

In fine, a dangerous situation has been brought about having far-reaching consequences.

I demand that matters be rectified forthwith.

15 hrs.

**EXPORT-IMPORT BANK OF INDIA BILL—Contd.**

**MR. DEPUTY-SPEAKER:** The House will now take up further consideration of the following motion moved by Shri R. Venkataraman on the 17th August, 1981, namely:

“That the Bill to establish a corporation to be known as the Export-Import Bank of India for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade and for matters connected therewith or incidental thereto, be taken into consideration.”

Shri P. K. Kodiyan to continue his speech.

**SHRI P. K. KODIYAN (Adoor):** Mr. Deputy-Speaker, Sir, yesterday I was referring to the Financial Memorandum attached to the Bill which says:

“It is proposed that a sum of fifty crores of rupees may be provided in the budget for 1981-82 for setting up the Export-Import Bank of India.”

It is not a small amount and the proposal for setting up an Export-Import Bank has been under the consideration of the Government for quite some time. I do not know why no provision was made in the current year's budget for this purpose.

Now, I come to the provisions of the Bill. Clause 10 describes the type of business which the Exim Bank will undertake. Clause 10(1) says:

“The Exim Bank may grant in or outside India loans and advances by itself or in participation with any bank or financial institution whether in or outside India for the purposes of export or import and shall also function as the principal financial institution for coordinating the working of institutions engaged in financing of the export and import in such manner as it may deem appropriate.”

Then in sub-clause (2) there is a long list of items of business which the Exim Bank may undertake. These are listed from (a) to (x), that is 24 types of business. Of course, it is said in sub-clause (2):

“The Exim may also carry on and transact all or any of the following kinds of business.”

It need not undertake all these items; it can pick up any of these items mentioned here. But, at the same time, it can simultaneously carry on business in relation to all the items listed in sub-clause (2). This seems to be a very impressive list of activities of the proposed Exim Bank. The coverage seems to be very wide. Particularly, I want to refer to item (s) in sub-clause (2), that is planning, promoting, developing and financing export-oriented concerns. Then item (v) says: “Collecting, compiling and disseminating market and credit information in respect of international trade.” There is sub-clause (3) also. In all there are 24 items, as I pointed out earlier. The list seems to be quite impressive, but I want to ask the hon. Finance Minister, whether the proposed Exim Bank will be in a position to undertake such a wide range of activities which involves planning, promoting, developing and financing export-oriented concerns, and also collecting, com-

[Shri P. K. Kodiyan]

piling and disseminating, marketing and credit information in respect of international trade. There are a large number of other items, but I take only these two items. If you take only these two items, it requires very high level of expertise, because the bank has to go into the various international markets, undertake surveys, study the situation there, compile the data and give it to the exporters for their ready guidance. It is not a small thing.

When I see this formidable list of business which the Bank is supposed to undertake, I want to ask: Is there any priority fixed for undertaking this type of business? What type of export is the proposed Bank going to concentrate on? When you say export promotion, there are a large number of items in our export list. There are the traditional items like tea, jute etc. Then the engineering goods; and also lately India has developed the technological capacity to export projects, to provide consultancy services, and also to undertake very large construction projects, especially in third world countries. So, what sort of priority has the Government envisaged in actual operation of the Export-Import Bank? Unless the priority is listed out, even before the actual coming into existence of the proposed Bank, the very intelligent exporters, the very clever exporters, very powerful export concerns in collusion with some of the bureaucrats may distort the very objectives set before the Export-Import Bank.

Now, Sir, I come to the public cost of export promotion in our country which has been rapidly going up in the last several years. There is a huge cost of export promotion by way of cash subsidy and other forms of aid. Some are very visible and some aids are not publicised very much. In their dissenting minutes attached to the Tandon Committee's

Report, Dr. Rangnekar and one another Member, particularly referred to this rising cost of export promotion. They say the expenses have gone up from Rs. 110.27 crores in 1971-72 to Rs. 627 crores in 1978-79. I want to ask the hon. Minister whether this huge expenditure met from the public exchequer in the name of export promotion is to continue even after the Export-Import Bank comes into existence; or, is it the intention of the Government to work this Exim Bank in such a way that it gives, apart from financial assistance, the expertise for promoting our exportable items in foreign countries—by providing a better exchange rate, better service, better information system and timely financial assistance—and as a result of which our exports will be in a position to have a better return and will enable us eventually to eliminate this huge public expenditure on export promotion which we are now providing by way of cash subsidy?

I now come to the last point, viz imports. This assistance has to be given to imports also. Here, the hon. Finance Minister may say that it is not strictly relevant to the proposed Bill. But as a Member from a State whose economy has been ruined by the wrong import policy of the Central Government, I cannot help expressing the anger, protest and anguish of the peasant producers in my State, Kerala. By allowing the import of 40,000 tonnes of coconut oil this Government has ruined the cultivation of coconuts; and 90 per cent of the peasants in Kerala are producing them.

THE MINISTER OF FINANCE  
(SHRI R. VENKATARAMAN) The champion of consumers is pleading for producers

MR. DEPUTY-SPEAKER The Minister is saying that the champion of the consumers is now talking in support of the producers.

**SHRI P. K. KODIYAN:** I agree—on behalf of the small producers.

I was pointing out that 40,000 tonnes of coconut oil were imported, presumably for industrial use; but they were not used for industrial purposes. The result was that the price of coconut oil which ruled at Rs. 1800/- per quintal in 1980 has now come down to Rs. 1200/-. Similarly, it is in respect of the import of rubber, import of cocoa etc. So, I want to impress upon the Central Government, particularly on the Finance Minister who is in charge of the economic stability of the entire country, to see that such a wrong import policy does not create great harm to the economy of any single State, and to advise his colleague to reverse this very dangerous import policy.

**SHRI SATISH AGARWAL (Jaipur):** Mr. Deputy Speaker, Sir, I rise to speak on the motion for consideration moved by the hon. Finance Minister yesterday regarding Export-Import Bank of India Bill, 1981. So far as this Bill is concerned, I welcome the measure. But while welcoming the measure, I have certain reservations so far as the provisions of the Bill are concerned. I wish to put on record my complete disapproval of the tendency on the part of any Government who introduce a completely new measure without referring that particular Bill to a Select Committee. The Government of India in this particular case took a decision on the 7th of January, 1981, to bring out such a measure and the Bill under consideration was introduced in this House on 8th of May, 1981. Motions for referring this particular Bill to a Select Committee were moved then. It would have been much better if a measure of this type, which is something new, had stood the scrutiny of a Select Committee, that is Parliament. Then across the Table, it would have been much better for us to exchange views with the hon. Finance Minister and give our suggestions so that they could have been incorporated in the Bill; and then this Bill having

the sanction of the Select Committee or the Parliament would have been passed through without much debate. This tendency is not desirable. I would expect and request the Government, at least in cases of those Bills which do not involve any firm policy commitment within that particular measure, and if that particular Bill is just a new one, to refer it to a Select Committee so that in the intervening period of two sessions, the provisions are examined in depth by a Select Committee comprising of members belonging to both sections of the House, and then there will not be that much lacuna.

I apprehend that after six months, the hon. Finance Minister will have to come before this House for making amendments in this particular Bill. This is really undesirable that instead of taking Members of Parliament into confidence, discussing across the table various provisions, the Government simply depends on the draftsman; whatever has been drafted is God's words for the Government. It is not fair enough. This has become practically *fait accompli* for us because any suggestion, even if it is acceptable to the hon. Finance Minister in his heart, he will not be in a position to accept because no formal amendments have been moved; and if they are moved, it is not customary also to accept all those suggestions on such a large scale.

Another objection is—as I said during my speech on the Finance Bill in this very House—that this Parliament is being bypassed in certain matters. This Parliament is to sanction amount, vote grants for various demands of the Ministries. The total public expenditure of the Government of India is approved by Parliament. Naturally, this Parliament has got the jurisdiction and should have the power to scrutinise expenditure for any pie. I am sorry to say that to scrutinise the public expenditure, this Parliament has constituted certain Financial Committees and the Public Accounts Committee is one of them, but the LIC which has got a business of Rs. 20,000 crores and the banking sector which has got a

[Shri Satish Agarwal]

business of nearly Rs. 35—40,000 crores, they are beyond the purview of the Financial Committees that is beyond the scrutiny of the expenditure and working of Parliament. That point I made then and I repeat it again. Here, in this connection what I find in this case also a provision has been made in Clause 24 wherein it has been provided that the audit of this particular Bank shall be carried out by the auditors whose names are on the approved list according to the Companies Act, and so on. And, if it is not carried on by the CAG, the Comptroller and Auditor General of India, then the audit report is not presented to the President, naturally the PAC is not entrusted with the task of scrutinising the audit objections contained therein.

