

Sixty-fourth Report of the Committee on Private Members' Bills and Resolutions.

COMMITTEE ON PETITIONS
THIRTIETH REPORT

SHRI JAGANNATH RAO (Chattrapur): I beg to present the Thirtieth Report of the Committee on Petitions.

12.05 hrs.

STATUTORY RESOLUTION RE. INCREASE IN EXPORT DUTY ON HIDES, SKINS AND LEATHER

THE MINISTER OF STATE INCHARGE OF THE DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE): I beg to move:

"That in pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (32 of 1934), this House approves the notification of the Government of India in the Department of Revenue and Banking GSR No. 314(E) dated the 1st May, 1976, increasing the export duty on hides, skins and leather, tanned and untanned all sorts, but not including Snake skins and manufactures of leather, from 20 per cent *ad valorem* to 25 per cent *ad valorem* from the date of the said notification."

Exports of raw hides and skins are banned. Finished leather is totally exempt from export duty under a separate notification. The purpose of this notification, therefore, is to increase the export duty on semi-processed hides and skins.

It has been the Government's policy to encourage the exports of finished leather and leather products in place of semi-processed hides and skins. Such a change in the pattern of export trade is desirable in the interest of increasing the export earnings and

the employment potential in leather industry in the country. In pursuance of this objective the Ministry of Commerce has effected a further cut of 15 per cent in the quota for E.I. and wet blue goat and sheep skins and 10 per cent cut in the quota for E.I. and wet blue buffalo hides, buffalo calf skins, cow hides and cow calf skins for 1976-77. No cut has been imposed on quota-holders below 25,000 pieces of skins and on quotas of the job tanners and non-exporting tanners. In furtherance of the same objective, the export duty on semi-processed hides and skins which was 20 per cent *ad valorem* has been raised to 25 per cent *ad valorem* with effect from 1-5-1976.

Sir, I commend that the Resolution be approved by the House.

SHRI INDRAJIT GUPTA (Alipore): In the second line from the bottom of the Resolution, you will find the words 'manufacturers of leather'. 'Manufacturers of leather' means some person. This is what I think. The export duty is on the company or on the articles or is there some mistake in this?

SHRI PRANAB KUMAR MUKHERJEE: There is no mistake.

SHRI INDRAJIT GUPTA: Whether it is 'manufactures' or 'manufacturers'?

SHRI PRANAB KUMAR MUKHERJEE: It is 'manufactures'.

It is on the manufactures, on the pieces of leather.

MR. SPEAKER: Are you sure it is a spelling mistake?

SHRI PRANAB KUMAR MUKHERJEE: Yes, Sir. It is on the manufactures.

MR. SPEAKER: So, one 'r' is additional, it is a spelling mistake.

SHRI B. V. NAIK (Kanara): I want to make a submission not only from the point of view of prevention of cruelty to animals, but in parts of the west coast, harmless snakes which

[Shri B. V. Naik]
 help to maintain the environmental balance are being mercilessly killed and their skins are being exported, just to satisfy the exotic taste of the western people. Can we ban the export of snake skins. It earns us a pittance, but it does a lot of harm to our environment.

SHRI PRANAB KUMAR MUKHERJEE: I will pass on the suggestion to the Commerce Ministry.

SHRI AMRIT NAHATA (Barmer): Because of export of snake skins, the population of rodents and rats has increased by 10 to 20 times in desert areas.

MR. SPEAKER: This is a serious matter. There is a special group constituted for the purpose of clearing matters where ecological balance or environmental pollution is involved. They should consider this. The point raised is very valid.

DR. RANEN SEN (Barasat): Previously a ban was imposed on the export of the skin of a certain type of lizard because they were eating cobras and other venomous snakes. I do not know what happened later on, but we are told by the villagers that even now the lizards are being killed indiscriminately and the skin is being exported. What happened to the ban?

SHRI PRANAB KUMAR MUKHERJEE: Perhaps this does not come within the purview of our ministry. But I can pass it on to the concerned ministry.

SHRI INDRAJIT GUPTA: You are increasing the export duty on certain items. What the implications are, your ministry does not know. There should be some better coordination between the Commerce Ministry and the Finance Ministry.

