

[Sh. Ram Naik]

Committed a contempt. It is one thing that the order is not implemented and it is another thing that the contempt has been committed. There is difference and I think the Home Minister Would understand about it. Pobably if he would have brought the written statement, it would not have happened. But we would like to konw what is the position.

SHRI S.B. CHAVAN : I am in full agreement with hat shri Ram Naik is saying that ultimately it is for the court to take a decision whether it is a contempt of the court. But violation is definitely there. They have ben going ahead with the construction of the platform.

[ *Translation* ]

SHRI DAU DAYAL JOSHI (Kota) : I would like to ask a question.

MR. SPEAKER : It is not like that.

SHRI DAU DAYAL JOSHI : Kindly explain whether the law and order situation in Ayodhya is deteriorating ? I have read the statement of the Collector, Shri Shrivastav today itself in which he has stated that the disputed structure is safe. The law and order situation in Uttar Pradesh is satisfactory but you people say that the law and order situation is deteriorating. Now, how one can decide whether the statement of the Central Govenment is right or the statement of the Collector of Uttar Pradesh is right.

SHRI S.B. CHAVAN : I would certainly way that no damage has been caused to the structure there. There is however, a doubt among the people that the new map paped after the construction of the platform does include the disputed structure. If construction work is carried out there without including the disputed structure, then some solution to the problem can be found. You

can consider it. Nobody can comment that the situation has deteriorated or it has improved due to all this.

14.20 hrs.

STATUTORY RESOLUTION *RE*: DISAPPROVAL OF FOREIGN TRADE (DEVELOPMENT AND REGULATION) ORDINANCE - *CONTD.*

AND

FOREIGN TRADE (DEVELOPMENT AND REGULATION) BILL - *CONTD.*

[ *English* ]

MR. SPEAKER : The House now take up item nos. 7 and 8 of today's agenda together. D. Laxminarayan Pandeya to continue.

[ *Translation* ]

DR. LAXMINARĀYAN PANDEYA (NANDSAUR) : Mr. Speaker, Si, I had moved a proposal to disapproval of this ordinance. But no discussions could take place on that. So I would like t start from there only. This ordinance was promulgated on the 19th.

14.21 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The main reason for giving notice far this the said resolution is that I have received a communication from the hon. President in which he has convened the House but, the House has already been convened on the 16th June.

[ *English* ]

SHRI RAM NAIK (Bombay North)

: Sir, I am on a point of order. There is no quorum in the House.

MR. DEPUTY SPEAKER : Let the bell be rung.

MR. DEPUTY SPEAKER : Now there is quorum. The hon. Member may continue.

[ *Translation* ]

DR. LAXMINARAYAN PANDEYA : I was saying that the House had been summoned even then after summoning the House the Ordinance was promulgated on the 19th June. It is a disregard of the House. It is not according to the established conventions. When the House was Likely to be summoned or after 2-4 days it is to be summoned, even then it should not have been brought. It has been placed for the approval of the House today. I think it is totally inappropriate.

When this ordinance was issued, we were given the statement showing its reasons. It is said in it that :-

"The new export and import policy, has been announced on 31st March, 1992 for the period with a view to increase the export and to earn profit by augmenting the foreign trade. It has been formed after making a significant change in the previous policy. It contemplates such a procedure as is comparatively simply and is easy to implement. It is, therefore, obligatory to take required remedial action to give the provisions of this Bill as immediate affect which is under consideration of the Parliament. In this regard, the Government had given a recommendation to the hon. President to enforce the Foreign Trade (Development and Regulations) Ordinance and the hon. President had promulgated this ordinance on the 19th June, 1992."

It is stated in this statement that it has been promulgated on the 19th June. As I have already said, that this tradition is totally wrong. If we adopt such a tradition, then perhaps the Government will never bring any Bill in the House in time and therefore, keeping that in mind, I oppose it.

Secondly, the other factor which has come before us is that not only at the time of the ordinance but, also after the promulgation of the ordinance and even after the presentation of the Bill, at least 7-8 amendments were brought on behalf of the Government and what was not said in the ordinance was also tried to include in it and it is said that these sections should be treated as enforced from the back dates. Therefore, they want to give it a retrospective effect. It is highly objectionable. Promulgation of ordinance is no doubt an objectionable thing but to give it a retrospective effect is more objectionable. I, therefore, would like that the motion for disapproval which has been moved by me, should be adopted.

Besides this, it has been stated in the statement of objects and reasons that "the export and import policy is a vital part of the trade policy. The basic law governing the foreign trade should be such, as may create an atmosphere of encouraging export, making the import easy and the export activities may be more profitable."

Mr. Deputy Speaker Sir, my submission is that if someone goes through this entire Bill, One can find that there is no mention of either export promotion or export development in this Bill. It has been named as development and regulation but all the sections contained in it relate to regulation only. So many restrictions have been imposed and some sections are so objectionable that perhaps the Government may never be in a position to abide by them. It

[Dr. Laxinarayan Pandeya]

has been observed till now that it does not follow the restrictive sections.

I would like to draw the attention of the hon. Minister to page 8 :

" Every rule and every order made under this Act shall be laid, as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days."

My Deputy Speaker Sir, I would like to remind that perhaps the Government has never followed the limit of this period of 30 days. The rules are framed but these are not laid on the table of the House for a longer period varying from one year to two year. Further it is stated in it that " Which may be comprised this duration in one session or in two or more successive sessions and if, before the expiry of the session immediately following. The session or the successive sessions aforesaid both House agree in making any modification in the rule or order or both House agree that the rule or order should not be made, the rule or order shall thereafter have effect only in such modified form or be of no effect, as the case may be ."

My submission is that although this section is there yet it has never been followed. As a result of it, the hon. Members could not avail the opportunity to express their views on them. If any hon. Member wants to express his views on any rule, order or notification and wants to record his dissent about it, he could be able to do so. They do not even get the notice to record their dissent. By merely making provisions of such sections whether through ordinances or Bills, is to observe the formality only otherwise there is no use of it.

I would like to draw your attention to-

wards one more provision. Although such provisions are usually contained in other Bills or legislations also yet I am pointing it out so, because these are not followed properly and sometimes some powers are conferred on our officers through the delegated legislations. As a result of it these powers are normally misused completely and in this respect, I would like to draw your attention towards the Committee on Subordinate Legislation which had expressed its views in the seventh report regarding the misuse of such powers and had observed that it would be better if the House and the Ministry pay their attention in this regard to avoid such recurrences. I quote from the page 18 of the Report of March, 1986:

( English )

I quote from page 18 of the 7 th Report of the Committee on Subordinate Legislation as follows:-

" On 6th March 1989, the Committee took Oral evidence of the Secretary (Commerce), the Secretary (Textiles), the Law Secretary (Legal Affairs) and the Chief Controller of imports and Exports and elicited their views on the various matters connected with the Exports (Control order, 1977, in the light of the opinion dated 30th November 1985, of the Attorney General of India on keratin points that were raised in a statement of case dated 31st October 1985, which was prepared by the Ministry of Law (Department of Legal Affairs). During evidence, the representatives expressed their general agreement with the opinion of the learned Attorney-General for India and further conceded that was binding on them."

[ Translation ]

Despite these observations of the Committee, no attention has been paid in this regard. I had drawn the attention of the House earlier also through half an hour dis-

discussion. In that also I had mentioned that the delegated power should not be misused through this notification. I do not think that such notifications will be issued under this Bill and the same process will start again. It will be misused in the same way and the people will again be subjected to harassment. The power to review has also been given, the code number has also been defined. As a result of these things I feel that it will not only increase the difficulties for which we consider as simple and want to simplify them and also to increase and promote our export, but I doubt also that it will not promote the export. In fact, what we intend to achieve the level of export for which we have formulated a new Export import policy and whatever we want to do in pursuance of this policy, cannot be achieved.

I am very much surprised that on page 4 there is on proviso in it. According to that proviso the licence will not be cancelled until reasonable opportunity of hearing is given under the section. Otherwise, it cannot be cancelled. Many a times the concerned person is asked to give his reply, otherwise his code number and licence will be cancelled. My suggestion is that tribunal may be set up in place of an Appellate authority. I understand that in view of all these things whatever expectations were made from this Bill and it was hoped that a consolidated Bill shall be brought, have not proved fruitful and all our hopes for the promotion of our foreign trade and possibilities of development have got a severe set back due to it.

Through you, I would like to quote those apprehensions. It has been stated their in that it would not be of any special benefit. I quote :

[English]

The IMPEX TIMES Says :

" This issue of IMPEX TIMES already contains some comments on the Foreign Exchange (Development and Regulation ) Bill, 1992. At the printing stage of IMPEX TIMES, Some distinguished businessmen have made a point in relation to Section 18 of the said Bill, which should be considered and settled."

It further says :

" Some people have also pointed out that the proposed Act envisages the power being delegated to subordinate officers in certain respects. Their view is that this may be considered as a power for excessive delegation of jurisdiction. This point may also be considered, because power of delegation of authority should not be excessive in any case. There is also a suggestion available from certain quarters that the draft of the Bill placed before the Parliament requires a further scrutiny by a Committee of Parliament because the new Act deals with a very important area relating to India's economy."

[ Translation ]

It is true that import and export occupy a very significant place in Indian economy and then are the axis of our economy. The existing Bill would not fulfil those expectations. What are the reasons that we are incurring constant loss in foreign trade ? I don't want to go into further details on the subject. Other hon. Members of my party who are scheduled to participate in the discussion on the Bill would speak more. Confining myself to the main purpose, i.e. disapproval of the motion. I would like to say that there was no need to bring forward such an Ordinance. The Bill could have been presented direct. The Bill was under consid-

[Dr. Laxminarayan Pandeya]

eration. We could have brought it forward after two days. I fail to understand the reasons that forced the Government to issue an ordinance when the House had already been summoned and we were expected to meet. Since the Bill has been brought forward by issuing an Ordinance, I would like that it should be negated.

14.34 hrs.

[English]

THE DEPUTY MINISTER IN THE MINISTER OF COMMERCE (SHRI SALMAN KHURSHED) : Sir, I beg to move :

"That the Bill to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and to matters connected therewith or incidental thereto, be taken into consideration."

As the hon. Member are aware, the intention of the Bill is to reflect the policy announced to the nation and radical departures having been made from the past structure of trade regimes of our country. As you are aware, the basic departure that has been made in the trade regimes structure in our country has been a departure from over-bearing licensing, over-bearing regulations, to give freedom to our entrepreneurs, to give freedom to our exporters to reach out to the world market, to be able to import items, capital goods which will provide better incentives for competitive edge in the world market, to be able to export without the nuisance inconvenience of having to go through many levels of red-tape in order to be able to export.