An effort has been made by the hon. Finance Minister under sub-clause (6) to appoint the C & AG to examine and report on the accounts, in respect of certain transactions or items or as a whole. I do not know their mind. They can also ask C & AG to do some audit. My objection is and my strong plea to the Government and to the Finance Minister is that, please for God's sake, do not eliminate expenditure from the purview of Parliamentary scrutiny. All public expenditure, all monies that form the Consolidated Fund of India, they should be subject to the scrutiny of Parliament, i.e. its committees and so I do not approve of the provision in Clause 24, so far as this aspect is concerned. Now, in this particular case we are going to provide them with an authorised capital of Rs 200 crores, which may be raised to 500 and this whole money has to be sanctioned by Parliament. This whole money has to be sanctioned by Parliament, that means this whole money has to be given from the Consolidated Fund of India. If such huge investment is being placed at the disposal of the statutory corporations which are wholly owned by Government. This particular Exim Bank is wholly owned by Government. It is a statutory corporation affecting the interests of the whole country, and

I ask, why this Exim Bank accounts, balance sheets and other transactions, are being kept away from the purview of the C & AG audit, and beyond the purview of the Parliamentary scrutiny through the financial committees.

So far as this corporation is concerned, now, this Corporation has been named as the Export-Import Bank of India. What impression does it actually give was if it is a bank, only a normal bank, like the Reserve Bank of India or other nationalised bank? This name, nomenclature, the title of the Bill is somewhat misleading about the functions that this corporation or the business that is to be conducted is contained in clause 10 and apart from financing and re-financing there are provisions in sub-clause (2) that the Exim Bank may also carry on and transact all or any of the following kinds of business, namely . . . .” It makes a mention from (a) to (x). Why have you left (y) and (z)? It could have covered from (a) to (z)! You have widened the scope of the provisions, in order to cover all sorts of types of activities like issuing bonds or guarantees, subscribing to, investing in, purchasing of, stocks, shares, bonds or debentures of any development bank or Export-Import Bank of any country outside India, opening of any account in any bank in or outside India or the making of any agency arrangement with, or acting as an agent or correspondent of any bank or other institution in or outside India; issuing of participation certificates—in India or abroad? What type of business is covered in providing for technical administrative and financial assistance of any kind for export or import? Why technical and financial assistance? Lastly, it is provided in (w)—“doing any other kind of business which the Central Government may authorise”. What type of any other kind of business you should have for developing an Import and Export Bank? You should have qualified it here. This is the least that could have been done. Then in sub-clause (3) in the functions of the Bank it is mentioned that they will realise commis-

sion, brokerage, interest, remuneration, or fees etc., etc. I fail to understand the provision made in clause 14 that the Exim Bank may receive gifts, grants, donations or benefactions from Government or any other source in or outside India. What do you mean by gifts? Gifts in the form clothes? Gifts in what form? Is it a charitable organisation? Will it discharge some benevolent work in famine-hit or flood-hit areas? Where is the question of donations? I do not know what is in the mind of the Government. That is why I said, it would have been much better if the Bill had been referred to a Select Committee for detailed discussion.

There has been a study made in the Ministry of Commerce recently and they have projected our exports for another decade. The position of exports is very alarming. There is a trade deficit and the balance of payment is very tight now. I appreciate the difficulties of the Government on that score. But what is our projection for 1990? In 1979-80 our total exports were Rs. 6400 crores leaving a trade deficit of Rs. 2250 crores. Our projection for 1984-85 is Rs. 10,200 crores. Our projection of exports for 1989-90 is Rs. 20,600 crores. But the same study mentions—I fail to understand how having made so much claims of investment in the agricultural sector and having made so much claims of bumper crops, green revolution, etc., our exports from agricultural products will come down from 43 per cent to 27 per cent. It is for you to consider. The paper said that—

“...the main reasons for the decline in agricultural exports has been the stagnant output and the low per acre yield. The productivity levels for various commodities are considerably lower than those realised in most of the other competing countries. There are variations in productivity levels of various crops even among the different States within the country. With adequate investments, it is possible to raise productivity and output levels substantially which might enable generation of larger exportable surpluses.”

This is something alarming. I am not dwelling at length on it, but the export content of the agricultural products will come down from 43 per cent to 27 per cent. This is not what I am saying; this is the outcome of a study done by the Commerce Ministry!

In the export side, there have been so many schemes with regard to subsidies and cash assistance. I would draw the attention of the hon. Finance Minister to the report of the Public Accounts Committee (1980-81) presented to the House where instances have been given as to how the cash assistance for deoiled rice bran amounting to more than Rs 12 crores in one particular year has been misused. So, care has to be taken. This report also mentions another instance. There is a provision in the customs and excise law that exporters can keep their goods in running bond accounts and pay the duty later on, whenever they export the goods. But cases have come to light where the goods have not been exported, but the excise relief has been claimed; all the benefits from the export promotion councils have been availed, but the goods have been diverted for home consumption and the arrears of excise duty at the end of the year amounted to as high as Rs. 23,67,19,623.29. This is what the report of the PAC says, based on facts furnished by the Finance Ministry. If these are the manipulations done on the export side, Government has to take care of it.

With regard to the exemption on the customs duty under Section 25(1) and (2), particularly (1)—general exemptions, I am sorry to say that once Parliament has approved the rates, the Government has the authority and power under Section 25(1) of the Customs Act to grant exemption if it feels so necessary in the interest of export and import. The average exemptions granted by the Government so far—whether the Janata Government or the Cong. (I) Government—was hardly between Rs. 15 crores and 20 crores every year. Will the hon. Finance Minister institute an enquiry as to how

[Shri Satish Agarwal] during 1979-80 these exemptions amounted to not Rs. 20 or 25 crores or Rs. 50 or 100 crores but Rs. 250 crores. Sometimes exemptions are granted in the name of import or in the name of export. I hope the Finance Minister will look into it.

I wish to bring to your notice that there are 7000 engineering units which are registered as export houses. I want to see the exhibition of the engineering industries some time back. I got an authentic information that out of these 7000 engineering units which are availing of concessions and benefits from the Government, only 2000 are actually exporting. And the rest 5000 units are availing of Government patronage, concessions and benefits without exporting anything. So such fake type of export units which get themselves registered in order to avail of the benefits given by the Government should be eliminated.

15.32 hrs.

[SHRI GULSHER AHMED *in the Chair*]. There should be a thorough enquiry into all these matters.

Once again while welcoming the Bill I urge upon the Government that whatever loopholes may be found by these exporters or importers whether through under-invoicing or through manipulation of foreign exchange, those should be plugged. We have given such wide and sweeping powers to the statutory corporation without a closer scrutiny by Parliament. This is highly objectionable. But even then, I hope the Finance Minister will bear all these points in mind and he will not permit this bank to be a dumping ground for sick exporting units as is the case in our nationalised banks wherein 22366 units are reported as sick and the total amount outstanding is Rs. 1622.55 crores. Out of these only 378 are large industrial sick units and the amount standing against them is Rs. 1158.48 crores. This is to the knowledge of the Finance Minister. I am sure he is conscious of the fact that let this history be not repeated so far as the Exim Bank is concerned. I hope you

will keep a strict watch and inform Parliament annually with regard to its development, business transactions and progress so as to take Parliament in confidence. With these words, I welcome the measure.

SHRI Y. S. MAHAJAN (Jalgaon): Mr. Chairman, Sir, I rise to welcome this long awaited measure which has been in gestation for over 10 years. The Bill seeks to provide for the establishment of a corporation which will be known as the Export-Import Bank of India to strengthen and broad-base the existing institutional arrangements to meet the credit and other requirements of our international trade.

