

for taking into consideration and passing of the Additional Duties of Excise (Textiles and Textile Articles) Amendment Bill, 1985 in as much as it is dependent upon the Central Excise Tariff Bill, 1985."

The Motion was Adopted.

[English]

ADDITIONAL DUTIES OF EXCISE
(TEXTILES AND TEXTILE ARTI-
CLES) AMENDMENT BILL.

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE: (SHRI JANAR-
DHANA POOJARY) : Sir, I beg to move :

"That the Bill further to amend the
Additional Duties of Excise (Textiles
and Textile Articles) Act, 1978, be taken
into consideration."

[English]

MOTION RE : SUSPENSION OF
PROVISO TO RULE 66

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI JANAR-
DHANA POOJARY) : Sir, I beg to move :

"That this House do suspend the
proviso to Rule 66 of the Rules of Pro-
cedure and Conduct of Business in Lok
Sabha in its application to the motions
for taking into consideration and passing
of the Additional Duties of Excise (Goods
of Special Importance) Amendment Bill,
1985 in as much as it is dependent upon
the Central Excise Traiff Bill, 1985."

(Interruptions)

[Translation]

MR. SPEAKER : This is not dangerous.
In case there is some, it will be stopped.

[English]

SHRI S. JAIPAL REDDY: Mr. Speaker,
Sir, I am one of those who do not like this.
It is too much.

MR. SPEAKER : That is why I have
allowed it. If it had been something contrary
to the rules, I would not have allowed them
to put one by one.

SHRI S. JAIPAL REDDY : But the
Minister should have been more alert. You
must advise the Minister to be a little more
alert. They cannot take us for granted.

MR. SPEAKER : Time is not there.
That is why they are asking.

SHRI S. JAIPAL REDDY : It was not
an unanticipated thing.

MR. SPEAKER : The question is :

"That this House do suspend the
proviso to Rule 66 of the Rules of
Procedure and Conduct of Business in
Lok Sabha in its application to the
motions for taking into consideration
and passing of the Additional Duties of
Excise (Goods of Special Importance)
Amendment Bill, 1985 in as much as it
is dependent upon the Central Excise
Tariff Bill, 1985."

[English]

The motion was adopted.

ADDITIONAL DUTIES OF EXCISE
(GOODS OF SPECIAL IMPORTANCE)
AMENDMENT BILL

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI JANAR-
DHANA POOJARY) : Sir, I beg to move :

"That the Bill further to amend the
Additional Duties of Excise (Goods of
Special Importance) Act, 1957, be taken
into consideration."

MR. SPEAKER : Now you speak.

SHRI S. JAIPAL REDDY : The whole
thing has become so mechanical, Sir.

MR. SPEAKER : What to do with the
habit ?

[Translation]

SHRI BALKAVI BAIRAGI : Mr.
Speaker, Sir, what has been done by Poo-
jaryji that your entire Secretariat is on its
toes ?

MR. SPEAKER : The means that achieve the end are the best means.

CENTRAL EXCISE TARIFF BILL ADDITIONAL DUTIES OF EXCISE (TEXTILES AND TEXTILE ARTICLES) AMENDMENT BILL

AND

ADDITIONAL DUTIES OF EXCISE (GOODS OF SPECIAL IMPORTANCE) AMENDMENT BILL

(English)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Sir, as hon. Members are aware, the Central excise duty is now levied at the rates specified in the First Schedule to the Central Excises and Salt Act, 1944. When the Central Excises and Salt Act was brought into force in 1944, the First Schedule comprised only 11 items. Since then, the number of tariff items has increased to 137. The levy, which was selective in nature, to start with, became omnibus in 1975 when the residuary tariff item No. 68 was introduced. Barring a few items like opium, alcohol etc. in regard to which the Central Government has no jurisdiction to levy excise duties, all other manufactured goods now come under the scope of the levy.

The growth of the Central Excise Tariff over the years, has not been a process of steady evolution. To some extent it has grown in a haphazard manner without following any set principles. This has led to some disputes relating to classification of goods for the purpose of levy of excise duty. The Government had felt the need for a review of the Central Excise Tariff, so that the areas of conflict between the taxpayers and the tax collectors could be reduced. With this purpose, in pursuance of the Budget speech of the then Finance Minister in 1984, a Technical Study Group on Central Excise Tariff was appointed by the Government. One of the tasks assigned to the Group was to formulate a new Central Excise Tariff which should bring about greater alignment with the customs tariff and other related schemes of classification, which

are in force today, as also to consider whether the Central Excise Tariff which now forms part of the Central Excises and Salt Act, 1944, could be enacted as a part of a separate Central Excise Tariff Act.

12.24 hrs.

(MR. DEPUTY—SPEAKER *in the Chair*)

In the international field under the auspices of the Customs Cooperation Council, Brussels, a new nomenclature was evolved for international trade and statistical purposes. The Council has evolved after deliberations at the level of world experts in customs matters and with the active assistance of the International Chamber of Commerce and other international trade bodies like the GATT, a convention described as the Harmonised Commodity Description and Coding System done at Brussels on 14th June 1983.

The Technical Study Group had detailed discussions with the trade interests as also with the departmental officers over a period of one year. The Group has since submitted its report on the 30th September, 1985. Copies of the report are available in the Library of Parliament. A revised Central Excise Tariff forms part of this report. The Group had considered various options before recommending the revised Central Excise Tariff. It has been observed that the Harmonised System of Nomenclature contains about 5,000 tariff entries much more than what we have in the excise tariff today. The enumerations are sometime specifically oriented towards goods which are internationally traded by advanced countries only. Some of the chapters of the Harmonised System of Nomenclature are unduly long or short for the purpose of the Central Excise Tariff. More significantly, the concept of "manufacture", which is important for the Central Excise levy, has to be dovetailed in the Tariff and goods which are not excisable have to be kept out of its scope. The new tariff, which the Study Group has recommended, is based on the International Convention on the Harmonised Commodity Description and Coding System. It has also recommended that there should be a separate Central Excise Tariff Act and the new Central Excise Tariff should form part of it, instead of its being part of the Central