We have with the experience of the last

few years come to the conclusion that the world trade requires energetic and quick responses. The world trade requires for the entrepreneurs to be able to reach out through an opportunity when the opportunity is given and not to go through the rigmarole of many months of licensing, many months of requests to be made at Government doorsteps in order to be able to export. This is the process which is reflected in the new policy.

As you are aware, the original Act is an Act which has been with us for several years. It has not been overhauled. We have the opportunity in country to overhaul legislations in many fields of economic development and welfare and in the field of industrial development. We have not really had an opportunity to be able to overhaul our foreign trade regime. Overhauling of the foreign trade regime by giving a new policy which would be concurrent with the new Five Year Plan and to provide certainty and freedom in the trade regime is the purpose of new policy. It was our impression, certainly our considered opinion that the existing framework of law as available did not provide for statutory recognition of the trade policy that was pronounced from time to time. We have found in course of law, on several occasions, serious problems would arise because the pronounced trade policy of the country would not be given statutory recognition, recognition in terms of binding legally operation and rule of law. For this purpose change were essential and necessary.

As the hon. Members of the House know, our intention as to come for a meaningful discussion with all the Members in this House and with that purpose, we introduced the Bill as early as 3rd April, 1992 in the House. The Bill was to reflect the policies that were announced barely a few days earlier on the 31st of March to hold good from 1992 to 1997. The ordinance was issued on 19th June, 1992. Before the Ordinance was

[Sh. Salman Khurshheed]

issued, the new Hand-Book of procedures which was to reflect procedures that would be concomitant with the policies which we have made have also come into operation on the first of May. It would have become, as the House knows, extremely incompatible it the thrust that we were giving to the trade strategy of our country, if there as in a sense, incompatibility between the policy and procedures that we have announced before the House and I believe, with a great deal of support and consensus in the House and yet not to be able to provide a legal framework.

I appreciate the hon. Member, Shri Pandeyji's objection that this matter should have come to the House before it was made into law. But I would only request Shri Pandey to concede to us this little concern for national interest that if we had left it there would be a certain degree of uncertainty at what time, within what period Parliament would be able to take up certain Bills and pass them. We are sometimes overcome by incidents and events which are not of our making but incidents and events which could well delay passing of legislations for a considerable period. We have pronounced to the whole world our trade policy. We have pronounced to the whole world the new procedures.

It was imperative that we provide binding legal structure for the Trade Policy and the procedures thereunder. With this purpose in mind and certainly only with this purpose in mind, we introduced the ordinance on 19th June, 1992. Thereafter, we are now before the House and the House has an opportunity to discuss the Ordinance as well as the Bill in full detail and to give whatever suggestions that are forthcoming.

Hon. Member Dr. Laxminarayan Pandeya also made reference to certain amendments that have been suggested by the

Government. These amendments are in the nature of fine-tuning of the intention already reflected in the legislation. The intention only was to ensure that no inconvenience is caused to any person dealing with the offices of the Ministry of Commerce or the Government of India. Therefore, the amendments are really of a technical nature. I do not believe the retrospectivity of those amendments, as far as the operation of the Ordinance is concerned, would if in any inconvenience any person at all.

One very major feature of the new legislation, in fact, is that we have moved away, we have moved the Trade legislation away from the area of criminal jurisprudence to the area of civil jurisprudence. We have felt strongly that in the area of Trade, We Should provide incentives and we should also keep some sort of disincentives. But we do not feel that it is necessary in the trade regime for us to behave like police officers, as policemen, to police the trade regime in a manner in which we would be inflicting criminal penalties on people who may be infringing the requirements or regulations of the trade regime. There are other compatible laws available in the country under which any infringement, which is made of the trade regulation, may well fall as an infringement of the criminal jurisprudence. Therefore, adequate penalties or adequate relief is already provided in those compatible legislations. We felt that it was not necessary for the trade regime, in any way, to smack of criminal jurisprudence and for that reason we have moved away from the area of criminal penalties to the area only of civil liability and this is a major distinction that has been made.

Sir, I believe that hon. Dr. Laxminarayan Pandeya will appreciate the fact that retrospectivity also of taking away criminal penalties and introducing only civil liability, is, in fact if anything, in favour of the consumer, in favour of the person who is

interacting with the Government rather than against him.

A point was also made about whether adequate reasonable opportunity which is to be granted to any person who is alleged to have infringed any of the requirements of this legislation, would be given. I would only like to say here that the modern perception of legislation is not to provide reasonable opportunity in terms of a definition which then restricts the reasonable opportunity only to the strict letter of the law as provided in the Act. There is, on all our legislation in a sense, a super-structure of the Constitution and the Constitutional amendments or the Constitutional pronouncements made by our High Courts and our Supreme Court and the availability of the entire umbrella of pronouncements made under Article 14, remain applicable to all legislations. It would therefore, be unwise to restrict artificially any area of reasonable opportunity and cut it down by specific word to be provided in legislation. Reasonable opportunity is provided for. Reasonable opportunity will be interpreted, we all hope and believe, by the Courts to be the reasonable opportunities that are available under the pronouncements under Articles 14 and 19 of the Constitution of India.

Sir, one more important point that was made and I would be failing in my duty if I did not reflect upon that point, if I did not make an attempt to answer that point. And, that was that the Foreign Trade Development and Regulation Bill, 1992, speaks much more of regulation rather than development. Development comes by way of policy. Regulation comes by way of law. We are in the realm of regulating a particular regime. It can not only be an act which talks of a Bill which speaks of development, but the policy provides a general framework of development. The development has to take place within a certain framework of regulation.

Therefore regulation becomes more

important. But merely because the Act itself provides more for regulation, provides more for the word regulation in its name, does not mean that we are departing from our pronounced policy that our intention is to reduce the level of regulation, to provide greater freedom of operation for the Indian trader, for the Indian exporter. I think that a full reading of the Act will not betray in any sense that the Act is meant to or the unwitting or witting purpose of the Act is to cut down on the freedom which we are trying to give to the Indian exporter and the Indian entrepreneur.

Sir, I would in all fairness like to add a post script before I commend this Bill to the House to pass unanimously, even if it is a truncated House this evening. The author and the prime moving spirit of the Act and the Trade policy is today not here to defend what he has proposed before you. I refer to the hon. former Minister of State for Commerce Shri P. Chidambaram. I would only reiterate here that the commitment that he made both in the House and outside by manner and by word to leading India in a major way into the world market as the major exporter, to providing India a major development thrust to export, to that commitment we all stand equally committed as he was. In our own little way we will try to follow the footsteps, the imprints of which he has already made in the area of trade relations and in the area of trade development in the constitutional history of our country. That will be my endeavour, will be the endeavor of the Ministry of Commerce.

I commend the Bill for unanimous acceptance by this House.

MR. DEPUTY SPEAKER: Motions moved :

"That this House disapproves of the Foreign Trade (Development and Regulation) Ordinance, 1992 (Ordi-

nance No. 11 of 1992) promulgated by the President on the 19th June, 1992."

AND

"That the Bill to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith to incidental thereto, be taken into consideration."

There are two amendments to the Motion for Consideration. Both the movers are not present in the House. Shri Sudhir Sawant to speak.

SHRI SUDHIR SAWANT (Rajapur) :  
Mr. Deputy Speaker Sir, at long last we can talk on this Bill because we have been waiting for the past one week.

I rise to support this Bill which I find was a necessity after the changes that have been made in our economic policies since we have taken over. We are all aware that in June 1991 when this Government came to power, this country as far as its imports and exports are concerned was in a very precarious condition. The balance of payment issue was indeed grave. In fact this country had to sell gold to survive. This was the situation from which we had taken over.

When this Government came to power, a number of changes and initiatives were taken by the Government to bring the economy on the road. We must realise one thing that as we progress towards the 21st century, the slogan is going to be "export or perish". The export constitutes the most important sector of our politics. Among other things, export is related to a very vital issue in this society; that is employment. We have to export more. We are going to produce more and generate employment. Hence we must give our due priority for this very vital

sector. At the same time we must be aware that as we progress ahead nobody is going to allow us to export our goods into their country. The competition in the world trade is going to increase. It calls for improvement in technology, in production and aggressive marketing by every country. In fact, all the countries in the world especially the developed countries look at India as one of its markets and that is why all the developed countries would like to export to India thereby bringing India to a condition where you are forced to import. When we talk of globalisation, we must be aware of this danger. Globalisation and liberalisation do not mean that we are going to sacrifice our economic sovereignty. Hence, when we are liberalising and when we are integrating our economy with the world, we must be careful to build in a defensive system so that only what is required comes into this country. I could see no reason why consumer goods should come into this country, why goods which can be produced in this country should be imported. We must keep this factor in mind.

When Gandhiji launched his political struggle, he made Swadeshi as one of his items on the agenda. The idea was to paralyse the United Kingdom's export potential. The aim of the East India Company was to bring down India's market. This particular way of looking at India has not yet disappeared. Hence, we must build in a defensive system. When we see the exports of India, India's performance is very dismal. What have we seen? The figures of 1989, which I have got, show that India's share in world trade was mere 0.58 per cent. Small countries around us have done much better. Thailand's share in world trade is 0.64 per cent; Malaysia's share is much more than India's. USA's share is 14 per cent of the world trade. So, we must increase our exports and that is the only answer to improve the economic condition of this country. If we are going to increase our exports, then, what is required to be done is what is



important. If you compare the conditions prevailing today in India with abroad you may find that there is no aggressive form of marketing from the Indian side. The infrastructure available to the Commerce Ministry to increase the export is very limited. The Commercial Officer in Indian Missions abroad sees this, I have seen this, as a normal routine issue. There is absence of any accountability; there is absence of any target in these foreign Missions to increase the exports in various fields. Hence what is required is, we must develop proper organisation which will market India's goods abroad. It is not only the question of exporting the products that is important, but there are other connected issues like attracting investment, attracting technology into this country. That is wider, because the number of opportunities for investment we create in this country is directly related to the generation of employment. Technology is badly required by this country, when we look towards the 21st Century. When we see these issues, we find that we require someone abroad who is going to import India's goods and who is going to attract investments and technology into this country. For this, I feel that the Government must take assistance of industrialists, Members of Parliament. Members of Parliament are totally dissociated with this particular issue. The image of the Members of Parliament abroad is very high since when a Member of Parliament does something, he generates trust in the minds of individuals abroad. So, some sort of a group should be made. Various countries must be grouped and teams must be formed which will include Members of Parliament, people from the trade, industrialists and of course the officers of the Ministries. Such a team must be formed by group of countries to import our products.