The value of our export trade was only Rs. 668 crores in 1961-62, that is, at the beginning of the Third Five Year Plan. In 1980-81 it has gone upto Rs. 6578 crores—Part of this increase being due to the steep rise in prices in the intervening period. With the continuing rise in prices of oil imports from other countries and the threat of a yawning gap in our balance of payments position—the gap was Rs. 2400 crores in 1979-80 and Rs. 5200 crores in 1980-81—the need to boost our export is urgent and important. This cannot be done without providing better and wider credit facilities and other services necessary for international trade.

As things are, it cannot be said that credit facilities for exports are inadequate. Since the beginning of the First Plan, Government have taken steps to ensure that credit would be available to exporters as and when they need. But there have been some difficulties in expanding the international trade.

At present export finance is provided by the commercial banks, the Industrial Development Bank of India, the RBI and other specialised agencies. About 75 per cent of the total credit is provided by the commercial banks. The Export Credit and Guarantee Corporation facilitates the flow of finance from banks to exporters, and exporters to buyers, with the help of a series of guarantees and insurance policies to cover the risks of fluctuations in trade and commerce.

The IDBI is an apex institution of the country on the domestic front for providing technical, administrative and financial assistance for industrial development. But it has also come up as an important export financing institution of the country.

This whole institutional structure, along with the mechanism of financing international trade, and the arrangements for dealing in international currencies, has been examined by the Finance Ministry in great depth during the last 2-3 years and, as a result, it has come forward with this Bill to set up an Exim Bank, which will not only provide financial assistance to exporters and importers, but also act as the principal financial institution for co-ordinating the working of institutions engaged in financing export and import of goods and services, with a view to promoting the country's international trade.

This Bank will meet the crying need of the country for improving our position on the international front. The first thing that strikes the eye is that the Exim Bank will take over the export financing functions of the IDBI. They shall stand transferred to and vest in the Exim Bank. Section 26 says:

"On such date as the Central Government may, by notification, appoint, all business, property, assets and liabilities, rights, interest, privileges and obligations of whatever nature of the Development Bank in so far as they relate to the export financing functions of that Bank shall stand transferred to, and vest in, the Exim Bank."

Section 26 thus affects an important change in our institutional structure. The IDBI will be restored to its original purpose, as an apex bank concerned with the industrial development of this country.

The commercial banks, which have a lion's share in this business, have remained untouched. Their activities

are to be co-ordinated. I hope this will involve the elimination of unhealthy competition between them. They are all public sector banks. Still, some of them have designated a large number of branches for foreign exchange business. This involves not only duplication of work but unhealthy competition. I hope the Exim Bank will be able to establish branches on a rational basis at home and abroad, which will provide more efficient and speedy services to its customers.

Similarly, there is need to rationalise the branch network of Indian banks abroad. The small size and middle level management of these branches have come in the way of their effective functioning abroad. The Exim Bank can co-ordinate their work and improve their management.

In this context, we have to take into account the developments in international banking in recent years. Foreign banks have resorted to consortium and joint banking to reap the advantages of large size. Many of them have set up even joint banking ventures. The potential for business in the international field is vast. And though our financial resources are limited and our share in the world trade is small, the scope for improving our position is more only with the formation of a bank like the Exim Bank with its vastly greater resources and managerial skill than the public sector banks at present.

The Bill details the functions of the Bank in a very comprehensive manner. Apart from financing of Indian exports and imports, it will be entrusted with the functions of (1) financing of exports from and imports of goods and services into third countries, (2) financing of joint ventures in foreign countries, (3) financing of export and import of machinery and equipment on lease basis; and (4) providing loans to an Indian party so as to enable that party to contribute in the share capital of a joint venture abroad.

[Shri Y. S. Mahajan]

This will enable the Bank to play a dynamic role in improving our position in international trade.

Section 10 of the Bill also enables the Bank to undertake limited merchant-banking functions such as underwriting of stocks, shares, bonds and debentures of companies engaged in export and import trade etc. The Bank will thus have a distinctive character. It will be not only a Bank for financing exports and imports, but it will also be a development Bank so far as the export-oriented industries are concerned and particularly it will also perform some of the functions of merchant-banking.

There was a lot of criticism of this Bill from the other side. Yesterday, the first speaker was Mr. Jyotirmoy Bosu. His speech I must say ...

MR. CHAIRMAN: Please conclude. There are a number of speakers. I think the Minister will talk on what the other Members have said.

SHRI Y. S. MAHAJAN: Mr. Bosu's speech was so much sound and fury signifying nothing. He indulged in his usual fulminations against the Government and the Ruling Party. He even went to the extent of saying that this Bill is an instrument by which the Government will exploit the people for the benefit of American capitalists. I think only the gullible can believe such cock-and-bull stories. An objective study of the Bill makes it clear that the Bank, when it comes into existence, will be a great factor in improving our precarious position in the international trade.

With these few words, I support the Bill.

SHRI XAVIER ARAKAL (Ernakulam): Mr. Chairman, Sir, on the whole practically all Members have supported the philosophy, the ideas and the scheme of this Bill.

Sir, the Export and Import Bank of India Bill is an important financial

Bill in relation to foreign exchange, trade and commerce. It is a chronic problem when we think about our foreign exchange that this country has always been exposed to huge imports and lesser and lesser exports in value terms. If you refer to 1977-79, the value of imports was Rs. 6,814 crores, whereas the value of exports was Rs. 5,726 crores. Thereafter the imports in value terms have gone up and up. Therefore, the Economic Survey for 1980-81 in Chapter VIII very cautiously said: "The trade deficit is likely to exceed Rs. 4,000 crores." I presume it has exceeded Rs. 5000 crores now.

Sir, having the chronic import problem, after assuming the power, this Government has issued two important documents. One is the Export Policy of 2nd April, 1980, and the other is Import Policy of April 15, 1980. If we analyse these two documents, we will see that the Government is aiming, by all means, to bridge this gap between huge import and deficit in export. Summing up the problem of this export and import, the Sixth Five Year Plan in Chapter VI has said very correctly:

"However, on present reckoning, the balance of payments problems facing the country during the Sixth Plan are likely to be acute and will require innovative approaches to cope with situation."

Therefore, on February 28, 1981 the Finance Minister said:

"Hon'ble Members will recall that in my Budget Speech last year I stated that the Government has taken a decision to establish an Export-Import Bank to assist in financing of International trade. The details of this proposal have now been worked out and it is proposed to introduce a Bill in the current session for setting up the Export Import Bank as a statutory corporation. I am providing Rs. 70 crores in the Budget for this purpose."

Having this in mind we have to examine in total two aspects;

1. What are the financial agencies catering to the needs of importers and exporters?

2. What are the other agencies involved in export and import trade?

These two parts have to be analysed objectively. If we take the financial aspect, we have IBDI, IFC, NIDC, ICIC, nationalised, scheduled Banks, Industrial Development Bank, etc. I would like to know from the hon. Minister what are the functions of these banks? Whether in comparison to this proposed bank, how far those banks have channelised their economic resources for the purpose of export and import. That is the point which I would like to stress here. Is the finance the main cause of huge deficit in export import? If it is the financial aspect, I submit there are various agencies, as I said earlier. So, the blame has to be shared or distributed within that category. If finance is not the aspect, then what are the agencies involved in it? I am very much involved with the staff and officers of many Government export agencies—Export Promotion Council, Export Inspection Council, MPDA and so on and so forth.

I have a bit bitter to talk about the Export Inspection Council. But this is not a forum. I am highlighting the point. Why can't we organise and form one agency to tab all these resources, mobilise our export, instead of various kings having different realms in this area? I had suggested this earlier. Again I am suggesting this proposal. Various Departments are putting their finger in this export pie. So many agencies are involved in the export import for exemption purpose as well. Should we examine this aspect as well in depth as the financial aspect? It is for the Department and the Government to consider.

Then, I refer to the Statement of Objects and Reasons, Preamble and Clause 10 of this Bill. There again, I see two different categories. I fully agree with Mr. Kodyan as well as Mr. Satish Agarwal when they referred to this aspect. If you permit me, I can take clauses, one by one. But due to the shortage of time, I am just pressing my point. One function is to give financial assistance as loans and advances and the other is, to coordinate the working of institutions. This has to be viewed separately. This may come within the banking purview and banking functions.

