14.29 hrs.

IMPORTS AND EXPORTS (CONTROL) AMENDMENT BILL

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): I move:

> "That the Bill further to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

The provisions of the Imports and Exports (Control) Act, 1947, and the Orders made thereunder were enforced by the prosecution of the offender or by debarment of the offender from receiving import and export facilities for a specified period.

Our experience shows that the desired objective of the Bill could not be adequately realised because of the relative lenient character of the provisions of the Bill and in pursuance of the Prime Minister's twenty-point programme it was thought that economic offenders, particularly, the violaters of Export and Import Control Orders should be sternly dealt with. In view of that this Import and Export Control Act, 1947, in terms of an ordinance has been revised and certain new provisions have been inserted. The main purpose is to punish more effectively those who mis-utilise the imported goods in contravention of the conditions subject to which the import was allowed and secondly, to prevent mis-representation of facts in obtaining import licences or Letter of Authority and also to prevent unauthorised sale or acquisition of imported goods in contravention of conditions subject to which the import was allowed and also to effectively deal with the persons who abet or attempt to commit the offences which I have mentioned.

The proposed penal measures are—

1. The confiscate the imported goods in respect of any conditions of the licence or letter of authority or allotment with regard to the use of such goods or direction governing under the Import Control Order with regard to the sale of such goods has been or is attempted to be contravened.

2. To confiscate any conveyance which has been or is being used for the purpose of transporting those imported goods.

3. To enter the premises and inspect the goods and documents, to search the premises or to seize goods and documents.

We also propose to raise the penalty, not exceeding five times the value of the goods in question or Rs. 1,000 whichever is more.

We are also aware that when we equip the concerned administration with more power for dealing with the economic offenders, there is a possibility of misuse or power by the concerned authority. Therefore, necessary provisions have been made to see that review is possible and different hierarchies of authorities are prescribed so that necessary review, if and when called for, could be affected.

We have also made a provision that existing sentence—provision for two years should be enhanced and should be raised to three years and further to seven years if the amount involved, of imported goods, is not less than Rs. 10 lakhs.

To expedite the matter and to curtail the time taken in making ordinary judicial processes, some of the matters could be settled through adjudications also.

These provisions of the Ordinance had been promulgated because

Parliament was not in session. These are therefore, now before the august House for consideration.

The objectives are laudable and are in agreement with the views often voiced on the floor of the House, urging the Government to deal with the economic offenders very harshly. It is in pursuance of the desires of the House and twenty-point programme of the Prime Minister.

This provision is now before the House for consideration.

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

SHRIMATI ROZA DESHPANDE (Bombay Central): It is good that the Government has brought forward this Bill, which we welcome. At the same time, I would like to caution the Government in certain respects.

Sir, we know how the import and export licences have been used. We know how over-invoicing and under-invoicing is being done by various companies. It is being done on a very large scale. I would say that this over-invoicing and under-invoicing is the method by which black money is created. Lakhs and lakhs of rupees are concentrated in foreign banks in the name of so many monopoly houses. We have not been able to do anything in this regard. What I say is that we should be very serious in tackling these problems and we should be bent upon bringing cetrain measures to deal with these things; otherwise we will not be able to tackle the whole problem.

Sir, it is very easy to say a thing; but implementation needs very serious attention. We know the scale on which corruption is going on in every sphere of our lives. We should be very strict with regard to implementation of these measures. We know how licences are sold in the black market. I know especially about the Drug Industry, for instance, because, I come from the trade union of that industry. I can very well say that the licences are very easily sold at a very high price in the black market.

Sir, the question now is whether we will be able to dig out these things The Government authorities should not be pressurised by anybody. I say this because we know that there are pressures being brought by the monopoly houses in the country. We have already passed the Bill regarding sales promotion. Yes, but what happens? I can say that the monopoly houses have gained after the passing of such a Bill. It is not the workers who have got the benefit. That is why I say that even in regard to passing measures with regard to export and import business, we should really be very serious to see. that implementation is done properly. This is a very serious thing to be attended to. Government should pay more attention in this respect because, importing certain goods and selling them has become a business in this country. People want genuine things; nice things, for themselves. They want better cloth, they want better radio, they want better electrical gadgets and so on. In case of machinery also people prefer the foreign machinery, instead of the indigenous machinery. If these things are produced in our country and sold at reasonable price, then, people would not go for foreign articles. But, if there is a good foreign article, the person says, 'I will go in for it'. If there is some good Swiss thing, the person savs 'I will go in for it. Let me have that'.