The other thing which I want to bring to the notice of the Government is the agricultural sector. Agricultural sector forms

merely 21 per cent of our exports. Agricultural sector, I would allege today, is not given that kind of facility, is not given that kind of attention wherein the agricultural products can be exported. To give an example, I raise the question of alfonso mangoes. Alfonso mangoes are in demand abroad. But right from the growers to the point of departure from this country, the infrastructural facilities required for export of these mangoes are not prevalent. We have an organisation like IMPEDA. The IMPEDA, as an organisation, is not known to the growers at all. I do not know because I am yet to have a meeting with them. It is my point partly because they invited me. But as far as the rural area is concerned, the machinery of IMPEDA is not visible.

I am from a coastal district. 250 kilometres of coastline constitutes my constituency. But the people from IMPEDA came to my constituency and had a function. But they never felt it appropriate to call me or consult me or advise me. So, this is the sort of attitude of these corporations. MMTC is doing a good job. But again we have got the problem of iron-ore in my constituency which has not been resolved. So, these corporations and organisations of the Government responsible for export must keep in mind that the people at the grassroot level must be provided all assistance.

Some is the issue with the small-scale industries because small-scale industries can produce goods. But they cannot have the infrastructure or machinery to export. That is what we must pay attention to, that is, to the agriculture sector and to the small-scale industries.

Another is handicrafts. This sector has been totally neglected. It has vast potential for increase of exports. But again I would give an example of my constituency where there are so many artefacts and so much trade in handicrafts. When I presented a

wooden chest to the Prime Minister, he said, "You must export this." We have not yet found a mechanism for exporting those items.

Another factor I would draw your attention to is the remittances. Foreign remittances must be increased. We must increase our export of labour. There are so many bottlenecks for people going abroad. These bottlenecks must be removed. Voluntary organisations must be encouraged to prepare the people for going abroad. Opportunities must be created abroad because remittances form an important part of our foreign exchange earnings. Some of the issues need attention. What is required today is that along with the Eighth Five Year Plan, we must make our export plan.

15.00 hrs

SHRI RAM NAIK (Bombay North) : May I Point out, Sir that there is no quorum in the House?

MR. DEPUTY SPEAKER : The bell is being rung-

MR. DEPUTY SPEAKER : Now the House has quorum. MR. Sudhir Sawant may please continue.

SHRI SUDHIR SAWANT : Shri, to sum up, what I had called for as essential is that we must evolve an export and import plan for short term and long term. The essential ingredient of this plan is that we must encourage the small scale industries, the cooperatives, the voluntary organisations and heavy industries by providing the facilities of finance, marketing and technology. Now, it is time for us to take firm action on the side of exports so that we can make improvement from 0.58 per cent share of our world trade to cross one per cent mark rapidly and still progress because the slogan of the 21st century, as I said, is 'Export or perish'. For this purpose, we must treat export and

import as the first priority sector.

[Translation]

SHRI GIRDHARI LAL BHARGAVE (Jaipur) : Mr. Deputy Speaker Sir, the hon. Minister has brought forward this Bill to support export. The Government has announced that duty drawbacks would be increased in excise duty in 161 items to augment export. Similarly to new items have been identified for increasing duty drawbacks in export duty.

Mr. Deputy Speaker, Sir, one of the reasons behind a fall in import is that now-a-days people do not get hard currency from the Reserve Bank of India at official exchange rate. They have to arrange it from open market where the rate of exchange is higher. The Government made an announcement that increase would be made in duty drawbacks in excise duty on export goods. But from the statement made by the hon. Minister it is difficult to assess the lower rate at which excise duty and revenue would be levied. We have been exporting goods for years. There is a dire need of hard currency. The Government has pleaded in favour of increasing duty drawbacks in excise duty on 161 items viz. medicines, pharmaceuticals, chemicals, cotton, leather goods, sports goods, electronic goods. But in the meantime the cost of foreign goods and equipments has gone up. I would, therefore, like to request that efforts should be made to reduce the cost of production and overhead expenses in industry and trade in view of decision already taken to augment export in consonance with the trend of world economy. The Government deserves laud applause for seizing huge quantities of smuggled silver. Though we have been receiving not only financial help but technical industrial assistance as well from Western Countries, our export could not go up and in these 40 years we have become addicted to living on foreign debt.

[Sh. Girdhari Lal Bhargave]

I would like to make yet another submission. There has been a tendency with our industrialists to increase production for domestic consumption and earning maximum profit out of it. They did not have nominal attraction towards export. Due to this, there could not be much improvement in the quality and variety of finished goods. It is the biggest weakness of protected market. The foreign companies are more interested in producing consumer goods in this country. On the other hand we depend on decade old techniques in the name of technology. We talk of education on socialism, but we are falling into the grip of capitalism which we want to eliminate. We talk of boosting export and principles of progressive export. The result was that neither we could become a Japan nor a China. We could not improve the quality of goods to a level as high as that of Japan so that we could face global competition. People are very much fond of Japanese goods even today. We could not build up an infrastructure to meet our domestic requirements from our own sources like that of China. I would like to request the hon. Minister definitely to reply to these points when he rises up to give his reply. That is all I wanted to say.

15.07 hrs.

[ English ]

SHRI SHARAD DIGHE ( Bombay North Central ) : Mr. Deputy Speaker Sir, I rise to support the Bill before us, viz. the Foreign Trade (Development and Regulation) Bill, 1992. The object of this Bill and its salient features have been ably put before this House a little while ago by the hon. Minister. In fact, this Bill replaces the existing Imports and Exports Control Act, 1947, because that law did not provide an adequate legal framework for the development and promotion of India's foreign trade.

As the House is already aware, in July - August, 1991, major changes in trade policy were made by the Government. The goals of the new trade policy are to increase productivity and competitiveness and also to achieve a strong export performance. We all know that the Export Policy is a strong ingredient of our trade policy. Actually, it is its vital part, as far as the policy is concerned. And the basic law governing the foreign trade must serve as an instrument for creating an environment that will provide a strong impetus for export facilities. It is from this point of view that the old law is being replaced by the present Bill. As we could easily see, the law as it exists today, is not in consonance with the the present trade policy and consequently, the import and export policy.

The highlights of our present export and import policy in short are as far as imports are concerned, negative list of imports should be the smallest for ever and consumer goods will continue, to be under strain. And, as far as export policy is concerned, negative list of exports was to include only seven items. Sixty two items were subject to restriction and twelve items were canalised. So, in consonance with our liberalisation policy of trade, this Export-Import policy shall also contain the element of liberalisation. As far as the old law was concerned, it was in the nature of prohibiting something. The preamble of the Import-Export Control Act itself was an act to prohibit or control exports and imports." The long title also mentioned; whereas it is expedient to prohibit, restrict or otherwise control export and import it is hereby enacted as follows. So, the whole impact of the Export and Import Control Act, 1947 was to prohibit, to restrict, etc. etc.

Whereas the present Bill that is before the House is for development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for

matters connected therewith. The whole thrust of the present policy of Export and Import and consequently of this Bill is to regulate and provide facilities for import and export. The long title and the preamble also is very significant and shows correctly the importance of the present law that has been placed before the House.

As far as the contents in the present Bill are concerned, violation of law will attract monetary penalties, confiscation of goods and suspension or cancellation of licences. That is in consonance with the liberal Export and Import policy of this Government.

In this respect, I submit that the Government has acted on the principle of trust. Government has put trust on the trade, industry and business and it expects that trade, industry and business will respond positively to the policy initiated by the Government, as far as trade, export and import policy and the present law is concerned. I also hope that the Government's trust will be responded to because it is rational.

Now, after, commenting on this Bill and welcoming this Bill, I would like to only point out one provision which according to me is not happily worded and may have dangerous consequences. This Bill provides for the appointment of a Director General of Foreign Trade for the Purpose of this Act. It is a very responsible post. Because, as per Sub-Clause 2 of Clause 6, the Director General shall advise the Central Government in the formulation of export and import policy and he shall be responsible for carrying out that policy also. So, this Director General will be a person who will advise the Government as far as this policy is concerned and he will also be responsible for carrying out that policy. Now, such a Director General is to be appointed by the Central Government under Clause 6, Clause 6, Sub-Clause 1 says that the Central Government

may appoint any person to be a Director General of Foreign Trade for the purpose of this Act. My humble submission is that some qualifications some conditions ought to be laid down. When you are appointing such a big authority or an authority having large powers or who would be involved even in the framing of this policy and would be responsible for implementing that policy, it should have been defined as to the qualifications which such a person should possess. Otherwise, any person would have a very disastrous effect and if the bureaucratic machinery utilises this power, then any person will hold this very important post of a Director General having such a wide and large power under this Bill.

Therefore, my suggestion to the Government is that some qualifications should be laid down if not under this law, at least, in the Subordinate Legislation when rules are framed that this Director General would possess minimum qualifications as laid down in the rules which may be framed by the Government under this law. Unless that is done, this power is likely to be missed and any person may hold this responsible post which has got very wide powers as far as this law is concerned.

With this suggestion, I welcome this Bill and support this Bill wholeheartedly.

DR. RAJAGOPALAN SRIDHARAN (Madras South) : Sir, the backbone of India's Economic Growth lies in foreign trade. Thanks to our present Government's urban outlook and liberalised EXIM Policy by eliminating avoidable procedural red tape and obstacles, to make the way clearer and simpler for export and import. This will bring prosperity to the nation not only by way of stepping up foreign exchange earnings but also upgrading Indian rupee status from soft to hard currency. Let us all hope that the day is not far off that Indian Rupee regains its

[Dr. Rajagopalan Sridharan]

glory of exchange rate prevalent in terms of US or other hard currencies to pre-1980, 1970 standards. This can only come through sustained and meaningful hard work in a team spirit, with Government and Private entrepreneurs all acting as one unit. Here bureaucracy should yield place to business strategy or diplomacy.

The Prime need to promote foreign trade falls under the following major categories:

1. Identification of Buyers' markets, globally competitive offer and terms.
2. Money's worth of the goods sold.
3. End users utmost satisfaction from which repeat orders should pour in.
4. Prompt performance and strict adherence to schedule.