But you refer to some other part of the Bill. For example, there is the definition of the word "services" contained in sub-clause (j). It says:

" 'services' includes,—

(I) providing personnel (including skilled or unskilled workmen and persons for rendering technical or other services) for the purpose of any work or project...

(II) transferring of technology,"

Now, you refer to clause 10, sub-clause (q). You have provided sub-clauses upto (x). As Mr. Satish Agarwal said, two more sub-clauses (y) and (z) could have been added. Instead of doing that, they have put a general clause. In sub-clause (q), it is stated:

"undertaking and financing of research, survey..."

This is purely a financial transaction. It has nothing to do with the banking system. We need some clarification on this aspect. I am pressing a point which require some clarification here. What is the object of this Bill? It is to be a banking institution or partially banking and partially non-banking?

Then, if you refer to the Statement of Objects and Reasons, it is stated:

"...to strengthen and broaden the existing institutional

[Shri Xavier Arakal]

arrangements to meet the requirements of international trade.”

It goes on to say.

“(1) . . . will also undertake limited development and merchant banking functions . . .”

I do not know where this falls, under what function it falls.

So, if you refer to the Statement of Objects and Reasons, Preamble and Clause 10, you will see that there is something which is not a banking function but a different function. It is not a banking function; it is something else, something more. That is the point I am pressing here. This is a matter which has to be looked into and clarified.

Referring to Chapter III, Management of the Exim Bank, I may be permitted to say that the Government is the creator, the protector and the destroyer of this institution . . . There is not a function or authority undertaken without the Government.

Going through the clauses, one by one, very minutely, I thought this was a part-time pastime for a full-time Government Secretary. Probably, it is for the pleasure trip. I do not know I have my own subjective or objective criticism about the existing executive system and the functioning of this Department. Going through clause by clause, I apprehend that this is a monopolistic behaviourism of the bureaucrats. This is the time that the House should review the executive system of our Government.

My hon. friend, Mr. Daga, referred to the composition of Board of Directors

SHRI SATISH AGARWAL: 17 Directors.

SHRI XAVIER ARAKAL: If you go through it, can you find that we have no voice in it? How can we achieve this object? Have you got any voice or say or to criticise it? When I was reading the speech of the

Finance Minister, I thought this will be an autonomous body, probably similar to the Industrial Development Bank or something like that. But this is not the case. My personal view is that we require a review of this Act.

Now, I will come to the last point. I am taking you to Clause 34 because that is an important Clause. Page 60.

“No brief or other legal proceeding shall lie against the EXIM Bank or any Director or any Officer or other employees of the EXIM Bank or any other person authorised by the Bank” and so on and so forth.

I may be permitted to give a small illustration, about how this Export Inspecting Agency refused to inspect a consignment on a flimsy ground while the importer wanted to take it from India. Now you assume that such a situation happens here, can that exporter file a suit for damage?

MR CHAIRMAN: He can file a suit against the Government. He is an employee of the Government.

SHRI XAVIER ARAKAL: Now, an exporter or importer, if he happens to go from pillar to post here, how many Departments he has to go through? How many financial institutions he has to step in and step out and make a bribe? This institution should not be a part to the existing ineffective and inefficient institution. That is why I am posing the problem, with all my sincerity, suppose such a situation comes with regard to this Bank, where can he go as long as there is clause 34 in the Bill. As it happened in the Export Inspection Agency, he had to make 5 trips to Delhi. And when the Director gave the sanction, the Assistant Director would not comply. I am giving an example.

Therefore, my submission is that this Clause is unwarranted. In principle and in practice, I hope that this is a sound economic approach as far as export-import policy is concerned and that it will boost up the trade.

**SHRI C. T. DANDAPANI** (Pollachi): Mr. Chairman, Sir, I rise to support the move of the Finance Minister for bringing a legislation under the title of Export Import Bank of India.

The object of the Bill, it has been stated very explicitly, is to boost export in the field of trade, to earn more foreign exchange and to narrow down the gap of trade balance.

It has been stated here that this Bill has to be referred to the Select Committee.

**MR. CHAIRMAN:** Should have been referred to the Select Committee.

**SHRI C. T. DANDAPANI:** My Hon. friend, Shri Satish Agarwal, former Minister of Finance, has vast knowledge in the field of finance. I would like to say that, after the nationalisation of a certain group of banks, our Government, particularly our Banking Department has acquired adequate knowledge to run the banking industry either in the matter of export orientation or in the matter of internal development activities. Therefore, even though it has been delayed, it is good that this legislation has been brought forward before this House at least now. The original idea was mooted by the Ministry of Commerce some ten years ago; that is, the Indian Institute of Foreign Trade made a survey and they recommended to the Ministry of Finance to bring forward this legislation as early as possible. I would say 'sorry' because this Bill has been delayed for about a decade. That was the reason. I was pointing out in the beginning: if this Bill is again referred to a Joint Select Committee, it will take another two years for that to complete its job. Therefore, it is good that they have brought it before the House. The Bill should be passed immediately and the Bank should start functioning immediately.

16 hrs.

The previous speaker has pointed out that our balance of trade is in a

difficult position. The doubling of oil prices has been mainly responsible for this. The value of imports in 1979-80 was Rs. 8,908 crores whereas in 1980-81 it went up to Rs. 11,783 crores. The increase is so much. But it is nobody's fault. It is because of the fluctuation in oil prices. At the same time we have made some achievement in the matter of export. As far as our performance is concerned, internally we have made a very good performance. In 1979-80 the export value was Rs. 6,459 crores whereas in 1980-81 it was Rs. 6,578 crores. There is a small margin in the matter of export, but it is Government's responsibility to augment our exports and to narrow down the gap between export and import bills.

So far as our export promotion activities are concerned, the Government has earmarked 15 per cent export, the minimum should be ten per cent and that too, it should be allotted to the small scale selected goods. As far as indirect participation of ancillary production is concerned, our target is 20 per cent. So, all the small and ancillary units need more assistance, more finance. That is the only reason why Government has brought forward this Bill; it is only to assist the small entrepreneurs in promoting exports. I do not see any lacuna in this Bill, and many Members have stated that here. The business of the Bank has been stated very clearly in the Bill: granting loans and advances to a scheduled bank, etc. All these things have been stated here.

Here another thing has been stated. Even my friend, Mr. Arakkal has stated that all the business activities are covered in the sub-section. Mr. Satish Agarwal has also stated it. But when a bank comes into being it has to function as a bank. So it has to cover all the activities—discounting, credit, long-term and short-term and whatever it is, it has to cover all the economic activities of the society. Therefore, I do not think there is

[Shri C. T. Dandapani]

anything wrong in this one. It has covered all the areas.

But one thing I want to make it clear—as far as (a) is concerned. That is about granting loans and advances to a Scheduled Bank or any other Bank or financial institution notified in the official Gazette by the Central Government in this behalf by way of refinance of loans and advances granted by it for the purpose of exports or imports. In this provision I have my own doubt. Will it not be a duplication of work? I am referring to clause 10(2)(a). Some financial institutions are already making some advances to a particular exporter or business entrepreneur. Again we are giving financial assistance or loan, whatever it may be, to the banks which are already viable and which are already in a sound position to lend advances to the exporter or importer. Why should we take this responsibility and give assistance to the Banks when we have a separate Bank for a particular purpose and for a particular reason and why should we divert our money to other financial institutions? The Government should think over it.

Secondly granting loan and advances outside India for any Indian joint venture. I would like to say in this regard that as far as joint ventures are concerned, at present there were 302 proposals for joint ventures and out of them 195 could not be implemented. So only 107 joint ventures are in production with an investment of Rs. 35 crores. I would like to ask the Minister and the Government. Out of this investment in the joint ventures, how much profit we are making, how the joint ventures which have been established in foreign countries are working, whether they are properly staffed or not and whether those joint ventures which have been financed by the Government are being manned by an efficient managerial staff. I would like to ask all these things from the Minister.

A word about the Regulations. Mr. Agarwal raised a very good point—about our contribution to the Bank.

