

MR. DEPUTY SPEAKER : The question is :

“That the Bill, as amended, be passed.”

The motion was adopted.

15.42 hrs.

CUSTOMS TARIFF (AMENDMENT) Bill

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA) : Sir, I beg to move :

“That the Bill further to amend the Customs Tariff Act, 1975, be taken into consideration.”

Stainless steel plates, sheets and strips fall under sub-heading (2) of Heading 73.15 and attracts an effective rate of 220 per cent plus 10 per cent auxiliary duty as Customs Duty except when used for certain specified purposes. The stainless steel items, not elsewhere specified, namely, other than those falling under sub-item (2) are classifiable under Heading 73.15 (i). Prior to 16-4-1982, the tariff rate of customs duty on such items was 60 per cent plus 25 per cent auxiliary duty.

The difference in duty under the two sub-headings referred to above prior to 16-4-1982 was so large that it could act as a powerful incentive for unscrupulous importers to manipulate the description and form of the goods to claim assessment at the lower rate of duty. In fact, in the last few months, some consignments of stainless steel circles and of what have been termed as ‘folded angles’ were imported at different ports and the importers claimed assessment of these goods at the lower of the two

rates mentioned above on the ground that ‘circles’ and ‘angles’ could not be regarded as sheets. In both the above types of cases, the Customs authorities held the view that the goods were nothing but sheets attracting the higher of the two rates of duty. This position, however, was challenged in the various Courts and the consignments were released after collecting duty at the lower of the two rates on the basis of the interim orders of the courts. This resulted in the deferment of substantial amount of revenue due to the Government, giving the importers an undue advantage.

This issue was also the subject matter of a Calling Attention Notice in the Rajya Sabha on 29th March 1982, when the Finance Minister assured the House that appropriate remedial action would be taken by the Government.

The matter was thereafter examined at considerable length and it was considered necessary to adjust the import duty structure in a manner so that the advantage of the type derived by the importers in the recent years was not available to them any more. The Customs Tariff (Amendment) Bill, 1982 was, therefore, introduced in this House on the 15th of April, 1982.

The Bill under consideration seeks to amend the existing entries relating to stainless steel items in the First Schedule to the Customs Tariff Act, 1975. For this purpose, sub-heading (2) of Heading 73.15 is being suitably expanded so as to specifically cover stainless steel angles and circles, apart from any other form or shape. In addition, the statutory rate of duty under sub-heading (i) of Heading 73.15 is proposed to be raised to 300 per cent. As there are a number of other Headings in Chapter 73, which carry a lower rate of duty and the possibility of abuse in

respect of these Headings cannot be ruled out, a parallel action is also proposed in respect of Headings 73.16 ; 73.17/19 ; 73.20 ; 73.21 ; 73.22/23 ; 73.25 ; 73.26 ; 73.27/28 ; 73.29 ; 73.33/40. Here again, the statutory rate of duty being proposed in respect of articles made of stainless steel is 300 per cent. The proposed amendment to Heading No. 73.15 (2) in so far as it relates to angles, shapes, sections and circles is being given retrospective effect from 1st January 1981 so that no fortuitous gain results to those who have been cleverly manipulating the description and form of the imported goods. The Bill, however, contemplates that the effective rate of duty on such angles, shapes, sections and circles is the same as that applicable, from time to time, to stainless steel sheets.

The Bill seeks to achieve the above objects.

MR. DEPUTY-SPEAKER :
Motion moved :

"That the Bill further to amend the Customs Tariff Act, 1975, be taken into consideration."

Shri T. R. Shamanna.

श्री मनी राम बागड़ी (हिसार) :
उपाध्यक्ष महोदय, मेरा प्वाइंट आफ आर्डर है। सुबह होम मिनिस्टर साहब ने वादा किया था कि पंजाब में जो फिरकापरस्त घटना हुई है, गायों का शीश मन्दिर के आगे लटका करके सारे हिन्दुस्तान के वातावरण को खराब किया जा रहा है। इसके बारे में होम-मिनिस्टर ने एक स्टेटमेंट देने का वादा किया था। मैं जानना चाहता हूँ कि मन्त्री महोदय स्टेटमेंट दे रहे हैं या नहीं ? आप मन्त्री महोदय से पूछिए।

MR. DEPUTY-SPEAKER : That is all right. Please sit down. Let him finish his speech.