#### *Identification of Buyers' Market*

There are short term and long term buyers. Their regular import needs may be raw-naturals or finished products. Countries which are not self-sufficient look to countries with surplus to offer their goods and services for export. Here India should exploit by making globally attractive offers. Here however, internal demand should be kept in view and under no circumstances our people should be allowed to suffer for the sake of earning foreign exchange.

#### *Money's worth*

End user's satisfaction is the proof of the pudding. A customer expects his money's worth in the goods and services done. Rate, quality, quantity, packing and time schedule are the basic needs of compliance. Before taking up step by step the procedure, I wish to dwell on a hitherto overlooked area

which can do wonders. This area belongs to promoters, who are classified as under :

Self-employed, educated or experienced class with full of business acumen and experience. Among them, there may be promoters right from their academic stage due to unemployment and want of job opportunities. Secondly those creative brains who leave service earlier or later and take up business due to non-recognition of their talents by their employers though otherwise they get monthly salary, income and retirement benefits.

These promoters are superb class except the fortune of having capital and infrastructure facilities of an office, furniture, stationery, tele-communication facilities like phone telex, fax, etc., which are vital pre-requisitions to get business. What they know may not be known to the persons with money power and facilities. The promoters by virtue of their foresight, and hard work over the years know the sources of supplies and the buyers' markets for such items and can link sellers and the buyers since they cannot defray promotional expenses, the business neither does develop nor materialise. The loser is the nation, more than such promoters. Here Government should come forward to enlist such talented persons and allow them free utility of telecommunication system with other infrastructure facilities till they strike the deals. Besides and more vitally, they should be provide sufficient funds as advance to defray expenditure on tour, lodging, transport, entertainment etc. This advance can be considered as a Promoters Loan Mela Advance, that can be recovered once their remuneration is earned and credited from service charges.

There are three things which I wish to bring to the notice of the hon. Deputy Minister of Commerce. The words 'source of origin' in terms of sandal wood should be incorporated since these words do not find

a place. Smuggling is quite rampant particularly in the States of Karnataka and Tamil Nadu and I wish to bring it to the notice of the Hon. Deputy Minister of Commerce.

The export of hand-made match boxes and match sticks - they are manufactured in Tamil Nadu on a large scale; and as per the general wishes of the hon. Chief Minister of the State of Tamil Nadu, I wish that the hon. Deputy Minister of Commerce should see that the general excise that is now enforced should be removed.

As far as cotton import and export policy is concerned, the textile mills suffer a lot today. There should be a meaningful dialogue between the Government and the textile owners.

Coming to export performance, the step by step procedure to be adopted is as follows:

1. Foreign market survey.
2. Inviting enquiries.
3. Sending offers with globally competitive quotations.
4. Rushing up samples, packed to international standards.
5. Negotiation and finalisation.
6. Care should be taken to see that the letter of credit is realised on presentation of documents, without falling to the temptation of deferred payment terms, which some countries use for their own gains.

With these words, I support the Bill on behalf of my party.

15.25 hrs.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Mr. Deputy-Speaker, Sir, I rise to support the Foreign Trade (Development and Regulation) Bill, 1992. This is a Bill which is intended to provide for the development and regulation of import and export trade.

This decade is the decade of changes, rapid changes throughout the world. When such changes are taking place everywhere, in the European countries and in countries around us also, we cannot just sit silently. We have also to cope up with such changes. Of course, when I say changes, I mean definitely changes for the better. When changes are taking place rapidly around us we cannot remain in isolation.

These global markets are more open today than at any time. In recent history, over the past decade, numerous developing countries such as Indonesia, Korea, Mexico, Malaysia, Morocco, Thailand and Turkey have liberalised their trade designs substantially. All the developing countries have also spruced their designs and India, Pakistan, Peru and Vietnam are now initiating the reforms.

The East European countries are dramatically opening up their economies and the Republic of the former Soviet Union are also poised to follow. There also, we have seen the collapse of a big power and the different Republics are no more poised for these changes.

As our experience confirms, trade reform and economic growth go hand in hand. There was also a great need for bringing in changes in our country, in our trade policy, economic policy, industrial policy and so on.

We are happy that this Government which is now in power, this present Ministry,

[Sh. Sriballav Panigrahi]

after it came to power in June last year has, on a priority basis paid attention to this aspect and naturally they have formulated a new economic policy and a new industrial policy.

Sir, trade brings in dynamism to the industrial sector. One eighth of the Gross Domestic Product, strictly speaking, is generated by trade. The foreign trade is the driving force of our economy. Our economic activity, technology, investment and production are being increasingly interdependent upon each other and trade brings these elements together and spurts economic growth. So, Sir, as you know, low immensely important or significant is our foreign exchange reserves. So, export has got to be encouraged by all means. And from that angle also, I congratulate the Government for visualising all these and also bringing in new policies - economic policy; industrial policy and, naturally as an essential part of that, trade policy.

While bringing in changes and also while implementing new policy, we have to adopt a cautious approach. In the sense, implementation of new policy should not create problems in our own country, in the field of employment, etc. Ours is a very fast country and the population of this country - all efforts are going on now to contain the population growth which by the turn of this century will touch 100 crores mark or 1,000 millions mark. For generating employment, we have to go in for such policies. But at the same time, as I said, changes are taking place everywhere and these are the days of scientific development and technological development. New technologies are being found out and they have been made use of. Modernisation is the order of the day.

Sir, while modernising also, while going in for new technology, we have to see that our manpower aspect, that is, the problem of

unemployment should be kept in our mind. So, it has got to be a mixture. Wherever technology is a must, we have to import and by using such advanced technology we have to improve our productivity. We can raise our production in different fields if the productivity improves and the productivity can be improved with the adoption of modern technology. That way, these are inter-linked and therefore, it has got to be a mixture of all these. And wherever technology is a must, we have to import and in the areas where we have to generate employment, I think, we should give special attention to those areas so that in this new trade, policy does not affect the employment the generation growth is not affected in those fields. Probably if Gandhiji also was alive today he would have pleaded for certain changes. That, we saw, as Gandhian Economy. True, this is the land of Gandhi. And Gandhian Economy has very many original features in it. Self-sufficiency is one of the vital aspects of that. Today we have got to be self-sufficient and, at the same time, have also to be competitive in the world market. There may be some difficulty but it is just not impossible to attain self-sufficiency and also to stick to Gandhian philosophy. As far as possible, that should be attempted.

As I said, this Bill is committed to remove all sorts of hurdles and impediments to the economic growth. So, the Government is complying with its commitments one by one. The legislation that was prevailing with regard to trade, dates back to 1947 and, as pointed out by some of the hon. speakers earlier, that was not providing adequate legal framework. Certain deficiencies were there in that legislation and looking at the liberalisation, looking at the changing situation, that was falling short of our requirements. So, this Bill is intended to update that legislation.

The goals of the new trade policy are to increase productivity and competitiveness, to

achieve a strong export performance and to provide adequate framework for the development and promotion to the country's foreign trade. It has been taken due care of in the Bill that is before us that all those provisions that were there between 1947 and this Bill will be deemed to have been brought under the new Bill. So, all those things have been taken care of. Henceforward, code number will be given. Without a code number, nobody will engage oneself in this trade. Whosoever indulges in economic offences or violates different orders and rules and regulations pertaining to Customs, Excise, Foreign Exchange, etc., will be deprived of his code number. His code number will be suspended. Penalty provision and provisions for confiscation etc. are also there. If all these provisions are implemented fully, the objective behind this Bill will be achieved to a great extent.

Just like other laws, this Bill also provides for power to make rules and also power to make provisions relating to imports and exports. So, there is nothing to oppose this Bill. This is rather a very widely welcome piece of legislation and thus I would like to lend my wholehearted support to this Bill and I welcome this Bill.

Again I would say that there is terrific change taking place everywhere. We are alive and we should always remain alive to the changing situation. At the same time, it has got to be a mixture of our originality that we have and our approach towards modernity, modernisation, etc. It has to be a synthesis of the two. Even in the trade field, wherever they come in clash, in conflict, we have to address ourselves to just new singular thing which Gandhiji also said when asked by the journalists, by different sections of the people. I would say that that really should be the yardstick. He said that when there is any conflict in mind or heart about certain problems, you ask your conscience as to what work you are doing or a

policy you are adopting whether thereby the poorest of the poor of the country will be the beneficiary or will be a loser. If it stands to benefit the poor, then that policy should be adopted. That way we have to address ourselves to the problem wherever there is any conflict in mind. But at the same time we have to be a part of the changes, we have to be a part of the changing world. Revolution is taking place very speedily and very fast, we cannot avert it.

With these remarks I would say that I lend all support to the Bill. I wholeheartedly welcome and support the Bill.

[Translation]

PROF. PREMDHUMAL (Hamirpur): Mr. Deputy Speaker, Sir, I welcome the introduction of Foreign Trade Development and Regulation Bill 1992. In the economic sphere foreign trade is quite important. This Bill has been brought forward with the purpose to replace the 'Import and Export Control Act, 1947', which was amended time and again to boost exports and to facilitate imports. The main objective behind the announcement of the new EXIM -policy is to bring in free economy in the country and with this motto many a suggestions are contained in this policy to give concession on exports and imports. In principle, we certainly welcome the concessions announced on imports and exports. However, caution needs to be the watchword at the time of the implementation of this policy, if unfortunately because of the policy of liberalisation imports rise far in excess of exports then Balance of Payment will be adversely affected leading to a terrible loss to the economy of the country.

Sir, this Bill has been brought forward to remove the deficit on foreign trade account. However, I would like to bring to the notice of the hon. Minister that mere formulation of



[Prof. Prem Dhuma]

policy to boost exports will not serve the purpose. Exports can be encouraged by paying added attention towards the quality of goods to be exported. But, in this Bill no provision has been made regarding the norms for supply of goods as per the approved samples of the exporters. So, how can the exports go up if the reputation of the country's goods suffers in the world market. The hon. Minister must be remembering that when during sixties and seventies India got a big order for pipe fittings the goods supplied were without the mandatory threading. The entire consignment was not only rejected but the prestige and reputation of the Indian pipe fittings in the world also suffered. Till date the country has not recovered the lost ground. Therefore, I would like to submit that provision for the supply of quality goods should be made so that Indian goods receive wide acceptance in the foreign countries. Now a days consumers only want cheap, durable and quality products. Only if the quality is good products will be durable. And since there is no dearth of manpower in the country Indian products will involve lesser production cost as well. Therefore, the competitors do not stand a good chance in comparison to India.

