

HAH Disc.

17.30 hrs.

CARRIAGE BY AIR BILL

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH): I beg to move:

"That the Bill to give effect to the Convention for the unification of certain rules relating to international carriage by air signed at Warsaw on the 12th day of October, 1929 and to the said Convention as amended by the Hague Protocol on the 28th day of September, 1955 and to make provision for applying the rules contained in the Convention in its original form and in the amended form (subject to exceptions, adaptations and modifications) to non-international carriage by air and for matters connected therewith, be taken into consideration."

This Bill deals with the very complicated procedures for international air traffic between one country and another. These procedures are governed by a series of agreements from time to time. The first major agreement in this respect was the Warsaw Convention of 1929, which was adopted by this country....

MR. DEPUTY-SPEAKER: He may continue his speech tomorrow. We will now take up the Half-an-Hour discussion.

17.31 hrs.

HALF AN HOUR DISCUSSION

SMUGGLING OF INDIAN FILMS AND RECORDED MUSIC TO FOREIGN COUNTRIES

SHRI K. LAKKAPPA (Tumkur): Sir, this half an hour discussion pertains to the smuggling of Indian films and recorded music to foreign countries. When a question was tabled on the 15th November 1972 for an assessment of the smuggling of Indian films and recorded music to foreign countries, the reply was that no re-

liable information is available and the information is being collected.

India is constantly called a smugglers' paradise to which are smuggled gold, watches, textiles, synthetic yarns and foreign consumer goods of every description with unfailing regularity to be put into the bottomless well of the vast Indian sub-continent. There are certain places in India which have become famous and have reached the high water mark in smuggling Bombay on the west coast is a case in point. It attracts foreign racketeers and smugglers.

17.32 hrs.

[SHRI K. N. TRWARY in the chair.]

Though the hon. Minister in his reply has not given any reply about the assessment of smuggling, according to my assessment the smuggling of Indian films and music records to foreign countries is to the extent of more than Rs. 5 crores to 6 crores a year. As a consequence, we are losing that much of revenue. For the last six or seven years the unfettered smuggling of Indian films out of the country has been on the increase and it is estimated that India loses Rs. 8 crores to 7 crores annually in foreign exchange because of this illegal trade.

The Indian films are in great demand in many countries, e.g. South Africa, East Africa, West Indies, Maritus, Malaysia, Singapore, Iran, Lebanon, Iraq, Egypt, Saudi Arabia, the Middle Eastern and West Asian countries and the Persian Gulf States and Kingdoms. Recently, there is extension of this illegal export of Indian films to South America, with particular reference to Venezuela and several European countries, including Sweden, Denmark, Holland and Germany. These are the countries which are involved in the smuggling of Indian films.

There are Indian nationals who are permanently residing in South African countries. So, the smuggling of Indian films to those countries has been increasing in connivance with the local Indian nationals as well as foreign smugglers and in connivance with the officers attached to our export and import regulation system.

The smuggling out of 16 mm black and white film has been continuing for over 20 years, particularly since there is a thriving market for these films in America for screening in private clubs. The smugglers have been operating even in America where Indian films have been smuggled and they are screened in private clubs. This is a pathetic situation of smuggling operations in India to smuggle out our films.

I would like to give certain instances where the smuggling is on a large scale and how it is operated in the country. After 1957, these Indian colour films became very popular. As a consequence of the devaluation of Indian rupee, in June, 1966, there are certain countries where sending out of films has been prevented and restricted, specially, in South Africa, Ceylon and other countries. As a result of that, the smugglers began to look for fresh avenues to build up large reserves of foreign exchange abroad and they found a ready market in the illegal export of Indian films. South Africa has a large permanent Indian population. The smugglers soon re-established the market through private film prints. They operate in such a way that they manipulate the entire film and they will sell it in the foreign country where they have a huge demand.