SHRI MANI RAM BAGRI :
You ask the Minister. आप मेरी बात समझ नहीं रहे हैं। इतना गंभीर मामला है।

SHRI T. R. SHAMANNA (Bangalore South) : This Customs Tariff (Amendment) Bill, moved by the Hon. Minister, seeks to enhance the rate on certain items.

श्री मनी राम बागड़ी : देश जल रहा है, सड़क पर आग लग रही है। कोई मामूली बात नहीं है। (व्यवधान)

MR. DEPUTY-SPEAKER :
Whenever you get an opportunity, you raise it.

SHRI T. R. SHAMANNA : On account of some court decisions it has been felt necessary to give some clarifications in respect of some articles. Previously, you were getting Rs. 60 in the case of some items. Now you will get Rs. 300. There is a lot of difference between the rate that you were charging and what you are going to charge hereafterwards. I do not mind it in the case of luxury goods. But, in the case of items which are required by one and all, if there is a heavy increase in duty, it is not advisable. Furthermore, because a higher duty has to be paid on imported goods, on articles which are not available here, if the common people are going to be affected, it will be unfair.

Sir, on many articles the tax charged is 300 per cent. We got an electric typewriter a few days back. The cost of the typewriter is 600 dollars, but on that we had to pay a tax of Rs. 21,000 or nearly three times the cost of the typewriter. Here, we have to pay heavily when we get certain articles. So, it is necessary to see how best we are not exploited. Furthermore, in the customs office there is a lot of leakage. If you

[Shri T. R. Shamanna]

just go and see incognito, you will find how crores of rupees are swindled because of the arrangement they have between themselves. The declaration would be given in whatever form is prescribed, but there is a lot of malpractice going on with the customs authorities. I strongly urge upon the Government to see that the supervisory staff take proper care of it and it is better that instead of having some gang of officials conniving with the agents and other people, some other people who are not connected directly may check up the working of these customs officers because we are asked to pay heavy customs duty. At the same time there is a lot of leakage whereby the customs authorities and the persons who bring the goods and their agents connive with each other with the result that the value of the goods declared is less, quantity of goods is changed and is put as less and the customs duty is very less. Therefore, I strongly urge upon the Government to see that in the customs offices at Bombay, Madras, Calcutta and Delhi, crores of rupees are not swindled. On the one hand we want to collect revenue and on the other hand we allow the malpractices to go on. This will not help us in any way.

About whatever goods that are manufactured in the country, in order to give protection to the goods manufactured here, I can understand if the tax exemption is given. But if it is a protective tariff it is only a revenue tariff. It will be very bad if we are asked to pay heavy amounts. I do not object to heavy taxes being levied, but my only contention is this. Let there be strict measures to safeguard the customers and at the same time let us see that we get maximum revenue by not allowing the malpractices. I only wanted to say a few words in this connection because a few days back when I visited the customs office to get some articles

released, a heavy tax was imposed and that is why I just wanted to say a few words about it. And I will be glad if the Government ensures that the leakages are plugged.

SHRI MANI RAM BAGRI: Mr. Deputy-Speaker, early in the morning General Sparrow raised a point on communal riots in Punjab and the Speaker assured the House that the Home Minister will make a statement about this.

मैं अभी हरियाणा से आ रहा हूँ, वहाँ पर हालत इतने खराब हो रहे हैं, हिन्दू सिख टेंशन बढ़ रही है कम्युनल राइट्स बढ़ाने के लिये। और प्रान्तीय सरकार निकम्मी है तो उसको बर्खास्त करें नहीं तो होम मिनिस्टर अपने ऊपर जिम्मेदारी लें। कभी दरबार साहब में सिगरेट फेंक दी जाती है तो कभी शिव मन्दिर के आगे गाय का सिर काट कर लटका देते हैं। इससे देश की अमन को सख्त खतरा है। आप बतायें होम मिनिस्टर आज स्टेटमेंट दे रहे हैं कि नहीं ?

MR. DEPUTY-SPEAKER: Your views which you have just now expressed will be communicated to the Speaker.

Now, Dr. Subramaniam Swamy will speak.

DR. SUBRAMANIAM SWAMY (Bombay North East): I am rising to speak on this Customs Tariff amendment Bill. The Bill deals with a very limited aspect of the customs tariff particularly on stainless steel and so on.

Nevertheless, I think it is necessary for me to make some general comments before I express my opinion on the Bill itself. There is no doubt that in the last thirty odd years that our share in the world

trade has been going down. In my opinion it has been largely due to lack of aggressive policies in the economic field. In 1947 the share of India in the world trade was 2%. Now, I do not think that it is $\frac{1}{4}$ % even. When the Indian economy has risen, the growth rate has been @ $3\frac{1}{2}$ % per year. It is a matter of regret that such a sharp fall in our international position has taken place.

