं या नहीं क्योंकि ऐसा होने से ही उपभोक्ता इम्पोर्टेड चीजें न लेकर देशी चीजें लेंगे और इसके लिए उनको ज्यादा कीमत देने की जरूरत नहीं पड़ेगी। इन चंद शब्दों के साथ मैं इस बिल का स्वागत व समर्थन करता हूं।

Shri T. Abdul Wahid (Vellore): Sir, while welcoming this Bill I want to make some suggestions regarding the Baggage Rules. Only about four days ago, on the 16th of this month, I had some three Japanese business friends of mine who had come here to buy hides and skins. They reported to me that the most difficult customs in the world that they had experienced was the Indian customs. I protested and they repeated that. They said that even during their previous travels they had found that the Indian customs and the Colombo customs were the most difficult customs in the world and that nowhere had they had any kind of difficulty.

I also experienced the same thing. Only on the 16th of last month, I returned from a round-the-world tour and I had absolutely no trouble anywhere. Everywhere the customs asked me whether I had any things to declare and when I simply said, "No", they treated me very, very nicely. Of course, even in India I have had no trouble; I have no complaints. But I feel that the treatment given to foreigners is a bit more strict and this does not encourage tourism and visits here of business people etc. Sometimes business people bring some presents to be given to their friends. They may be small, petty things. Why should we be so strict over these things? Why not we treat these people in the same way as we are treated in foreign countries? That will encourage tourism and will also encourage business people to come here.

This is a small suggestion that I am making and I hope the hon. Minister will kindly issue instructions to see that these people, when they come, are not treated very strictly as is done now.

13 hrs.

Shri Manubhai Shah: I am grateful to hon. Members that even though a Bill of a routine nature has been before the House, they have all heartily welcomed the introduction of this Bill and the attempts of Government to simplify the procedures.

Shri Narendra Singh Mahida referred to the question of various items like cameras, typewriters, tape-recorders etc. being imported as personal baggages of passengers who come to India, both Indian and foreign. In this connection, there has been quite a good amount of relaxation for some time, and the net result was that there was so much misuse of this facility that, as he rightly pointed out, many articles which had a purely indigenous angle, and in regard to which we had very severe import restrictions were being brought in as personal effects. Therefore, from time to time, we had to tighten up the

rules, and this is a further attempt to see that even the professional people are also brought under the discipline so that in the name of personal effects required for their own professions like the medical, chemical, engineering or any other specialised expertise they do not bring in other things. For instance, a motor car could never be interpreted as a personal effect, nor can a camera be interpreted in that way. The difference between the price of such imported articles in the country and their international price is so high that it has led to a great drain of foreign exchange when these articles were sold particularly by tourists from abroad. Therefore, there has been an attempt to restrict such importation, and to clarify the position. As regards the interpretation of the customs rules, to which my hon. friend Shri Abdul Waheed has rightly drawn attention, unless the rules are very specific it becomes difficult. It is not a mere matter of the treatment of an individual or a foreign visitor here but the very interpretation of the rules which sometimes causes trouble.

Shri Narendra Singh Mahida: May I seek a clarification? Supposing a person who brings these foreign goods into India gives a guarantee not to re-sell it for four or five or even ten years, the rules may be relaxed in that case.

Shri Manubhai Shah: There also I would say that a mere moratorium on re-sale under the tariff rules is not an adequate protection for the large influx, because the number of passengers, if my hon. friend would look into the list of the visitors, both Indians and foreigners who come to this country, is colossal, and in some cases, the personal effects could be spread over to those items of consumer goods which will be sometimes equivalent to the entire national production, and, therefore, even a moratorium on re-sale is not an adequate guarantee against the detrimental effect that these foreign articles would have on indigenous growth, and yet we have been very careful to see that the pro-

[Shri Manubhai Shah]

fessions are protected in their entirety as far as the requirements for the professions are concerned. Therefore, the further clarification has been there.

But the main purpose and objective of this Bill has been slightly misunderstood by my hon. friend Shri Bade who spoke also on a Bill to amend the Indian Tariff Act which I brought forward during the last session. That Bill was more concerned with the real work of the Tariff Commission, namely to grant protection to industries which deserved protection against foreign articles of a similar nature, or to deprotect such industries as have come to strength and as need no more protection against such foreign competition.

The purpose of the present Bill is not, as Shri Sonavane pointed out and as Shri Bade reinforced it, regarding any quality rise or efficiency of the Indian products, but since the matter has been raised in the House, I would like to say, and repeat in the manner in which I have been doing in this House several times before, that by and large the quality of the Indian products is not inferior to that of their counterparts in the world. I am saying this not because I speak on behalf of Government or as an Indian national who is proud of his own products, but because of some very deep technological knowledge of these products, and, therefore, I would say that most of the modern technology that we have established in this country can claim to have produced articles of international quality. Our cycles, of course, having regard to the

Shri Sonavane: I was referring to certain specific instances; I was not speaking generally on the quality of the Indian products. But there are certain goods produced, which are protected, but which have not come up to the standard. For instance, I mentioned the case of spare parts of stoves. I quite agree that good quality products are produced in India, but

there are certain items on which the consumer has to pay more.

