

15.47 hrs.

**STATUTORY RESOLUTION RE:  
CUSTOMS TARIFF ACT**

**MR. DEPUTY-SPEAKER:** We now take up the Statutory Resolution. Shri H. M. Patel.

**THE MINISTER OF FINANCE (SHRI H. M. PATEL):** Mr. Deputy-Speaker, Sir, I beg to move:

"That in pursuance of sub-section (2) of section 8, read with sub-section (3) of section 7, of the Customs Tariff Act, 1975 (51 of 1975), this House approves the following notification of the Government of India in the Ministry of Finance (Department of Revenue), namely:—

No. GSR 441(E), dated the 2nd September, 1978, levying an export duty on barytes at the rate of Rs. 50 per tonne under the new Heading No. 24 in the Second Schedule to the said Act, from the date of issue of the said notification."

Sir on 2nd September, 1978, the Government imposed an export duty of Rs. 50 per tonne on barytes. As the House is aware, barytes is a mineral used extensively in chemical industries and oil drilling. India has been able to export barytes at competitive prices in international markets. According to studies conducted by the MMTC, the FOB cost of barytes in powder form is Rs. 300 per tonne. The floor price on export fixed for the same grade is Rs. 456 per tonne. Even if exporters realise the floor price, there would be a large margin of profit. It was, therefore, felt that the Government should mop up a part of this profit by levying an export duty.

With the imposition of the export duty, it is expected that the MMTC will be able to play a greater role

15.49 hrs.

[SHRI N. K. SHEJWALKAR in the Chair]

in the export trade of this mineral. The entry of the MMTC in the trade on a large scale would ensure better return to the mine-owners and greater investment in mining activities.

Thus, the levy of export duty, apart from mopping up a part of the large profits of exporters, would also promote the exploitation of this mineral with due regard to national interest.

With these words, I move.

**MR. CHAIRMAN:** Motion moved:

"That in pursuance of sub-section (2) of section 8, read with sub-section (3) of section 7, of the Customs Tariff Act, 1975 (51 of 1975), this House approves the following notification of the Government of India in the Ministry of Finance (Department of Revenue), namely:—

No. GSR 441(E), dated the 2nd September, 1978, levying an export duty on barytes at the rate of Rs. 50 per tonne under the new Heading No. 24 in the Second Schedule to the said Act, from the date of issue of the said notification."

There is only one speaker; Shri Mukunda Mandal.

**SHRI MUKUNDA MANDAL (Mathurapur):** Mr. Chairman, Sir, the Resolution moved by the hon. Finance Minister, I believe, will be supported by the members on both the sides of the House.

As I find in the Explanatory Memorandum, in this connection, an additional revenue of Rs. 1.16 crores is expected to be earned at the international prices and the profitability on exports of barytes has duly been considered. But, in this context, I would like to highlight on the traditional export policy.

[Shri Mukunda Mandal]

India still continues to have the lowest level of mineral based industries and is mainly confined to processing of mineral ores for export. As a consequence, we have to seek an international market for more mineral export.

I have come to know that the Mineral and Metal Trading Corporation, which is known as the MMTC, is functioning well in regard to the export of important minerals like iron ore, manganese, barytes etc.

Again, the export of iron ore contributes the maximum revenue to the country from mineral export. During 1975-76 iron ore export value was Rs. 215 crores whereas the total export value was Rs. 275 crores. It automatically follows that the export value of iron ore is much more than that of other metals.

Though the export of barytes contributes but little to our mineral export, the need for boosting up its production and for its export promotion cannot be ignored. As you know, Barytes is used in the manufacture of paints, chemicals and oil-well drilling and as such our domestic consumption is gradually increasing.

It is alarming to note that our per capita mineral consumption is the lowest in the world. While in USA the per capita consumption is worth Rs. 1072 and in Latin America it is Rs. 173, in India it is only Rs. 9/- This shows how much we are lacking in mineral based industries.

So, here my submission is that while Government is thinking of much more export earning on minerals, it should sincerely consider the boosting up of mineral production and take up a policy for speeding up of mineral based industries in the country.

It is a matter of shame that we are mainly confined to the processing of minerals for export after 31 years of Independence. I think the imposition of a duty of Rs. 50/- will create a tariff wall in the international market.