Mr. Deputy Speaker, Sir, I would like to present data regarding the continuous rise in deficit on the foreign trade account. In 1960-61 there was a difference of Rs. 480 crore between the import and the export figures which stood at Rs. 1140 crore and Rs. 660 crore respectively. However, this difference has increased over the years. I would like to specifically draw the attention towards the period of 1986-87 onwards. In 1986-87, imports and exports stood at Rs. 20095.76 crore and Rs. 12451.95 crore respectively, this a deficit of Rs. 7643.81 crore. In 1987-88 imports and exports were to the tune of Rs. 22243.74 crore and Rs. 15673.66 crore respectively. So the defi-

cit was of Rs. 6570.08 crore. In 1988-89 India imported goods worth 28235.22 crore and exports were to the tune of Rs. 220231.5 crore. Thus the deficit was of Rs. 8003.72 crore. In 1989-90 the difference was of Rs. 7734.43 crore as imports and exports were of the order of Rs. 35415.90 crore and Rs. 27688111.47 crore respectively. In 1990-91, at the time of liberalisation, imports and exports were around Rs. 43192.86 crore and Rs. 32553.34 crore respectively. So the deficit was of the order of Rs. 10639.52 crore. This is the stage of the continuous rise in deficit in foreign trade of the country.

Even after the implementation of the new policy, during the month of April in the current financial year 1992-93, the deficit on trade account of India has gone up. All these figures do not support the stand of the Government. During this very period the deficit in term of rupee and in terms of dollar last year stood at 102.04 crore and 514.04 lakh crore respectively, while these have gone up to 1214.10 crore and 4199.03 crore respectively in the current year. Even after the introduction of the new policy the Government has failed to check the rise in trade deficit.

I would suggest a provision in the Bill for the prosecution of the exporters who are not maintaining export quality. I would like to draw your attention towards the similar suggestion put forth by Shri Dighe who spoke prior to me. In subsection (1) of Section (6), Chapter 2, the provision for the appointment of Director General foreign trade, to oversee the implementation of the Bill, by the Central Government has been made. Though such wide powers are to be conferred on the Director General, but for the incumbent no qualifications have been prescribed. So, whether in this post politicians rejected by the people, who cannot be accommodated/elsewhere will be accommodated? For such an important post qualification and service conditions should have been laid down.

In sub section (2) of Section (8) of the Chapter 3, provision for the abolition of the 'Code Number' system and the regulation of foreign trade as per the orders of the Director General has been made. So, whether such extensive powers will be misused.

I would suggest that it would be better to replace the "Code Number" system by rules formulated under the import-export order scheme to regulate it. In Sub section (2) of Section (9) of Chapter 3 it is stated that a proper enquiry which he deems proper will be conducted by an officer deputed by the Director General. However, it is not clear who will conduct the enquiry, is what will be its ambit and powers. Qualification for the post of the Director General has not been prescribed, he should have the authority of conducting the enquiry according to his discretion. Therefore, I would like to submit that at least qualification for the post of the Director General should be prescribed and instead of the 'Code Number' system, only under the import-export order scheme trade be regulated.

Mr. Deputy Speaker, Sir, I would give another suggestion that Tribunals be constituted in place of the Appellate Authority, so that anybody with a complaint can approach the Tribunal. This will facilitate dispensation of justice to any aggrieved person. Mr. Deputy Speaker, Sir, I would like to request the Government that while implementing this policy, all the suggestions contained in it should be implemented after passing this Bill. I do not favour repetition of the episodes like the resignation of the former hon. Minister of State of Commerce because of this very policy. Therefore the lacunae left over should be got plugged.

With these words I conclude.

[English]

SHRI SHRAVAN KUMAR PATEL

(Jabalpur): Mr. Deputy-Speaker, Sir, I thank you for permitting me to participate in the discussion on the Bill to develop and regulate the foreign trade.

This Bill has been brought forward to replace the 45-year old Imports and Exports (Control) Act, 1947 so as to bring the law in line with the latest developments and the new economic policy enunciated by the Government. Now that the old era of controls has gone and we embark on a new system of liberalised economic development which is in line with global changes, this bill is very much timely and pertinent.

The earlier Act as its name suggests only aimed at controlling the import-export trade. In the changed economic scenario, 'control' is to yield place to the 'development and regulation' of the trade.

Sir, if I am permitted I would like to suggest its nomenclature to be International Trade Development & Regulation Bill which will ultimately become an Act to give it somewhat wider and broader concept. It should bring within its ambit international collaborations and imports and technologies besides merely regulating imports and exports.

Trade is the engine of economic growth and national economic development is directly linked with the rate of growth of global economy. We cannot think of national economic development in isolation.

To my mind, there are two aspects of growth, namely, technological and the market.

On the technological frontier, we have seen since the Industrial Revolution successive waves of economic growth, marked by various technological breakthroughs such as Rail-Roads, Wireless, Radio, Automobiles,

[Sh. Shravan Kumar Patel]

Aircraft and recently we have the super-computers and the Robots.

On market frontier, we find that the focus has been on fighting with each other for capturing existing markets rather than exploring new markets.

I would therefore suggest that the ambit of the law, this piece of legislation that is in front of us should not confine merely to market aspect but also encompass technology, imports and exports.

Sir, Clause-3 of the Bill gives very wide powers to the Executive for the Development and Regulation of Foreign Trade and to restrict and regulate the import and export of goods. The Deputy Minister of Commerce has done well to issue a revised Memorandum regarding Delegated Legislation, including Clause-3 therein. This is obviously intended to bring specifically these powers of Delegated Legislation, vested in the Central Government under the scrutiny of the Parliament, at least indirectly. What we in the House expect from the Government is to lay on the Table of the House all policies, programmes, schemes and orders for development and regulation of foreign trade, well in time, to enable Parliament to scrutinise the same before they are brought into effect. My intention is not to infringe the right of the Executive to issue notifications from time to time but only to suggest that the broad policies and programmes might be placed before the Parliament well in time.

In the recently-concluded Earth Conference at Rio, emphasis was on the use of exports and imports of eco-friendly technologies. Consequently I feel the use of eco-enemy commodities should be barred or regulated as per national economic interests.

Policies and norms may also be spelt-out for export-oriented industries and the setting up of Export Promotion Zones.

While we need not revive and re-opened the Trade Missions set up abroad which had been closed down by the previous Government, we should augment and strengthen the Trade Wings under different Embassies and Indian Missions abroad and even open such Wings where they are not yet in existence.

In the end, I would like to suggest that proper advisory and supervisory panels with representatives of public and business and trade interests should be constituted in respect of powers under Clauses 3, 6 (2) and 11, 12 to 15 whereunder wide powers of policy-making, enforcement and adjudication have been conferred on the bureaucrats.

With these words, Sir, I again thank the Chair and support the Bill.

DR. VISWANATHAM KANITHI (Sri-kakulam): Mr. Deputy-Speaker, Sir, I thank you very much for giving me this opportunity to speak on the foreign Trade. I am neither a trader nor a businessman to know the details of the Foreign Trade. But basically we have the links with the traders with foreign trade. In the pre-historic times, our country had trade links with other countries of the world.

16.00 hrs

Even in this case of foreign trade, we have the barter deals also in the previous years. Now in the present day world, there is a scenario of change. Accordingly, our Government, the new government which has taken over the charge, one year ago changed the foreign policy and also its trade policy with the foreign countries.

I have some suggestions to make in this connection. The products which have been manufactured and produced in India, but the producer is not aware of the places to which he can send and conduct foreign trade. So, that awareness must be created by the Department so that more and more people can resort to this trade and more amount of foreign exchange can be credited to our country's account.

The other thing is, to the clause of punishment. One single person is given the charge and that person also, may be anybody, like me, does not know the trade but because of seniority or closeness to someone may be given the charge, that should not be there. When the punishment is given it must be by two or more persons sitting on the judgement and deciding the case on merits. Usually, instead of giving jail imprisonment, monetary punishment would be more attractive thus making him mobile to trade again and otherwise it will be a loss to the country. The other thing I would like to suggest is that we have been getting some of the items, we are exporting some of the items. Some people or traders are getting the foreign exchange. But they are not getting the whole amount into India. In some cases they are importing some other items and they are selling some other items at a black-market rate. For example, a person exporting shrimp fish is getting zinc and tin which is much more valuable here in India than any thing. Actually, what we need has not been utilised in this part. All those regulations must be instituted especially, if not in the Bill at least in practice so that this foreign trade becomes rather a practicable one and useful one to the country.

SHRI S.B. SIDNAL (Belgaum): Thank you, Sir. I welcome and support this Foreign Trade and Regulations Bill. The export and import Bill does not only depend on regulation or legislation of any law except to helping in removal of some restrictions or

impediments. When we look at the export rate and imports, we are lagging far behind and that is the economy. That is not helping our exports. From agricultural point of view, forty per cent of agricultural produce is almost exported and that has been stagnant all these days because of so many impediments and production also. The production has to be also enhanced and the infrastructure should be given to the sugar industries, cotton industries and oil industries. We are exporting thousands of crores of oil that has to be given concession or subsidy to agriculture where they can produce a stand-by. These are the networks we have to do if we want to make any legislation or facility to be more successful. This way trading in the international area will become successful. Any amount of legislation will not help. We have passed many legislations in this House many a time. But they are not properly implemented. For example, Digheji commented on the appointment of a Director General and said that the concentration of power in one hand is very dangerous. Because it goes always with its fancy. It is described that for any person there should be generally some experience in the field of trade and industry in the international arena or some background in that field before he is appointed. If he does not have any such background or if a bureaucrat is appointed, that will prove difficult because technicalities will take priority over profit and other things. This is a very serious affair. He should have the knowledge of world market. If he does not have that knowledge, he will not encourage anything.

Why China and Japan are exporting and are earning foreign exchange so fast? Japan today stands first in the world in this respect. They are even overtaking USA which was supposed to be one of the richest countries in the world. It is because production and export are given priority over anything else in those countries. That is why they are flourishing. It is not difficult for us to

[Sh. S.B. Sidal]

follow them. It is never a hard job for us. We do not lack in anything. If one person is appointed to control the whole thing, he cannot be bestowed with all the wisdom required for trade and commerce or import and export. Therefore even if there is one member, there should be some qualifications prescribed for him before he is appointed. If there are three members also, it is welcome. My suggestion is, there should be a Board of Directors where a different person for engineering, a different one for trade and one for other matters will be there. That Board should be formed with some experts and it should regulate and implement the policies laid down in this Bill. Code number and all that are only technical facilities for the functioning of trade and industry. That is not important. But as a policy matter we have to take these things very seriously and amend it suitably.