Shri Manubhai Shah: I do not deny for a moment the existence of a few black-sheep here and there, but I must re-emphasise that by and large the quality of our products is good. I am not generalising merely because I speak on behalf of Government, but because I have a little knowledge of products to products, which run to tens of thousands, spare parts ancillaries, auxiliaries and various other types of stores which are made today in India and which are gradually also seeking the world markets on an international plane. What I want to urge is that the Tariff Commission has always been charged with, and repeated references are there in the Tariff Commission's report—about, the maintenance of the quality of the Indian products according to the Indian Standards and to the establishment of testing norms which can withstand international measurements: I am glad to say that during the current year, I shall have another occasion to come forward before the House to with what might be called the Quality Control and Pre-shipment Inspection Bill, which from this current year is going to bring within its orbit practically a very vast gamut of Indian products under compulsory quality control and testing methods, and it may be that within five years, most of the Indian products practically that will play their part in national economy or in foreign trade will have been brought under the strictest possible international standards of quality control and pre-shipment inspection. But that is beside the point. Only because hon. Members had raised it here, I made a passing reference to it.

My hon. friend Shri Sham Lal Saraf is not here, but I would like to assure him that we are very careful to see that all these simplifications are brought about as early as possible. This very Bill which looks to be only a four-page Bill is going to reduce the volume of the Indian tariffs by nearly

50 per cent. In a book which runs into hundreds of pages—because the products which enter into foreign trade are so numerous—may be reduced to half in terms of volumetric dimensions; in fact, even entries and columns will all be abolished, as soon as this Bill receives the blessings of Parliament, because the countervailing duty and the imposts which are of a corresponding nature which render the tariff into such a complicated affair that even some of us who are deep students of the tariff policy find it impossible to interpret the imposts in a correct manner, as I have already indicated in regard to one or two items will now be simplified. I am glad that this attempt at simplification and the automatization of the imposts which comes under the Finance Bill from time to time has been generally welcomed by the House, and I hope that will be approved by the House.

Shri Narendra Singh Mahida: I wanted a further clarification about the Indian goods exported and then re-imported.

Shri Manubhai Shah: Those are very few cases. Our exports run to about Rs. 4 or 5 crores, and we have a drill by which any such case can be dealt with. My hon. friend referred, for instance, to a cycle going to Iraq and then coming back. Such examples hardly recur. But it does happen that heavy machinery is sold to a neighbouring country like Ceylon or Ethiopia or even Egypt or Iraq, and it comes back for repair of the shafts or of the particular centrifugal pump or compressor and so on, and those cases are all accorded exemption under this discipline. The drill is so simple that when a man sends an item of Indian origin for repair or proper ramification in this country, he is protected, and the drill is automatically passed, and it has not got to go through the formality of import and export control regulations, and the item is sent to the owner company or returned to the owner company after

charging whatever maintenance charges there may be.

Shri Bade: It is a question of drawback under the Customs Act.

Shri Manubhai Shah: In those cases, the drawback does not arise. The drill is what is called non-countervailing, that is, neither the import duty nor the export duty therefor is applied to this article which is of Indian origin, and which is repaired or reproduced in India for the sake of the foreign buyer and then re-exported to the destination concerned.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration".

The motion was adopted.

Mr. Deputy-Speaker: We shall now take up clause-by-clause consideration.

The question is:

"That clauses 2, 3 and 4 stand part of the Bill".

The motion was adopted.

Clauses 2, 3 and 4 were added to the Bill.

Shri Bade: The word 'committee' in line 38 at page 2 should be corrected to 'omitted'.

Shri Manubhai Shah: That is a printing mistake, and it has been corrected.

Clause 1—(Short title and commencement)

Amendments made:

Page 1, line 3, omit 'Second'. (1)

Page 1, line 4, for '1962' substitute '1963'. (2)

(Shri Manubhai Shah)

Mr. Deputy-Speaker: 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.

The Enacting Formula and the Title were added to the Bill.

Shri Manubhai Shah: I beg to move:

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

Mr. Deputy-Speaker: The question is:

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

The motion was adopted.

13.10 hrs.

REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL, 1962.

The Minister of Law (Shri A. K. Sen): Sir, I beg to move:

"That the Bill further to amend the Representation of the People Act, 1950, be taken into consideration".

Sir, it is a very formal Bill necessitated by the reorganisation of local authorities and with the passing of Panchayat Acts in the various States. The functions of all the districts boards, the local boards and others have been taken over by new authorities which have been created under the various Panchayat Acts. Under the Constitution, it would be noticed that one-third of the electorate for the Upper House seats has to come from the local authorities and we have uptill now inserted such local authorities as are recommended by the State Government's concerned. Since the reorganisation of local authorities,

after the passing of the last Act, we have received a recommendation from Madras, from Maharashtra, from Uttar Pradesh and now—it is a subject matter of amendments—we have received also requests from Andhra Pradesh and Bihar that there should be reorganisation of the schedules concerning those two States also and that is why the Deputy Minister had given notice of one amendment No. 1 and consequential amendments which would be nos. 2, 3 and 6.

Sir, I do not think it is necessary to explain the objects of the Bill as to why it is necessary to have this amendment Bill before by-elections are held to the Upper Houses in the various States. So far as Maharashtra is concerned, we are proposing that instead of the old schedule, we should have only Municipalities, Cantonment Boards, Town Committees and Zilla Parishads.

With regard to Madras, instead of having the old schedule—item (4) Class I Panchayats—we are only mentioning; Town Panchayats notified under the Madras Panchayats Act, 1958, that is to say, Panchayats having a population estimated at not less than five thousand and an annual income estimated at not less than ten thousand rupees. There is a similar provision for Andhra Pradesh for which we have tabled an amendment.

For Uttar Pradesh, after the Notified Area Committee, we are having Kshetra Samities which are the new authorities under the Panchayat Act. They are taking over the functions of the old Notified Area Committees.

With regard to Bihar, there is an amendment for which notice has been given. We are doing the same thing. After the Notified Area Committees, we are putting Zila Parishads and Panchayat Samitis which have taken over the functions of the various local authorities there.

There are two amendments tabled by the Hon. Member from Maha-