I have been hearing for a pretty long time that a Mineral Development Board will be set up for integrated planning and development of essential minerals and for expanding the role and functions of the Iron Ore Board. The new Advisory Board will also be concerned with the minerals vital to the iron and steel industry. It will have a coordinated programme it will see how much production should be there and how processing will take place. All these things will be looked into by the new Board. But I have no information regarding the setting up of the new Board.

Then, I would like a national co-ordination Committee to be set up to oversee the implementation of the policy, including exploitation, conservation, mining concessions, taxation and prices.

I want to refer here to what Dr. D. M. Antia has remarked. He has said that a proper policy should be evolved to improve conservation and for a judicious use of minerals because he felt that conservation should not be equated with preservation of resources for the future use but with the use of our resources for the greatest good for the largest number and for the longest time.

I want to submit that this policy of imposition of an export duty on barytes at the rate of Rs. 50/- per tonne by the said Notification should be taken into consideration. I support this.

SHRI H. M. PATEL: The hon. Member may have a legitimate point to make that the country would benefit more by increasing the establishment of mineral-based industries. On this there can be no doubt at all. I think, wherever possible, mineral-based industries are being established. But in the meantime the minerals exported would be of advantage and benefit to the country, and that is what we are doing. In doing so, because the margin between the cost of production and the competitive price in the inter-

national market is considerable, we are levying an export duty of a reasonable nature which will still leave the exporters with a fair margin of profit.

MR. CHAIRMAN: The question is:

"That in pursuance of sub-section (2) of section 8, read with sub-section (3) of section 7, of the Customs Tariff Act, 1975 (51 of 1975), this House approves the following notification of the Government of India in the Ministry of Finance (Department of Revenue), namely:-

"No GSR 441(E), dated the 2nd September, 1978, levying an export duty on barytes at the rate of Rs. 50 per tonne under the new Heading No. 24 in the Second Schedule to the said Act, from the date of issue of the said notification."

*The motion was adopted.*

15.57 hrs.

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

THE MINISTER OF FINANCE  
(SHRI H. M. PATEL): Sir, I beg to move:

"That the Bill to provide for the levy and collection of additional duties of excise on certain textiles and textile articles, be taken into consideration."

Hon. Members may recall the statement made by my colleague, the Minister of Industry in the Lok Sabha on 7th August, 1978, on Textile policy. With a view to adequately fulfil the social obligation of providing cheap cloth to the weaker sections of the society and to encourage development of the handloom sector the policy *inter-alia* envisaged the discontinuance of the old scheme based on statutory obligations to produce controlled cloth by the textile mills, and meeting the requirements of such cloth through new arrangements based on subsidy.

As the sale price of such cloth is to be subsidised, it was decided to impose a levy at the rate of 10 per cent of the effective basic excise duties on specified items of textiles and textile articles. The Additional Duties of Excise (Textiles and Textile Articles) Ordinance, 1978, was promulgated by the president on 3-10-1978; it came into force from 4-10-1978.

The need to impose this levy through an Ordinance arose because Parliament was not in session; consequent on the withdrawal of the obligation on the part of the textile mills to produce controlled cloth from 1-10-1978, it became necessary to impose the levy without any time-lag so that there was little loss to the exchequer on account of out-go as subsidy and the burden was transferred to the entire textile industry in time. The present Bill seeks to replace the said Ordinance. Copies of the Ordinance along with a statement under sub-rule (1) or rule 71 of the Rules of procedure and Conduct of Business in Lok Sabha have already been placed before the House.

Hon. Members will agree that the objective of providing cheap cloth to the weaker sections of the society is in line with the thinking of this House. The provisions made in the Bill ensure that the burden in fulfilling this social obligation is distributed equitably without detriment to the health of any particular sector of the textile industry.

The levy is expected to yield a revenue of about Rs. 50 crores in a full year on the excise side and a revenue of Rs. 7.5 crores on the customs side by levy of countervailing duty corresponding to the additional excise duty.

Sir, I move that the Bill be taken into consideration.

MR. CHAIRMAN: Motion moved:

"That the Bill to provide for the levy and collection of additional duties of excise on certain textiles and textile articles be taken into consideration."