That is, Parliament gives money and we have no right to ask about the functions of the institutions. For example, on page 17, it is said 'Every regulation made by the Board under this Act shall be laid as soon as may be after it is made before each House of Parliament.' Only the regulation will be laid not the functions. The functions should also be laid on the Table of the House, and the Parliament should have the right to ask about the functions of the Bank. Not only that, we have seen that in the IDBI and other banking industries the Government has no control over them. The Government has no control over them. Their function is entirely different. Some of the banks go against the principles laid down by Government sometimes. In that case, what are we going to do? I would like the Minister to examine these aspects as they seem to be most important according to me. After formation of the banks, we must examine—we mean the Government—to see particularly whether they have any say about the functioning of the Banks.

Before I conclude, I want to say one more thing. That is about the managerial staff. There are nominees from the IDBI and other professional areas in the Board. This will not help. Before we nominate them to the Board of Directors, we must see whether those persons will deliver the goods. Secondly, Sir, the retired persons are being nominated to the Board of Directors. They had already served for many years in the departments. Again their services are not at all useful.

We have seen, for instance, in IDBI and other institutions, they nominate only the retired people. They go there and sleep. They only avail of some entertainments there. Therefore, I would request that for Heaven's sake please do not nominate the retired persons to the Board of Directors.

With these few words, I conclude my speech.

SHRI P. RAJAGOPAL NAIDU (Chittoor): Mr. Chairman, Sir, I congratulate the Finance Minister for

bringing forward here the Export-Import Bank of India Bill, 1981.

Sir, On page 162 the National Commission on Agriculture, in their report 1976, Part III, Demand and Supply, states the following. I quote :

"Provision of adequate and timely finance is indispensable for export production and export marketing. There exists a gap in the existing institutional structure of the export credit system. We would suggest that to bridge this gap the establishment of an export-import bank might be considered to provide medium and long-term export at the pre-shipment and post-shipment stages."

I am not going into the technicalities. I am leaving it to the experts. But, I can tell you that though the Export-Import Bank is going to be established, the policy enunciated in the past shows that the Government is always against the agriculturists. There are lobbies of capitalists. Also the wholesale traders are against the agriculturists. Therefore, the agriculturists are always at a disadvantage. For example, I can tell you that when the agriculturists are reaping the crops, the price for their product is very slow. The agriculturists wanted the export of groundnut. Government is not willing with the result all the groundnuts went into the hands of the wholesale merchants, the traders. The policy of the Government is relaxation in the exports. Because of that, only the traders used to benefit. Therefore, I say that when the Bank is being established, the policy must also be enunciated which should be in favour of agriculturists. The trade gap is over Rs. 5,000 crores. Unless we promote production as well as export of agricultural commodities and other agro products, it is not possible even to bridge the gap.

Now, Sir, from the statement given to me, it has been stated as follows:

Exports-April-Sept. 1980 (Agricultural Commodities)

	(In crores of rupees)
Rice. . . . .	40.73
Wheat. . . . .	6.92
Cereal preparations. . . . .	4.13
Vegetable and fruits. . . . .	..
Oilseeds kernels. . . . .	70.79
Others. . . . .	33.60
Tobacco unmanufactured tobacco refuse . . . . .	102.58
Oilseeds and oilcaginous fruits. . . . .	5.36
Cotton raw. . . . .	77.29
Jute, raw. . . . .	0.21

This is very small. Therefore, Government should see that the exports of agricultural commodities are strengthened and are increased. Now, we are not concentrating upon fruits and fruit products; fish and fish products; wool and animal products; leather goods, billets and eggs. There is great possibility of exporting these things and earning foreign exchange. Therefore, our Government should see that all these things are exported. Our strategy must be export promotion and also import substitution. I am very sorry to learn that we are importing 15 lakh tonnes of wheat. On the other hand our agriculturists must be encouraged to produce by giving them better price. Then it is quite possible to increase wheat production and we will be self-sufficient and it will be possible for us to export wheat also. Now, jaggery is not exported. Jaggery prices are falling down. So, jaggery can be exported.

Lastly, Sir, instead of exporting raw-materials in agricultural sector it would be better to convert them into agro products and export them. Then we will get more money in agricultural products exportation.

**SHRI B. V. DESAI (Raichur):** Mr. Chairman, Sir, I rise to support the

[Shri B. V. Desai]

Bill which has been brought before this august House by the hon. Finance Minister. In fact, this Bill is long overdue. Probably in the last so many years this has been thought over and finally I must congratulate the hon. Finance Minister for bringing this Bill.

Now, Sir, without wasting any time of the House I would like straight-away to go into Section 10, viz., business of the Exim bank. Sir, here the entire clauses have been taken on the model of IDBI. In fact, this Exim bank also proposes to do the same type of banking and other trading business on the lines of IDBI and other financial institutions. The structure in our country is that IDBI directly finances the customers as well as it helps the customers by re-financing other institutions. They in turn finance the customers. In fact, down below every State has Development Corporations and State Financial Corporations. Their limit of lending is limited. State Financial Corporations can give upto Rs 30 lakhs and Development Corporations can give upto Rs. 50 lakhs. If any customer requires more than Rs. 80 lakhs then he can approach the IDBI who in turn either directly alone can lend or in consortium with IFC and other financial institutions can come to his aid. IDBI can go to the aid of institutions like banks and the banks can in turn give help to the customer. It is proposed that the Banks which are engaged in Export and Import trade will be helped by re-financing from this Institution. Of course, here, one point arises which has to be considered. This may not have been mentioned in the Act. But I would request the hon Minister to see that this re-financing should be at a concessional rate and the banks should not charge the customer or trader more than 1 per cent excess than the ordinary lending rate. In this way, such concessional finance could be routed through the banks and other financial institutions to the customers and traders of this country. The maximum lending rate also should be fixed in respect of these different institutions

and nationalised banks. And over and above that limit, EXIM Bank should directly lend to the customers. My friend Mr. Arakal made a point regarding item (q) which says about undertaking and financing of research, surveys, techno-economic or any other study in connection with the promotion and development of international trade. With due respect to the Hon. Member, I could say that any financial institutions have got to undertake this kind to techno-economic survey. Probably he has looked at it from purely a lawyer's point of view and not as a financier because in every such case, such technical committees have to be constituted. In fact the IDBI and other corporations in the different States have already got such techno-economic survey teams which will help the entrepreneur to come forward and to see that his project is completed in time. So, I think, this clause is quite in order.

So far as foreign trade is concerned, it is a tricky job and I would request the hon. Minister to see that more non official members with the requisite qualities and experience in foreign trade are associated, so that they will be able to guide the EXIM Bank in the initial stages so that this Bank will be able to function in an effective way.

Regarding Chairman and Managing Director a point has been made whether these posts should be combined or they should be two different persons. In my view, the Chairman should be different from the Managing Director. The Managing Director should be a whole-time incumbent. The Chairman should be a non-official person having requisite knowledge and skill in foreign trade.

Regarding the opening of offices, I am extremely happy that the Head Office is located in Bombay which is supposed to be the barometer of our country's economic activities. So, I welcome the provision that the Head Office should be there. But, Sir, along with that, EXIM Bank's branches at Calcutta, Madras and Delhi should be opened immediately as foreign trade

happens to be routed through all these four places.

Now, my friend Mr. Satish Agarwal made a point regarding Class 24 of the Bill. It is my view that this institution should be subject to the control of the Auditor General of India. It should come under the purview of the Auditor General. What I feel is that proper thought has not been given to this aspect. The hon. Minister prophesied that the Government will come forward with amendments within 6 months. I feel his prophesy should not come true, and he should bring forward an amendment to this effect just now and be done with it. This is my request to the hon. Finance Minister. It is quite correct to say that this august House must have an opportunity to look into their accounts. EXIM bank should be made accountable to this august House. It should come under the purview of the Auditor General just like other big financial institutions which have come under Auditor General's control for purposes of audit. The Public Accounts Committee of Parliament must have an opportunity to look into their accounts.

Now, I come to the question of the transfer of a part of the business of the Development Bank. At present, the I.D.B.I. looks after the foreign trade also. All the functions of the foreign trade are being transferred to EXIM bank. In the same way, it has been mentioned in the Bill that all the other functions of the IDBI will be transferred to this Bank. I think that the Government intentions to transfer some more business other than the foreign trade business should be made clear. I do not know what the other functions are. So, I would request the hon. Minister kindly to explain that.