How are we going to curb this? I know that we have to see that these

[Smt. Roza Deshpanda]

people use indigenous raw material and indigenous machinery. They have to use the indigenous things that are produced in this country. Licences should not be given to import such things which are available in the country. We have to seriously look into the matter. In the name of a certain product they find a loophole and they still go on importing the things. So, we have to be cautious and very alert as otherwise smuggling in the name of import is not going to be curtailed; it is not going to be stopped. We have to look to what we are producing and we should depend on our technology and should not go in for the import of technology from foreign countries What is needed is implementation of the provisions. We should rely on production that is inside the country. We must improve the quality of our own goods. We believe in buying things. Take for example radio. This can easily be produced in India instead of depending on the smuggled or imported radio, radiogram or things of that sort. We have to bring down the prices of these things. We should see that a better quality of cloth is produced in our country so that our people will be able to use it rather than using the imported nylon cloth etc., etc. for which the fibre alone is to be imported Can't we look into these things? While supporting this Bill I would say that we have to keep the basic difficult economy of ours in mind and, at the same time, we have to be vigilant so that there may not be any pressure on Government and on the monopoly sectors in this country. The monopoly can cheat the government; in fact, they are cheating throughout in the licence business and even in import and export business by induling in over-invoicing and under-invoicing They have built up a big empire by this method and by this sort of racketeering, the money that we are supposed to have in our country is lying somewhere else.

I wish the Minister a great success. After the Bill is passed, I hope he will implement it in the true spirit.

PROF. D. P. CHATTOPADHYAYA: Sir, I find that the hon. lady Member is indicating just a little more in detail the views openly which I briefly mentioned in introducing the Bill. I entirely agree with her that there are some malpractices prevalent in the field of import and export That is precisely the reason why we think that the existing penal provisions are not sufficient. We propose to strengthen them and make them more stringent I also entirely agree with her that in implementation of it we should be very careful and proper steps should be taken to see that the implementation is equal to the objective we have in our view.

Keeping that thing in view we have already decided to strengthen the staff requirements for implementing the new provisions the appropriate levels both the headquarters as also at the eld levels, the office of the Chief ontroller of Imports and Exports being strengthened and I can assure you and, through you, the House, that the Government will do whatever is possible to combat this menace of economic offences. We cannot do it only on our own or at this menace of economic offences. consumers who have some understandable weaknesses for some foreign goods, they will take appropriate steps to see that they purchase indigenous goods whenever they are available and they should not provide indirectly any incentive to the smugglers. So, Government will be doing its best by taking action under COFEPOSA and FERA and by other various economic measures to effectively combat the economic offences. We certainly seek the people's own orientation, motivation and cooperation also so as to make it more effective. Sir, I take note of the view expressed by the hon. lady Member.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947 be taken into consideration.

The motion was adopted.

MR. DEPUTY-SPEAKER: Now, we take up clause by clause consideration. The queestion is:

"That clauses 2 to 7 stand part of the Bill."

The motion was adopted.

Clause 2 to 7 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 and to the Bill.

PROF. D. P. CHATTOPADHYAYA: 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.

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14.45 hrs.

RESOLUTION RE: RATE OF DIVIDEND PAYABLE BY THE RAILWAY UNDERTAKING TO GENERAL REVENUES.

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MOHD. SHAFI QURESHI): Sir, I beg to move:

"That this House approves the recommendations made in paras 4, 5, 15, 16, 17 and 23 contained in the Eleventh Report of the Committee appointed to review the rate of dividend payable by the Railway Undertaking to General Revenues as well as other ancillary matters in connection with the Railway Finance and General Finance which was presented to Parliament on 9th January, 1976.

"That this House further directs that the action taken by Government on the other recommendations made in this Report as well as in the Eighth and Ninth Reports; should be reported to the Committee."

Sir, based on the recommendations of the Acworth Committee 1920-21, Railway Finance were separated from General Finance by a Resolution of the then Central Legislature in September 1924. The Resolution known as Separation Convention prescribed the rate of contribution to be made by the Railways to the General Revenues to be worked out on the basis of the capital-at-charge of the Railways and the working results of the Commercial Lines.

The Railway Convention Committee, 1949, the first such Committee to meet after Independence, had a fresh look at these arrangements and recommended the concept of a fixed dividend which the Railways should pay to the General Finance on the loan capital invested in the undertaking as computed annually. This was approved by the Parliament. The Convention Resolution is reviewed periodically once in five years. Accordingly, the relationship between Railway Finance and General Finance as spelt out by the 1949 Committee was reviewed by the Railway Convention Committee set up in 1954. 1960, 1965 and 1971. These initial financial arrangements have undergone modifications in the light of the changing circumstances, though the