These Customs Tariffs are essentially meant to regulate trade. But unfortunately they have become a source of corruption. Some time ago, in this House I had read out a magazine which indicated how customs tariffs are being manipulated by the Collector of Customs himself in Bombay. You did not allow me to give the names. I am not going to give the names. But I would like the answer from the Government. A responsible magazine like *The Sunday* says that a leading textile magnate whose rate of growth is 300% per year, is reported to have friends in the Finance Ministry. I am not talking of Shri Poojary, but the magnates has friends here. The Magazine says that one of the reasons why he is growing at such a fast rate is because the Government of India's directives on customs and related matters are being flouted by the Collector of Customs in Bombay, and that the Collector of Customs relatives are being employed here by the textile magnates and on top of that this Collector of Customs had his birthday celebrated in Lonavalla. This textile magnate financed that. Either the story is true or false. If it is false, then the fair name of the Collector of Customs must be protected and the Government must come forward and even prosecute the magazine. But if it is true then I would like the Government to take immediate action. I want to know whether the Government has taken note of this article. This article appeared in the issue of 4th

April, I think. It is almost two weeks or three weeks now and the Government has not said anything. I have raised it in Parliament. I would say that I am quite convinced that all these customs regulations that we have, are a source of corruption and are being manipulated to benefit a few favourites and therefore, whether you amend it this way or that way, these are piecemeal things; unless Government comes out with satisfactory explanation in the matter, I would oppose this Bill.

SHRI SAWAI SINGH SISODIA:
I am thankful to the Hon. Members Shri Shamanna and Dr. Subramaniam Swami who while opposing the Bill have given some suggestions and Dr. Swamy has drawn the attention of this Government towards the magazine concerned.

As far as Shri Shamanna is concerned, the statutory rate had to be raised to a general level of 300% on articles of stainless steel in order to guard against other ingenious attempts at evasion or avoidance of duty. It is not the intention to unduly tax *bona fide* imports for genuine industrial purposes. Under Section 25 of the Customs Act, Government have the power to reduce the rate of duty in appropriate cases in the public interest. Government will give due consideration to any such cases which are brought to their notice.

As regards the article in the *Sunday* magazine I have tried to ascertain the facts. On the basis of available facts these allegations seem to be false.

16.00 hrs.

However, if the Hon. Member has any other material evidence in respect of these allegations, the matter will be further looked into.

DR. SUBRAMANIAM SWAMY: Why don't you prosecute the magazine then ?

SHRI SAWAI SINGH SISODIA : There are no other suggestions and points which need elaborate reply.

DR. SUBRAMANIAM SWAMY: I have asked him, why don't you prosecute such a fantastic magazine, if he is innocent ? He can make a commitment in the House.

SHRI SAWAI SINGH SISODIA: Your suggestion has been noted. We will see what action can be taken.

MR. DEPUTY-SPEAKER : The question is :

"That the Bill further to amend the Customs Tariff Act, 1975 be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER : The question is :

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted

Clauses 2 and 3 were added to the Bill.

MR. DEPUTY-SPEAKER : The question is :

"That Clause 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted .

Clause 1, the Enacting Formula and the Title were added to the Bill

SHRI SAWAI SINGH SISODIA : Sir, I beg to move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER : The question is :

"That the Bill be passed,"

The motion was adopted.

16.02 hrs.

INDIAN RAILWAYS (AMENDMENT) BILL

THE MINISTER OF RAILWAYS (SHRI P. C. SETHI): Sir, I beg to move "that the Bill further to amend the Indian Railways Act, 1890, as passed by Rajya Sabha, be taken into consideration."

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill further to amend the Indian Railway Act, 1890, as passed by Rajya Sabha, be taken into consideration."

SHRI P.C. SETHI : Sir, I have pleasure in commending to this House the Indian Railways (Amendment) Bill, 1982, as passed by the Rajya Sabha, on the 25th March, 1982, for consideration. The Bill aims at prohibiting any person other than a railway servant or an agent authorised by the Railway Administration from carrying on business of procuring and supplying tickets for travel on a Railway or reserved accommodation for journey in train and prescribes stringent punishment for any one doing so or abetting the offence.

I need not dwell on the need for legislation in hand or the urgency thereof, as the Hon. Members are well aware that trading or rather