Sir, I am unable to understand under what item these gifts, grants, donations etc. come? I am not able to understand this and I would request the hon. Minister to throw some light on this. I do not know what type of gifts he is referring to. As per this, we have got different funds, development funds and reserve funds and whatever profits are there, would finally go to

the EXIM bank. Therefore the gifts which are being given to the EXIM bank would go to the Government ultimately. I do not know what type of gifts are to be given to this EXIM bank. With these words, I fully support this Bill.

MR. CHAIRMAN: Mr. Nadar, you are given five minutes.

SHRI SATISH AGARWAL: Mr. Chairman, I may submit that informally we have an understanding with the Speaker that on new bills and new subjects, more Members may be accommodated and more time may also be given to those who want to speak. So far as the allocation of time is concerned, you should not insist on the time schedule. After all this bill cannot be passed today because clause by clause discussion is also to be completed and the hon. Minister has replied to the debate. The Bill has to be passed tomorrow and not today. Today at 5 O'clock we are going to take up Assam Bill.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): We have to pass it today.

MR. CHAIRMAN: Time allotted for this Bill is two hours.

SHRI SATISH AGARWAL: It is true. But it is such an important and absolutely new Bill that you may allow more time for this. We are not condemning or criticising this Bill. We are making valid suggestions.

श्री जगपाल सिंह - (हृद्द्वार) :  
किसी को कम और किसी को ज्यादा समय नहीं दिया जाना चाहिये । यहाँ ए-1 किया जा रहा है ।

सभापति महोदय : टाइम पार्टी स्ट्रिथ के हिसाब से दिया जाता है ।

During the meeting with the Hon. Speaker, you should have decided

[Mr. Chairman]

about the time. You should have asked him for 3 or 4 hours for this Bill.

SHRI P. K. KODIYAN: Sir, it is a very important Bill. Many of us did not know that on the first day itself this would be brought forward before this House.

MR. CHAIRMAN: What can we do now? More than two hours have been taken.

SHRI A. NEELALOHITHADASAN NADAR (Trivandrum): Mr. Chairman, Sir, I totally oppose this Bill and I would request the hon. Finance Minister to withdraw this Bill immediately. This bill is meaningless. It is made clear even in the speeches made by the ruling party Members like Mr. Arakal and Mr. Daga. Their speeches have clearly indicated that this Bill has been brought forward by the hon. Finance Minister just to confuse the situation. Yesterday, while moving the Bill, the Finance Minister said:

"It is, therefore, our intention to establish the Export-Import Bank as a flexible and a strong institution capable of responding quickly and effectively to the legitimate demands of the exporting community"

Now, whom does the exporting community represent? Here, it is clearly written that this is a Bill to establish a Corporation to be known as the Export-Import Bank of India for providing financial assistance to exporters and importers

I do not think that if we are having a deficit balance in the international trade, it is due to the lack of finances of the exporters or importers, but it is because of the lack of a definite comprehensive import and export policy of the Government.

Further, the import and export trade of our country is being completely controlled by the big business people and the multinationals. Therefore, any assistance by this Bank would only help the representatives of the big business people and the multinationals.

The present Finance Minister who has moved this Bill has done some wonders during his span of 18-19 months, for example he came forward with the black money bonds. He stated in this House and before the nation that he was going to do some wonders with the black money bonds. Now nobody is there not even the Prime Minister, to take the responsibility for that. She has said in public that she was not interested in these black money bonds, only some others were interested in this; she only allowed them to do that. Only an irresponsible Prime Minister can state like that. Similarly, after some time when the Bill is passed, she may state in public that she did not want this Bill, some others who wanted it, moved it and got it passed. That is the way to which the country is going.

Unless the Government is ready to free the international trade, as far as India is concerned, from the clutches of the big business people and multinationals, I do not think we can do anything in this field. I would like to remind this House, particularly the Members of the ruling party, that at one time we were having a programme for nationalisation of import and export trade. After 1969, the then Government under the leadership of the present Prime Minister and the ruling party at that time, had a programme to nationalise the export and import trade also just after the banks nationalisation and the stopping of privy purses etc. Now, nobody is talking of that. What I would like to suggest is that first you should nationalise the export and import trade. The money which you are going to utilise for this meaningless purpose should be used for setting up a public sector agency to do import-export trade.

Similarly, as I said, if there is a deficit balance in so far as our trade is concerned, it is because of the failure of our export-import policy. Last year, while we had exported sugar on the one hand, we had imported sugar also on the other. For what purpose?. It was only to get some backdoor transaction, to get some

money and some opportunity for somebody connected with the ruling party through this Export-Import business. That is what has been going on in this country. Complete corruption has been going on in this area. They are not even allowing Parliament to go through the accounts. They are not even keeping the accounts of this proposed Bank with the Auditor-General of India. The Ruling Party and the Finance Minister are deliberately doing these acts to get as much of money they need from this Bank. That is what is going to happen.

Similarly, import policy of this Government is highly against the interest of the States like Kerala. Mr. Kodyan has already stated all these things before this House. On the import of Copra and coconut oil, Government is going against the interests of the growers of these things in Kerala. While Coco rubber and the coconut growers of Kerala are in trouble because of accumulation of their produce in stores, the Government is going on importing these things only to please the big industrialists and only to please those who are interested in this sort of transactions to promote their own interests, and not the country's interest.

So, I would once again oppose this Bill and demand a complete nationalisation of Export-Import Bank and formulation of a public sector agency to carry on the export-import business completely.

SHRI T. R. SHAMANNA (Bangalore South): Sir, I am sure this important institution that is going to come up may be a boon to our country if it is properly managed. But since many institutions have been mismanaged, some of our friends doubt that this Bank may not come up to the level of our expectation. We can only hope that Government will take steps to see that the institution is brought up on proper lines so that the economy and export and import of this country is built up at the proper level.

In this connection I have to bring for your consideration two facts *viz.* I have given one motion asking that the Bill may be sent for circulation so that the public opinion is obtained. Second is that I have moved a number of amendments.

I would like to speak first on the need for sending the Bill for circulation.

Sir, the British vested interests never bothered about setting up a bank like this. But it is a pity that such an institution to finance the import and export trade of the country has not been set up till now and more than 30 years have passed after Independence and a Bill of this nature has not been brought up before us. The Bill has to be circulated for the reason that apart from importers, exporters and traders, the suggestions of other agencies also will have to be taken into account, *viz.* of manufacturers, shipping agents, insurance companies and consumers. These people also have an interest in the institution that is going to be started. So, circulation is very necessary.

Besides, we have got a number of foreign exchange banks now working in India, most of whom are of foreign origin. They have a monopoly in foreign exchange business. They have branches in the interior parts of the country, from where they are taking large deposits. They are making huge profits and giving 40 per cent to 45 per cent dividends from out of this business. We should see that our interests are safeguarded, as against these foreign exchange banks. They would like to see that this new bank does not succeed. In the past they have done so. Any such institution will affect their interests. So, care must be taken to see that these existing foreign exchange banks are put under our control, so that they are not able to play mischief in the working of this new institution.

[Shri J. R. Shamanna]

If the foreign exchange banks of foreign origin play any mischief, we should retaliate against their branches in our country

This new bank will not only finance the import-export business, but will be connected with tourist payments, service of our people in foreign countries, our investment abroad and investment by other countries here. All these factors should be taken into account while establishing this bank. We have to see that the new bank works in the best interests of the economy of our country.

Again, we have not got enough trained manpower in this regard. This subject has to be studied properly. There are foreign exchange banks of foreign origin here. There, responsible positions are not given to Indians, even though Government of India's policy is to see that it is done. Posts on the management side are not given to Indians. And we have not got enough trained personnel in this regard. So, steps must be taken to see that the personnel who run the new bank are given proper training, so that they understand the interests of our country well.

We require huge capital. Government has offered Rs 200 crores as capital. In course of time, they will give another Rs 300 crores. The value of money is less these days. This amount of Rs 500 crores is not much, because we have to have branches of this bank all over the world. For many years it will not make any profit. We have to stand on our own legs. A new bank will not have any business outside. This bank will have to work all over the country also. Thus Rs 500 crores may not be enough.