The Deputy Minister has really done well in bringing this Bill which will definitely help the country to prosper. Because the passage of time has brought so many changes in the world economy and our country is not an exception. We have been in great difficulties with regard to foreign exchange and with that background things have to be seen. I congratulate the Prime Minister for adopting a new policy in economy which will definitely help our country to revive, to recover and to come back on the track of the economy in relation to the international trade.

Export is one of the very important items in the life of any country. So exports are to be more and more. Take for example Japan. They even imitated Lord Ganapati. But in the photograph of Lord Ganapati, the trunk acutely came on the wrong side and it was not accepted. That means they study religions worldwide and even photographs are sold. It is not enough that we produce

agricultural goods or industrial goods and export them. We have to create new areas. Creativity has to be there. Creativity has to be identified by the government and that has to be encouraged. A single man who would sit as DG cannot do it. That is my personal opinion. Many exporters have suffered. Many times export has to be done not just on the profit basis. Recently I met some NRIs. They said Chinese people are exporting materials required for the primary schools like pencil, rubber and small things like that. They are sold at a very cheap price. I enquired this when I went there. I asked why you do not import it from our country. They said, they are getting it from China and this is the margin they are getting. Why do they do so? It is to maintain the economy and also to create employment. 'Export' is a very good thing in the economy, provided you study and properly do it. Sometimes, we may not get profits; but export has to be continued. So, the Director General is a very important person to promote this business. Otherwise, it becomes very difficult. That is why, whether it gives profit or not, we have to continue our business of export. For that, this law is very important. Many aspects in this are very good and they are promoting exports.

But, concentration of power in one person is not good. Even in the recent scam, the Bank of Baroda's Chairman is caught because of this. These are all things which give doubts in the minds of the people about the person with whom there is concentration of power. Whenever there is concentration of power in one hand, it definitely attracts corruption, favouritism and so many things. Why do we give all the powers to one person? I really object to this and I request the Minister to take note of this point. Shri Sharad Ji has already raised it and I support it very seriously. Suppose tomorrow some item is not there, then we lose thousands of crores of rupees. We have seen it in the ONGC that if a machine is not substituted

or not replaced, it causes loss of crores of rupees every day. In the ONGC Department, it is there. This policy is not to be treated very casually; this is a very serious one. Therefore, I request the Deputy Minister of Commerce - he is a very competent person, I compliment him- to take these things seriously and help the country to move forward and compete with the international arena.

16.12 hrs

SHRI A. CHARLES (Trivandrum): The Foreign Trade (Development and Regulation) Bill has been brought forward to make suitable changes in the Act of 1947. I also share the idea that it needs changes as is now being brought forward, in the area of import, export and trade.

It was at a time when the country was passing through a very serious financial crisis that this Government has taken over the reins of administration. As we all know, the foreign exchange reserve was at the lowest. The reserve that was available was not even sufficient to meet just two weeks export requirements. Our credit-worthiness was also at the lowest. It was in that circumstance, the Government had to bring forward various measures including structural changes, liberalisation, delicensing and a lot of other changes to suit the change of time because we can no more remain isolated. We are part of the global economy and we have to compete with the world market. Our export naturally has therefore to be strengthened. I have gone through this Bill a little and I am compelled to say the this Bill still deals more with the regulation than with the developmental aspect. While going through this Bill, I felt that very exhaustive powers have been given to one person, the Director General.

Clause 3(1) of the Bill says:

"The Central Government may, by order published in the Official Gazette, make provision for the development and regulation of foreign trade by facilitating imports and increasing exports".

I agree; but from time to time, regulations have to be made and the subordinate legislation has also to be made. Clause 6 of the Bill gives unusual powers to one person. Clause 6(1) states:

"The Central Government may appoint any person to be the Director General of Foreign Trade for the purposes of this Act".

The words 'any person', I feel, is a very elastic one.

I do not question the wisdom of the government when they naturally appoint a person for such a big office. But still there should have been some connotation about the knowledge of trade, experience or some such thing. So, I think, under subordinate legislation, there shall definitely be some guidelines stipulating either the qualification or the requirement of experience of a person to be appointed as Director General.

So also clause 6 (2) says:

"The Director General shall advise the Central Government in the formulation of the export and import policy and shall be responsible for carrying out that policy."

I do not know what are the facilities or the machinery that will be made available to him for discharging his functions for enforcing that policy. Definitely there must be the department. How is he going to coordinate has also to be explained..

[Sh. A. Charles]

Again in chapter III, clause 7, it is said:

"No person shall make any import or export except under an Importer-Exporter Code Number....."

And that has to be given by the Director General. There is no time-limit. I know these restrictions will be laid down. But we have to be very careful that such vast powers shall under no circumstances be misused by a person who, for the time being, will be acting or will be appointed as Director General. These are very exhaustive powers given to him.

Coming to clause 9(2), he can refuse the grant of a licence. I do not question that right. But all that he has to do is to record in writing his reasons for such refusal. Nothing more is used. I have a fear that it may ultimately lead to some sort of corruption also. Why should unbridled powers be given to such a person?

What is the remedy? The remedy is contained in Chapter V:

"A person aggrieved by any such decision can appeal to the Central Government."

From a remote part of country, if the a person applies for licence or a code number and if that is refused after recording some reason, within 45 days, he has to appeal to the Central government. If that is the only remedy left, I am afraid, how are you going to help the small exporters which is the main purpose of this Bill?

I have pointed out these slight distortions which, in my mind, require changes. Anyway, I wholeheartedly welcome this Bill!

because this has to be brought forward and passed in view of the changes in the export-import policy and the need that is there in the country.

Now, there are various areas where our trade could be more helped, especially in the agricultural sector. I know, exhaustive guidelines or rules cannot be brought forward in this Bill. But I would suggest that while you issue the guidelines under the subordinate legislation, care shall be taken for improving or developing horticulture. This is an area where there is a lot of scope.

And there is sericulture also. I know that in Karnataka, silk industry is one of the main industries there. But in Kerala we are now attempting to improve sericulture. Indian silk is very much wanted in the world market. There is a limit of the need of Indian silk in the national market. Indian silk is one of the best items. So, every effort should be taken for development of sericulture industry which will give employment opportunity to the rural population especially the women folk. In a country like that of ours, where rural economy is the main base, where agriculture still remains the backbone of our financial structure, unless we develop agro-based industry to provide employment opportunities, especially for the women, we will not be able to solve the biggest problem of unemployment of this country.

Mushroom is one area where there is lot of scope but we have not yet made even the slightest effort, especially in Kerala and southern States where the climate, humidity and natural resources are very much available for the growth of mushroom. But the problem is that it is a perishable article. It has to be used and disposed of within 24 hours. If the real processing facility is there, there is lot of scope for exporting mushroom. There are lot of opportunities for export of mushroom as it is wanted in the world market. So is the case of spices also. If anybody

examines the details of articles of export and import, he can find that even today most of the articles which are exported are some sort of raw materials. So, we have to be very careful in developing or improving the export of value added articles and only that will be able to help us.

I understand that there was some report about advance licensing provision and I am afraid whether there is any possibility to misuse the advance licensing provision. Once advance licence is given, certain articles are being imported. The idea behind is that they have to be exported with value addition. Instead of doing so, there have been instances that these imported articles under the advance licensing scheme are being sold in the black market. How are you going to check it? What is the machinery to protect this misuse of the advance licensing provision? There is also a feeling that under the present day export and import policy, anything can be imported except the ones in the negative list as per the general import exemption. We have to examine as to how far this will affect our small industrial sector. The impact of liberalisation is on the small industries. 40 per cent of the total industrial production is from the tiny and small industrial sector and 60 per cent of employment opportunities is also from this vital section. If this vital section is damaged in any way, then our economy will ruin. So, I request that this aspect also will have to be looked into. I request you, Sir, to give me some more time. I know that the Commerce Ministry, the Department of Trade are monitoring our trade relations with other countries. Recently I had an opportunity to go to Australia along with a delegation. We had several discussions with the major States of that big country. They say that there is no sort of any correspondence or relationship with India in respect of either trade or commerce for the last 15 years. Various areas have also been suggested. In one of the discussion the Chairman of their Committee stated that for

an industry, land, labour and capital are the three essentials. He was then suggesting very humorously that they had the land, we had the labour and we two must find out the capital. If India and Australia were to join together, there will be a new era of industrial progress. How are we to try to promote this? I have a very serious suggestion in this regard. Just as we have the Ministry of Programme Implementation within the country, we must also have an Overseas Programme Implementation Ministry. If such a Ministry is set up, it can follow up the agreements that are being entered into. Recently, our Prime Minister has been to Japan. His visit has a big impact and the impact is mostly on big industries only. What about the small industries? So, to develop the small industries and to help this vital sector, there should be monitoring and follow-up. That can only be done if there is such a Ministry. This is almost equivalent to the Food Processing Ministry. 'When the Food Processing Ministry was formed in 1988, we had some apprehensions whether it would serve the purpose. Sir, 45 percent of the fruit produced in the country is wasted. If this can be processed and exported, it will benefit the country a lot.

Sir, I understand that there is a constraint of time. I have many more points to make. Therefore, I may submit here that I reserve them for the future. I am thankful for giving me an opportunity and I support the Bill, because it goes a long way in promoting our foreign trade.

SHRI OSCAR FERNANDES (Udupi):  
Mr. Deputy Speaker Sir, I congratulate our Minister and our Government for bringing forward a very appropriate Bill on Exports. Sir, today, for our country to be successful, we have no other option but to increase our exports. In order to increase our exports, we have to improve our technological base. The second major factor is our public relations work. Our Foreign Missions abroad, so long,



[Sh. Oscar Fernandes]

are concentrating more on our foreign policy, than our foreign trade. I would like to suggest to our Minister to consider whether we have to change the name of our foreign missions and give them a role that the Britishers in the pre-Independence days, played in India through the East India Company.

Sir, there are a number of under-developed and developing countries. Compared to them India is far more ahead in science and technology. We are very much in a position to help and assist the countries with regard to transfer of technology.

Sir, I think the Minister of Parliamentary Affairs wants me to wind up. I would just like to make a very brief mention of one or two points, very quickly.

16.29 hrs.