SHRI PRANAB KUMAR MUKHERJEE: The point which has been raised, namely, whether the ecological balance is being disturbed as a result

of indiscriminate killing of snakes or not is a matter to be discussed separately. This resolution is to help the indigenous industry. The Commerce Ministry has taken a decision to have a 15 per cent cut on the export of semifinished leather. In order to strengthen their measures, we are imposing 5 per cent additional export duty so that it acts a disincentive for the export of semi-finished leather. This is the limited question which we are discussing.

MR. SPEAKER: The House can take a decision on this subject to this that your ministry or the Commerce Ministry will take a decision in consultation with that particular group that has been set up for going into the question of ecological balance and environmental pollution. They may subsequently decide that killing snakes and exporting their skins is not in national interest. Then they will have to come before the House and revise it. Subject to this, the House can take a decision.

SHRI PRANAB KUMAR MUKHERJEE: Snake skins are being excluded.

MR. SPEAKER: It says, "but not including snake skins". So, that is excluded.

SHRI B. V. NAIK: The purport of this Resolution seems to be that while there has been an enhancement of the export duty on some other items, that enhancement is not applicable to snake skin. I had suggested an amendment for banning the export of snake skin. If that amendment is acceptable either now or later to the Finance Ministry, it solves our purpose.

MR. SPEAKER: No. What is the meaning?

SHRI INDRAJIT GUPTA: Shri Naik is going a bit too far. My limited question is why the export of snake skin is being exempted from this increased export duty which is to be levied on others?

SHRI PRANAB KUMAR MUKHERJEE: The export of snake skin is already banned. That is why I have excluded snake skin.

SHRI INDRAJIT GUPTA: If it is banned why is it excluded from the additional export duty? If the export is already banned, then the question does not arise.

MR. SPEAKER: It is not happily worded. Manufactures of leather are not banned. One item is banned and the other is not banned.

SHRI PRANAB KUMAR MUKHERJEE: I will take care of this.

MR. SPEAKER: Can you bring it tomorrow or day after?

SHRI PRANAB KUMAR MUKHERJEE: This has to be passed by Parliament within 15 days from the date of notification. So, the time-factor is there.

MR. SPEAKER: Are you prepared to exclude snake skin?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Not only the skin of the snakes but skins of tigers and various other animals are all prohibited. As a matter of fact, this is one of the areas where smuggling takes place and we are taking action against them. Therefore, simply because it is included here—no doubt, it is redundant—that does not affect the Resolution as such. Therefore, I would respectfully submit that it can be kept as it is.

MR. SPEAKER: In the notification to which they refer, it is said: "In the Schedule, Item 26, hides, skins and leather, tanned and untanned all sorts, but not including snake skins and manufactures of leather." But these are the same words. What about time-factor?

SHRI PRANAB KUMAR MUKHERJEE: Time-factor is there because the notification was issued on 1st May

and it has to be passed by Parliament within 15 days.

MR. SPEAKER: What is the harm if you say 'not including manufactures of leathers? Take out make skin.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): Sir, I would like to make a submission. This is only an affirmation of the notification and nothing will help if you delete it from here because the notification stands. The only thing is that you will have to change the notification on this issue. And the time-factor has already been explained. After all, redundancy is no negation. Therefore, I suggest that let it remain as it is.

MR. SPEAKER: I hope, by passing this Resolution you will not be prevented from making the required amendment in the notification.

SHRI PRANAB KUMAR MUKHERJEE: We will have to change the notification by amending the notification.

MR. SPEAKER: They will consider amending the notification suitably. If it is necessary, they will come. Let us pass this on the understanding that suitable amendment, if necessary, will be made.

The question is:

"That in pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (32 of 1934), this House approves the notification of the Government of India in the Department of Revenue and Banking GSR No. 314(E) dated the 1st May, 1976, increasing the export duty on hides, skins and leather tanned and untanned all sorts, but not including snake skins and manufactures of leather, from 20 per cent *ad valorem* to 25 per cent *ad valorem* from the date of the said notification."

The motion was adopted.