There is this hike in oil prices. An attempt is being made to import sugar, wheat, cement, edible oil etc. As a result we will have to spend more. Foreign exchange is a very delicate matter. The bank to be star-

ted must be equipped in such a way that foreign exchange is conserved. Our foreign exchange reserves are dwindling every year. We have an unfavourable balance of trade. To make up this deficit, there is need to take credit from other institutions.

MR CHAIRMAN Now Mr Kashyap

SHRI T R SHAMANNA Sir, please give me some time to speak on my amendments

श्री गिरधारी लाल व्यास (भीलवाड़ा)  
नभापति महोदय, मैं इस बिल का समर्थन करता हूँ। मेरे कुछ सुझाव हैं जिनको मैं निवेदन करना चाहता हूँ। क्लॉज 6 में जो डायरेक्टर्स को नामिनेट करने के बारे में प्रावधान है उसके सबंध में कुछ न कुछ व्यवस्था करनी चाहिए। आपने कहा है कि 12 डायरेक्टर्स गवर्नमेंट नामिनेट करेगी जिसमें 5 सेंट्रल गवर्नमेंट के आफिशियल्स होंगे। मेरा सुझाव है कि इन पांच डायरेक्टर्स में फोरन डिपार्टमेंट के कुछ लोग होने चाहिए और कुछ लोग जो फाइनेंस में अच्छे तरीके से बेल वर्क हों उनको डायरेक्टर रखना चाहिए ताकि बैंक की व्यवस्था सुचारू रूप से चलाने में वे योगदान कर सकें।

दूसरा मेरा सुझाव है कि आपने, क्लॉज 6 में लिखा है

"Not more than four directors shall be persons who have special knowledge of or professional experience in, export or import or financing thereof"

मेरा यह कहना है कि अगर मोनोपली हाउसेज में से आपने किस प्रकार के लोगों को इसमें नामिनेट कर दिया तो निश्चित तरीके से जितना श्री फोरन ट्रेड है चाहे वह इम्पोर्ट हो चाहे एक्सपोर्ट हो सब पर इनकी मोनोपली स्था-

पित हो जायगी। इसलिए इस प्रकार के लोगों को इसमें डायरेक्टर नहीं बनाना चाहिए जिससे कि इस प्रकार की मोनो-पली इसमें स्थापित हो सके।

एक मेरा यह निवेदन है कि पार्लियामेंट के मेम्बर्स को भी इसमें कुछ स्थान देना चाहिए ताकि पार्लियामेंट के मेम्बर्स इस बैंक को सुचारू रूप से चलाने में ठीक प्रकार से योगदान कर सकें।

सभापति महोदय : आफिस आफ प्राफिट हो जायगा।

श्री गिरवारी लाल ब्रास : डायरेक्टर रखने से आफिस आफ प्राफिट नहीं होगा क्योंकि उनको कोई तनख्वाह नहीं मिलेगी।

एक मेरा सुझाव है कि ज्वॉइंट बैंचर्स एण्ड फाइनेंसिंग आफ एक्सपोर्ट एंड इम्पोर्ट आफ मशीनरी आर इक्विपमेंट आन लोअ बसिस के लिए आपने इसमें प्राविजन किया है। आज यह हो रहा है कि हम जो मशीनरी इम्पोर्ट करते हैं उसमें गवर्नमेंट आफ इंडिया की स्वीकृति लेनी पड़ती है।

16.47 Hrs.

[Mr. Deputy Speaker in the Chair]

चाहे सीमेंट की फैक्ट्री लगानी हो या कोई भी फैक्ट्री लगानी हो जब तक गवर्नमेंट आफ इंडिया इजाजत नहीं देती तब तक हम उस प्रकार की मशीनरी को इम्पोर्ट नहीं कर सकते। ऐसी हालत में जबकि एक्सपोर्ट-इम्पोर्ट बैंक इनकी इस प्रकार की हेल्प करेगा तो गवर्नमेंट जिस मशीनरी को यहां पर नहीं लाने देना चाहती क्योंकि उससे अपने देश की इंडस्ट्री को वह पनपाना चाहती है, अगर इनको ऐसी हेल्प दी गई तो निश्चित तरीके से हमारी इंडस्ट्री को सेट बैंक करेगा।

एक जगह आपने कहा है क्लॉज 23 में ज्वॉइंट बैंचर्स के बारे में—

Clause 23(2) on page 11 of the Bill says as follows:

“After making provision for bad and doubtful debts, depreciation of assets and for all other matters for which provision is necessary, or expedient or which is usually provided for by Bankers and for the reserve Fund referred to in subsection (1), the Exim Bank shall transfer the Balance of the net profits to the Central Government.”

इसमें मेरा यह निवेदन है कि—

It further provides, “After making provision for bad and doubtful debts”

आप पहले से ही किसी बैंक में बैंड एंड डाउटफुल डेट्स के संबंध में कुछ प्राविजन रखेंगे तो निश्चित तरीके से जितने डाइरेक्टर्स आप रखेंगे उन का ज्यादा से ज्यादा मकसद यही होगा कि वह बैंड एंड डाउटफुल डेट्स क्रियंट करने की व्यवस्था करें। इसलिए इस प्रकार के प्रावधान को पहले से ही रोका जाना चाहिए।

एक जगह क्लॉज 33 में आपने लिखा है कि डाइरेक्टर कोई भी काम करेगा, लासोज या एक्सपेंसिज ईकर करेगा अगर वह उसके डिस्चार्ज आफ डायटीज के जरिए से होगा तो उसकी रेस्पॉसिबिलिटी उस पर नहीं होगी, मेरा कहना है कि अगर कोई भी डाइरेक्टर गलत तरीके से काम करे और गलत तरीके से पैसा खर्च करे तो उस की रेस्पॉसिबिलिटी उसी के ऊपर फिक्स की जानी चाहिए। इस प्रकार की व्यवस्था करने से तो कोई भी डाइरेक्टर आप के

[श्री गिरधारी लाल व्यास]

बैंक को सुचारू रूप से चलाने में योगदान नहीं कर सकेगा। इसलिए जो भी गलत काम करे, गलत तरीके पैसे खर्च करे या बैंक को लासेज पहुँचाए, ऐसा एक्सपैडीचर इनकार करे जो उस को नहीं करना चाहिए तो उस की रेस्पॉन्सिबिलिटी उसी के उपर होनी चाहिए, तब जा कर सारी व्यवस्था ठीक प्रकार से चल सकेगी।

इस के बाद क्लॉज 37 में आप ने इनकम टैक्स से इन को बचित किया है। एक तरफ तो ज्वाइंट-वेन्चर स्थापित करने की बात कही जाती है, दूसरी तरफ यह बैंक ज्वाइंट वेन्चर में अग्रर शामिल हो गया तो निश्चित तौर से जो भी इनकम होगी उस पर टैक्स तथा अन्य प्रकार की चीजों को छोड़ा नहीं जाना चाहिये। बिजनेस में अग्रर कोई फायदा होता है तो उसमें गवर्नमेंट के टैक्स को एवाएड नहीं करना चाहिये।

सैक्शन 40 में इम बैंक को इण्डस्ट्रियल डिस्प्यूट्स एक्ट से अलग रखा गया है। मैं निवेदन करना चाहता हूँ कि जो भी एम्पलाइज होंगे उनकी सेवा की शर्तों तथा अन्य प्रकार की सुरक्षा की व्यवस्थाओं के लिये आप किसी प्रकार की कोई व्यवस्था तो करेंगे ही, चाहे वह ट्रिब्यूनल की शकल में हो या कोई दूसरी शकल में हो, जिसके द्वारा एम्पलाइज की सर्विस कण्ट्रोल और अन्य प्रकार की कठिनाइयों को दूर करने की व्यवस्था हो सके। यदि आप ऐसा नहीं करेंगे तो एम्पलाइज की बातों को सुनने के लिये कौन सा व्यवस्था होगी? यदि आप इण्डस्ट्रियल डिस्प्यूट्स एक्ट को लागू नहीं कर रहे हैं तो उसके स्थान पर कोई अन्य व्यवस्था होनी चाहिये जिसके अन्तर्गत एम्पलाइज अपनी ग्रीवन्सेज को दूर कराने

के लिये मैनेजमेंट के पास पहुँच सकें। इसलिये या तो आप इस धारा को हटा दें या उसके स्थान पर कोई अन्य व्यवस्था करें ताकि उनको अपनी बातें रखने का अवसर मिल सके।