[SHRI PETER G. MARBANIANG *in the Chair*]

It is very essential that we try to assist smaller and under-developed nations to improve their technology. Thereby, we will be able to sell our own products. The way we are receiving assistance from other developed countries, it is high time that we too assist the smaller countries by giving them our machinery, if necessary, on credit and our manpower so that in the years to come, those countries will depend on us. There is a lot of potential for the export of manpower itself. But, I am sorry to say that if anyone wants to get a visa, in spite of his getting letters that he will be able to get the employment, he will be able to get the visa provided he is able to give passport. Sir, it takes as many as 9 months to get the passport. I think we have to do something very drastic about it. When I talked to our Minister of State in the Ministry of External Affairs, Shri Bhatia, he assured me that a suitable Bill will

be introduced in the Parliament. It is not the Bill that is wanted; it is the passport that is wanted. We should get the passport within 30 days of applying for it.

We have surplus manpower even in the Government sector. But if you go to the Passport Office, the officer there will say that he has no man to write the passport. I cannot understand this in a country like India where there is so much of unemployment. If you want to charge more, it does not matter. I say instead of charging Rs.50, you may charge Rs.100 or Rs.150 but see that the person who applies for the passport is able to get it within 30 days of his applying for it.

India to catch up with the rest of the world will have to catch up with the electronics technology available in the West or in Japan, Korea or Hongkong. Unless we do this, we will lag behind. As it is, we are lagging behind and if we do not move up with the technology of electronics, we will be left far behind. I am sure the Minister will make necessary amends in our policy and see that we encourage electronics as well.

MR. CHAIRMAN: The hon. Minister, please.

SHRI RAM NAIK: (Bombay North) Sir, we would like to listen to the hon. Minister when there is quorum in the house. (*Interruptions*)

SHRI RAM NAIK: Sir, there is no quorum in the House. I have raised it twice. I wanted to raise it third time so that hereafter I may not raise it.

MR. CHAIRMAN: The bell is being rung-

Now, there is quorum. Yes, Mr. Minister.

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SAL-

**MAN KHURSHEED):** Sir, it is customary to begin the reply with the expression of gratitude to all the Members of the House for showing deep interest in the legislation and I take this opportunity to express my deep gratitude to Members from both sides of the House who have expressed deep interest in India's trade policy and in the passing of this legislation. I also express my gratitude to my senior colleague, Prof. Kurien, who is present here to guide me through any of the difficult channels of the Indian Trade Policy.

Issues that have been raised in the discussion, I find, relate to two broad features. One relates to the area of agricultural sector. Several Members starting from Shri Sudhir Sawant, followed by several other hon. Members including Shri A. Charles have referred to the need to give further impetus to agricultural sector and provide facilities for increase in agricultural exports.

Hon. Shri Sudhir Sawant referred specially to lack of infrastructure, specially in the area off export of Alphonso mangoes. He referred also to the lack of interest shown by APEDA and the MPEDA in promoting exports in services.

Sir, I would like to say here that Alphonso mango is at least one agricultural product that has very little reason to complain. We produce almost 60 per cent of the world's production of mango and of that less than one per cent is what we export and a major portion of that one per cent is Alphonso mango. So, we still feel that Alphonso along with all other mangoes and other agricultural products can find a pride of place in Indian exports. I would like to share with this House that the major improvement that has been made in the export sector in the year 1991-92 is by the agricultural sector. Promoting exports from the agricultural sector has a very special feature and a very special commitment as far as we are concerned.

There is sometimes an allegation made that the export-oriented development may lead to disorientation on our development programmes and may well lead to some kind of an aberration, giving elite sector a greater opportunity of growth rather than the poorer sections of our society. Production of the agricultural sector and export incentives for the agricultural sector are one way in which we are confident that we will be able to retain this balance. The LERMS benefit which has been extended to the agricultural production area and agricultural export area is one of the major incentives that will give agriculture its main stay in the export strategy of our country.

Sir, suggestions have been made by the hon./Members, including hon. Shri Sudhir Sawant, regarding further expansion programmes, providing information, interacting with public figures and public representatives locally will certainly be taken more seriously by this Ministry. In that very context, I would like to inform the House that we have recently held a very well planned symposium on mango exports in New Delhi and several Members of both Houses participated and gave us their valuable contributions as well.

Sir, it was added further by some Members that an Export-Import Plan, an overall Plan, is necessary, if we are to keep towards right direction. We do not specifically have an Export-Export Plan for the whole Ministry, but we certainly have Export-Import Plan for special sectors. We indeed have also identified thirty four special thrust areas on which working papers have been produced by groups of industry, people in the industrial sector along with Members of the Ministry and those papers are now under study. The basic requirement in those areas is really to provide incentives by way of better infrastructural facilities.

Now, I will come to tele-communic-

[Sh. Salman Khurshid]

tions. I am glad to say that, my colleague the Minister of Communications is present here. Telecommunications is one of the items that is mentioned everywhere in every thrust area of exports and I do hope that my colleague will take note of that.

Sir, Shri Dighe has expressed, along with other hon. Members some doubt whether concentration of power relating to export and export strategy and export performance as well as administration of export strategy will be left only to one individual. Sir, I might add that our basic philosophy, the basic philosophy of this Government and the basic philosophy of the new Export-Import regime, new trade regime of the country is trust. We have to base our trust somewhere, in some place, in some individuals. It would be unbecoming of us to say that any civil servant or bureaucrat would not be entrusted with the powers that are given to the Director General of Foreign Trade. Of course, trust that was reposed in such an officer or such a person will have to be confined and limited by certain regulations, will have to be limited by certain guidelines and we will, whenever necessary act accordingly. There is extensive power both in Clause 3 as well as in Clause 19 viz. rule making power.

There are sufficient powers and facilities available for Government to be able to provide either by way of delegated legislation or by way of an order published under clause 3 which will become Section 3 to control, formulate and guide any possible requirement that may be necessary for ensuring that the person who is adjudicating, the person who has the the power and authority in the area of administration of the trade regime, exercises those powers reasonably, fairly, justly in the interest both of the public and the nation.

An issue that has been raised by sev-

eral Members related to the interest shown by foreign companies and by other countries, larger consumer based societies, the interest shown by them in exporting consumer goods to India as well as trying to find a place in India for production of consumer goods.

A question was also asked whether India could not emulate and become like either Japan or China. So, in every developing society every economy must find its own solution and must find its own model of growth. We are proud that we in India have tried and have in a sense successfully found a model of growth which we consider to be exclusively, specifically an Indian model of growth. We cannot be compared with Japan where they have a small local consuming base and a very large export sector; we cannot really be compared with China where they have a very large population like ours but do not have the necessity to import major items like petroleum products which we have to in our country.

I would like to refer to a very pertinent and cutting remark made by Prof. Prem Dhupal, who welcomes in a broad perspective, the trade policy that has been given to the country, who also asked us to exercise caution lest the balance of payments are adversely affected. I am gratefully that Prof. Prem Dhupal also raised a question of quality. We have not tackled quality in this Act; we have other provisions and other schemes for tackling of quality, though once again, I would say that our whole thrust is not to regulate and control; our thrust is to educate and provide incentives. There is a very major quality programme that is being launched by the Prime Minister; it is being very successfully and very vigorously pursued both at the shop level and at the apex level of all the major trade associations; and I would certainly invite Prof. Prem Dhupal to show us any area in which he would personally want us to increase and more vigorously

operate our educational programme of quality control. He also raised some issue about constant decline in our balance of trade and adverse situation from 1984 onwards.

This is not the time to go into the specific details especially since few Members who are present in the House, seem to be inclined to move on to other items on the Agenda. But I would like to say that in 1990-91, which is the preceding year before we came to power, the balance of trade situation probably was the worst in the previous ten years having reached almost Rs.10,640 crores, which in 1990-91 and 1991-92 we have brought down effectively to Rs. 3,835 crores, which is, in fact the lowest adverse balance of trade in the last ten years. Even in 1991-1992, the important figures are the fact that in the second two quarters we have done considerably better than we did in the first two quarters. So, I would earnestly request Prof.Prem Dhumal to revise the opinion on the initial impact, immediate impact of the trade policy after it was introduced in June 1991; and in the more fuller fashion introduced at the end of March this year.

We are confident the position we have taken for the following years; we are confident that we will be able to reach out to an export growth at least of 12 to 13 per cent. We have already accepted the calculations made by various Commodities Boards and Export Promotion Council; on that basis, we are fairly confident that the next two years will be the years of reasonable growth, as far as export trade is concerned; we are also confident that this policy will take us towards respectable, towards successful future in export trade enhancement.

A point that was raised by Shri Panigrahi was that we need to change with the changing times and the change in the economic situation all over the world. For that, we must also not forget that this is the land of Mahatma Gandhi's and that we should not

neglect Mahatma Gandhi is lasting words of wisdom that if you do something you ask yourself, ask your conscience whether it will benefit the poorest. It is in this context that we have given our agricultural sector a very special thrust for export performance in the years to come.

Very quickly, I will add that this is the basic framework that we are giving to our trade policy and we are making the law compatible with the trade policy that we have declared.

We had the opportunity in the Board of Trade to discuss the trade policy and various aspects of trade policy. We have various other advisory bodies and councils. And we have also got ultimately the benefit of the wisdom of this House in actually implementing that policy.

With that I commend to this House as it is constituted to pass this Bill.

[*Translation*]

DR. LAXMINARAYA PANDEYA (Mandsaur): Mr. Chairman, Sir, I am sorry,.....(*Interruptions*)

[*English*]

MR. CHAIRMAN: Do not make any more speech. Do you withdraw the Resolution?

DR. LAXMINARAYA PANDEYA: I am not going to withdraw because he has not replied to nay of the points raised by me.

[*Translation*]

Mr. Chairman, Sir, I would like to submit that the hon. Minister has not replied to any of the questions asked and points raised by me. My basic question was as to what were the reasons and what was the necessity for which this ordinance has to be brought after

[Dr. Laxminarayan Pandeya]

summons were issued for the present session. No reply has been given to it. Secondly, I had urged that the provisions of retrospective effects, likely to be given by moving an amendment after introducing the Bill, were not there in the original ordinance. I wanted to know as to why it was imperative and this also has also not been replied to I also wanted to know the reasons for which we are suffering continuous losses after the Government adopted the new policy and that the measures they propose to take in this regard. What are the views of the Government in regard to the tribunal? I would like to quote from the report of the Committee on Subordinate Legislation which is a guiding force for introducing this Bill.

[English]

The Committee observed that Government has made in Clause 2 of the exports (control) order, 1977, unauthorised alteration/ enlargement of the definitions of the terms "Chief Controller" and "Deputy Chief Controller".