इन शब्दों के साथ मैं इस बिल का समर्थन करता हूँ।

श्री जयपाल सिंह कश्यप (झाबला) : माननीय डिप्टी स्पीकर महोदय, अपने डंग का यह नया बिल है। एक नया प्रयोग होने जा रहा है। देश की जो अर्थ-व्यवस्था है वह बड़ी नाजुक हालत से गुजर रही है। हमारी आयात-निर्यात की जो हालत है वह बड़ी दयनीय और शोचनीय है। इस बिल के एक्ट बनने के बाद जब यह लागू हो जायगी तब उस स्थिति पर इस का क्या प्रभाव पड़ेगा, इस के लिए हम को बड़ी गम्भीरता से सोचना है। बहुत हल्केपन से इस को पास कर देना इस बिल के साथ अन्याय होगा। इस लिए मैं अपनी बात बतूँ, उससे पहले इन बात पर जोर दूंगा कि इस बिल को सिल्वेट कमिटी में भेज दिया जाय ताकि वहाँ पर बड़ी गम्भीरता के साथ इस पर विचार हो सके। भविष्य में क्या परिणाम होंगे उस पर भी हम वहाँ गम्भीरता के साथ सोच सकेंगे।

जहाँ तक आयात-निर्यात पर प्रभाव का संबंध है देखने से यही मालूम होता है कि आयात-निर्यात में जो वित्तीय सहायता देने की हमारी नीति है वह पूरी नौकरशाही के हवाले करने जा रहे हैं। आयात-निर्यात बैंक के जो भी पदाधिकारी होंगे, आप उठाकर देख लें, मालूम यह होता है कि सारी नौकरशाही बैठ कर तय करेगी। व्यापारियों का प्रतिनिधित्व और दूसरे वर्गों का प्रतिनिधित्व का जहाँ तक संबंध है, जैसाकि अनेक माननीय सदस्यों ने कहा है, मैं उन के साथ सहमत

हूँ कि और भी जो बर्ग हैं उन का भी इस में रिप्रेजेंटेशन होना चाहिये।

सैक्शन 39 में बोर्ड को कुछ नियम बनाने का अधिकार दिया गया है, लेकिन हमारे यहाँ एक बड़ी गलत परम्परा बन गई है कि हम एक्ट बना कर रख देते हैं लेकिन नियम बनाने की बात को टाल देते हैं जिस का नतीजा यह होता है कि छःछः वर्ष तक नियम नहीं बन पाते। इसके अतिरिक्त नौकरशाही जो नियम बनाती है उस का सही व्यापक रूप नहीं हो पाना जिस के बुरे नतीजे हमको बाद में सहने पड़ते हैं। इसलिए ऐसी परम्परा डालनी चाहिये कि जब भी किसी बिल को रखें तो साथ में नियम बना कर भी हाउस के सामने रखे जायें ताकि एक्ट और नियमों में सामंजस्य स्थापित हो सके और भविष्य में कोई परेशानी न उठानी पड़े।

सैक्शन 11 के अंतर्गत जो हमारा फंड होगा, मेरी समझ में नहीं आता कि उसमें दान का क्या रूप होगा। इस संबंध में कोई भी साइडलाइज देन का विचार नहीं किया गया है और न कोई मार्गदर्शन किया गया है कि किस तरह से नियम या बैंक इस संबंध में काम कर सकेगा। इस पर नियंत्रण क्या होगा। इसलिए बेहतर यही है कि हम इस का पुन-निरीक्षण करें और इस को सलेक्ट कमेटी में भेज दें ताकि वहाँ पर पूरा विचार होने के बाद नये रूप में यह बिल आ सके और भविष्य में कोई संकट पैदा न हो। हमारी अर्थ नीति को वहीं नुकसान न पहुँचे, हमारी आयात और निर्यात नीति को कोई नुकसान न पहुँचे, और कहीं ऐसा न हो कि कुछ नौकरशाहों के हाथों में हमारी आयात और निर्यात की सारी अर्थ-व्यवस्था आ जाए जिस से हमारी अर्थ-व्यवस्था पर एक

बहुत बड़ा कुठाराघात हो सकता है, इसलिए इस बिल को सलेक्ट कमेटी में भेजना चाहिए, जहाँ पर इस पर पूरा विचार हो।

इतना कहते हुए, मैं आप को धन्यवाद देता हूँ कि आप ने मुझे इस बिल पर बोलने का मौका दिया है।

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): Sir, with the honourable exception of Mr. Nadar all the members who participated in the debate have welcomed the Bill in principle. This Bill has been brought to fulfil a commitment we made to this House. The House will recollect that on 18th June, 1980, while presenting the budget, the Finance Minister said:

“Hon. Members are aware of the critical role played by exports in our development efforts. Therefore, Government have over the years endeavoured to provide all facilities and full encouragement to export promotion efforts. Management of credit and investment finance for export promotion in an increasingly complex. There is, thus, a need however, becoming more and more complex. There is, thus, a need for a specialised institution which will become a focal point for all aspects of export credit and which will devote concentrated attention to the needs of the exporting community. Government have, accordingly decided to set up an Export-Import Bank to assist the financing of our international trade. We hope this specialised institution will give the desired boost to our export promotion effort.”

To fulfil this promise, we have brought this Bill. The noble purpose with which it has been brought is set out in the preamble at the beginning of the Bill. By bringing this Bill

[Shri Maganbhai Barot]

and establishing the Exim Bank, we are joining some of the world's advanced countries who have established similar institutions for taking care of their export-import trade. United State has done it, Japan stands first amongst the exporting nations and Japan has also established it. So, we are joining these two countries by providing for such an institution to coordinate our efforts. As Rangaji says, this is a long over-due measure which we have brought now.

Before I deal with the various points raised by hon. members, particularly Shri Satish Agarwal and others. It would like to refer to the speech of Shri Jyotirmoy Bosu, who opened the debate yesterday. He is normally known for his full preparation, but he appeared to be thoroughly unprepared so far as this subject is concerned. He spoke about everything except this Bill. He spoke about the Commerce Ministry, Tandon Report and everything except this Bill.

MR. DEPUTY-SPEAKER: It is now 5 o'clock. You can present the Assam Budget.

17.00 hrs.

ASSAM BUDGET, 1981-82

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): On behalf of Shri R. Venkataraman, Minister for Finance, I beg to present a statement of estimated receipts and expenditure of the State of Assam for the year 1981-82.

#### Statement

Sir, I lay on the Table of the House the Budget of Assam for the financial year 1981-82.

2. The Budget of the State of Assam for the current year was presented to the State Assembly on 23rd March, 1981. Though the demands 'on ac-

count' for four months were voted by the State Assembly, the connected Appropriation Bill could not be passed before its prorogation by the Governor of Assam on 31st March, 1981. The State Government had thereafter to be placed in funds by the Governor by issue of an Ordinance authorising expenditure for a period of four months (1st April to 31st July, 1981). After the State was brought under President's rule on 30th June, 1981, the President, in pursuance of provision of article 357 (1)(c) of the Constitution, authorised further expenditure beyond July, 1981 pending sanction by Parliament.

3. The revenue receipts for the current year are estimated at Rs. 367.47 crores showing an improvement of Rs. 65.20 crores over the last year's Revised Estimate. This improvement is due to larger receipts from Central taxes and duties, revision of royalty on crude oil, better collections expected under State taxes and duties, besides larger Central grants for Plan schemes. The expenditure on revenue account for the current year is estimated at Rs. 385.67 crores showing an increase of Rs. 1658 crores over last year's Revised Estimate. The increase is mainly due to higher interest charges and larger provision for Plan schemes. The overall deficit for the current year, after taking into account the effect of transactions on Capital and Public Account, will be Rs. 19.04 crores as against Rs. 29.65 crores in the last year's Revised Estimates. The State Government will be considering measures to reduce the deficit to the maximum extent possible.

#### PLAN OUTLAY

4. Assam continues to enjoy the status of a special category State in allocation of Central assistance for the State Plans. The Annual Plan for 1981-82 envisages a financial outlay of Rs. 210 crores, of which Central assistance will be Rs. 159.10 crores and the State's contribution Rs. 50.90 crores. The State Plan for