At the end they have said:

"There Committee, therefore desire the Ministry to bring forth the necessary amending legislation before Parliament at a very early date if the definitions of the said terms as given in the Act are required to be enhanced, or otherwise altered in any manner and make consequential changes in the Export Control Order, 1977."

[Translation]

There does not seem to be any coherence between the Report of the Committee on Subordinate Legislation and the Bill introduced by the Government. I would like you to clarify the position in this regard. You have not given reply to my question in regard to

the efforts being made to increase export and decrease import. I would like the hon. Minister to give reply to all these points.

[English]

SHRI SALMAN KHURSHED: I did to the best of my ability try to answer the question raised by Dr. Laxminarayan Pandeya earlier before I introduced the Bill. I would only claim that I do not know what answer to give when Dr. Pandeya says in one breath that we should have brought in legislation as early as possible and in the other breath asks us what was the hurry that we had brought the legislation even before Parliament met.

As I said, I will repeat it at the cost of repetition. The reason why it became imperative was the uncertainty where we were dealing with the world situation. Trade is not a matter of what we do within the country. It is a matter of relationship across the whole globe. And for us to make our counterpart elsewhere in the world wait till we could pass the legislation would have been unfair.

We had already announced the policy. It has been announced with great fanfare. We had given a handbook of procedures also again with great fanfare. The world was waiting with bated breath. It would have been extremely unfair if we did not give them legal framework within which that policy could be implemented. In fact, we were told constantly that you pronounce your policies and then you do not notify them as quickly as it should be doing.

I hope the hon. Member will bear with us as far as this is concerned. The intention can never be and certainly was not to bypass the wisdom of the hon. Members before the matter could be taken up as law.

As far as the alleged loss is concerned, since the introduction of our policies, I might add once again, our export has grown in dollar terms to the General Currency Area by 6.5 per cent; 6.57 per cent to be precise, which is creditable considering the atmos-

phere that was prevalent in the industrial sector in our country as well as the total of one per cent growth in trade that took place in the whole world. Our loss have certainly come and the drop has come in our exports to the Rupee Payment Area countries, where it has declined by 42.27 per cent in \$ terms or 20.68 per cent in rupee terms. This is being so because of the situation prevalent in the former Soviet Union and CIS countries and not due to any lack of efforts on our part. It has been our endeavour to ensure that we keep foothole in that market and in the yeas to come to revive ourselves to the level of past performance.

I request the hon. Member to withdraw his Resolution.

DR. LAKMINARAYAN PANDEYA: I withdraw my Resolution.

MR. CHAIRMAN: Is it the pleasure of the House that the Resolution moved by Shri Laxminarayan Pandeya be withdrawn?

*The Resolution was, by leave, withdrawn.*

MR. CHAIRMAN: I shall now put the motion for consideration of the Bill to the vote of the House.

The question is:

"That the Bill to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN: The House shall now take up Clause-by-Clause consideration of the Bill.

In Clauses 2 to 7, we do not have any amendment.

The question is:

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

*The motion was adopted.*

*Clauses 2 to 7 were added to the Bill*

MR. CHAIRMAN: In Clause 8, we have one amendment- no. 5 by Shri P.C. Thomas. He is absent.

The question is:

"That Clause 8 stand part of the Bill."

*The motion was adopted.*

*Clause 8 was added to the Bill.*

*Clause 9- issue suspension and cancellation of licence*

*Amendments made*

Page 3, lines 42 and 43, —

for "grant or refuse to grant"

substitute "grant or renew or refuse to grant or renew" (12)

Page 3, line 46, —

for "A licence granted"

substitute "A licence granted or renewed" (13)

Page 4, line 2, —

after "grant insert "or renew" (14)

(Shri Salman Khursheed)

MR. CHAIRMAN: The question is:

"That Clause 9, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 9, as amended, was added to the Bill.*

MR. CHAIRMAN: There are no amendments to clauses 10 to 18.

The question is:

"That Clauses 10 to 18 stand part of the Bill.

*The motion was adopted*

*Clauses 10 to 18 were added to the Bill .*

**Clause 19 Powers to mark rules**

*Amendment made:*

Page 8, line 18,-

*for "under section 11" substitute-*

*"under sub-section (6) of section 11" (8)*

(Shri Salman Khursheed)

MR. CHAIRMAN: The question is:

"That Clause 19, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 19, as amended, was added to the Bill.*

**Clause 20 — Repeal and Savings**

*Amendments made:*

Page 8,—

*for lines 33 to 35, substitute-*

"20. (1) The imports and Exports (Control) Act, 1947 and the Foreign Trade (Development and Regulation) Ordinance, 1992 are hereby repealed.

(2) The repeal of the Imports and Exports (Control) Act, 1947 shall, however, not affect" (9)

Page 8,-

*after line 47, add-*

"(3) Notwithstanding the repeal of the Foreign Trade (Development and Regulation) Ordinance, 1992, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act." (10)

(Shri Salman Khursheed)

MR. CHAIRMAN: The question is :

"That clause 20, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 20, as amended, was added to the Bill.*

**Clause 1- Short title and Commencement**

*Amendment made:*

Page 1,

*for lines 7 and 8, substitute-*

"(2) Section 11 to 14 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 19th day of June, 1992." (7)

(Shri Salman Khursheed)

MR. CHAIRMAN : The question is:

That clause 1 as amended, stand part of the Bill:

*The motion was adopted.*

*Clause 1, as amended, was added to the Bill.*

MR. CHAIRMAN: The question is:

"That the enacting formula and the long Title Stand Part of the Bill".

*The motion was adopted*

*The Enacting Formula and the Long Title were added to the Bill.*

MR. CHAIRMAN: The Minister may now move that the Bill, as amended, be passed.

SHRI SALMAN KHURSHEED: Sir, I beg to move:

"That the Bill, as amended, be passed."

MR. CHAIRMAN: Motion moved;

"That the Bill, as amended, be passed."

[*Translation*]

SHRI DAU DAYAL JOSHI (Kota): Mr. Chairman, Sir, so far as foreign exchange is concerned, it is essential for the country. But the question is where will we be taking this country by our efforts to get this foreign exchange. Five days ago, the Government have finalised a plan, under which mangoes with Rs. 700/- crores will be exported to other countries. Mr. Chairman, Sir, my submission is that mangoes and the bananas are the cheapest of all the fruits. The Government tend to deprive the common man of this country from these fruits to earn foreign exchange. My submission is that 'Langra' mango is not within the reach of a common man today.....(*Interruptions*)

17.00 hrs.

at least a person like me cannot enjoy this fruit. You may ask any Congress Member. Dau Daya Joshi is ready to surrender his whole property.....(*Interruptions*) We must

provide fruits to the children of the country. I remember that a law had been enacted in Israel to produce fruits in the hilly regions. I would like to Urge Shri Dig Vijay Singh that there is enough scope for the cultivation of fruits in Aravali Hills.....(*Interruptions*) I would like to submit that Raja Sahib may afford to purchased Basmati rice at the rate of Rs.35/- per kg. But a common man cannot afford. (*Interruptions*) We have been exporting rice of fine quality to earn foreign exchange. The Government should give an assurance that the fruits like mangoes and bananas, generally consumed by the poor people of the country, will not be exported in order to earn foreign exchange. Besides, the scheme for the export of mangoes worth Rs.750/- crores proposed recently should be withdrawn and the policy in regard to the export of basmati rice should also be reviewed. A major part of the foreign exchange is wasted on the foreign tours of the Ministers, the Government should take steps to restrict this type of expenditure. The Ministers should take the initiative in this regard. It would save foreign exchange. Only then we will agree that the intentions of the Government are good otherwise we will gather an impression that this all is a fraud and the Government is not serious in making efforts to provide fruits to the children of poor people, which would ultimately tell upon the health of the children of the country.....(*Interruptions*)

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): Sir, the points Shri Joshi has raised are already under consideration. As regards export of fruits like banana and mango I would like to say that the Government does not favour export of those items which fulfil the needs of a common man in the country. The Government wants that these items of export should be replaced by some other commodities. Keeping in view the present limited production the Government would not favour export until the production is increased and our export policy would also not succeed till then. The hon. Minister of Defence has just now told us that about Rs.200 crores were spent during the last four years in order to make the barren



[Sh. Salman Khursheed]

land cultivable in Maharashtra. Similar efforts can be made in Rajasthan and Gujarat. Until we increase the export and earn foreign exchange, we would not be able to import things which are necessary for the health of our children in the country. Export is made not to make personal gains but to satisfy the basic needs of the people and to purchase things which are required in the country. Our policy is to establish a balance between export and import.

[English]

MR. CHAIRMAN : The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

17.05 hrs.

#### BHOPAL GAS LEAK DISASTER (PROCESSING OF CLAIMS) AMENDMENT BILL

[English]

MR. CHAIRMAN: Now, we shall take up the next item, the Bhopal Gas Leak Disaster (Processing of Claims) Amendment Bill. Dr. Chinta Mohan.

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHINTA MOHAN): Sir, I beg to move:

"That the Bill to amend the Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985, be taken into consideration."

I would like to say a few words as to why we are introducing this Bill in Parliament today. The Bhopal Gas Leak Disaster had taken place in December, 1984. This is one of the worst industrial disaster in this country

and a lot of people had died in that disaster. Immediately, the relief operations started. After that, in month of October, 1991, the Supreme Court had given a judgment after a prolonged legal battle. They had given for months time to the Government to start the adjudication process. By the end of February, 1992, we started the adjudication process. We have started the Court proceedings, we have appointed a Welfare Commissioner and we have appointed a Deputy Commissioner also. We have given them permission to appoint about 1,000 people to start the adjudication process, as early as possible and the Government also has given indicative guidelines.

Sir, an amount of Rs. 1,400 crores is lying in the Reserve Bank of India. The Government had received a number of complaints that there is some delay in the disbursement of this compensation amount to the victims. Now, we have decided that there should not be any further delay in the disbursement of compensation amount to the victims. The Welfare Commissioner is sitting in Bhopal and the Government is functioning from Delhi and that is why, the Government is deciding to give more powers to the Welfare Commissioner. Therefore, we are introducing this Bill today, for the consideration of this House. If the hon. Members want to say anything about this Bill, the Government would very much like to know about it. With these few words, I move the Bill.

MR. CHAIRMAN: Motion moved:

"That the Bill to amend the Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985, be taken into consideration."

There are some amendments to the motion for consideration.

Shri Mohan Singh—Not present.

Shri Girdhari Lal Bhargava—Not present.

Shri Dau Dayal Joshi.