I would like to explain the *modus operandi* of these smugglers. These smuggled Indian films are mainly 35 M.M. colour films, as there is practically no market abroad for 35 M.M. 2610 LS.—13.

black-and white films. Of these, 90 per cent are Hindi films and the remaining 10 per cent are Tamil films. This nefarious traffic is master-minded and operated from Dubai, Hong Kong, Kuwait and also London. This leads to smuggling of other items like gold and other precious articles from other countries. Half the amount that they get for the films that they sell in black-market is by way of smuggled gold and other precious articles from other countries, thereby paralysing the economy of our country.

Then, the black-and-white and colour film is imported raw into the country and the Government allows film processing laboratories 8 per cent wastage. The actual wastage in the laboratories is 5 to 6 per cent on three to four copies. On several copies, the wastage drops to 2 per cent. Since 8 per cent wastage is allowed, this is one of the basic and more important sources for both new and extra copies of films which are illegally exported. Rush prints discarded in laboratories, incomplete films, and even complete films which may prove to be box-office flops in India are sent abroad. So great is the demand that even certain films which have not been released in India are screened abroad within a week of their screening in this country. The films which may prove to be box-office flops in India have been running successfully in other countries. Prints worth Rs. 8000 to Rs. 10,000 are sold for twice or thrice the sum abroad. Sometimes, depending upon the quality, content, star-cast, etc., it fetches Rs. 1.5 lakhs in foreign exchange, hereby depriving the country of vital revenues.

Another method adopted by smugglers is to sell a single print abroad. Several copies will be made abroad. There are sophisticated laboratories which are operating in certain countries where they will make these copies, known as "dupe prints". These are produced on a large-scale and they make a huge profit. This is how the things are operated.

India earns about Rs. 7 crores from the export of motion pictures annually. Out of this, Rs. 2.5 crores come from U.K. Other countries from where we earn more than Rs. 20 lakhs each are the Arabian Gulf, East Africa, Singapore and Thailand. The country loses, according to conservative estimate, about Rs. 5 crores a year due to the smuggling of prints of Indian films abroad.

The industry produced 433 feature films in 1971. Not all these films were exhibited in foreign countries. We can find that half of the films have been exhibited foreign countries unauthorisedly, making a huge profit out of unauthorised exhibition of our films. This has been done even in enemy nation, in Pakistan, where the President of Pakistan was interested in Hindi films and they were smuggled there.

This is the situation. Our Government is not vigilant enough to plug the loopholes in our export system.

Recently, the Chairman of the Film Corporation, Mr. Tariq stated that we are losing nearly Rs. 6 crores of foreign exchange as a consequence of this smuggling of films but the answer given is that the Government have no information on such a serious allegation and whether such a serious situation has been faced by the Ministry.

Another point. There was a controversy regarding the operation and the way in which this Corporation is handling the export of our Indian films abroad. There was a heated exchange of ideas and views in this regard in the Films Guild. As a consequence of this difficulty, as a consequence of this weakness in the organisation, the Ministry and the officers attached to it are not vigilant not only inside the country but also on the borders with large-scale smuggling of films going on all the time.

I would like to draw the attention of hon. Minister as to how a print of

a film costing around Rs. 10,000 is sold in East Africa for £ 3,000 which, on conversion, brings the producer about Rs. 45,000. No producer would give five prints to a distributor for such a territory. The distributor, obviously, has misused two or more prints of the film to exploit a territory he is not entitled to or infringe upon a territory assigned to some other distributor. There are only a handful of overseas distributors who are thriving mainly on smuggling of Indian films. It is not that the officers attached to this Ministry are not aware of all these things. They have all the information. Therefore, I would like to request the hon. Minister to streamline the administrative machinery to see that this large-scale smuggling of films should be stopped.

Secondly, it is also a matter for the foreign Trade Ministry. It involves violation of foreign exchange regulations. I can give specific examples. The Reserve Bank of India...

MR. CHAIRMAN: Now, please conclude. If you want to give information please send that paper to me. I will see it and if it is permissible, I will allow you to put it on the Table.

SHRI K. LAKKAPPA: Please give me two minutes only.

The point is that the Reserve Bank of India is also involved. There are certain rules which have been violated in connivance with the officers of the Reserve Bank as also the foreign exchange section of the Import Export office and these officers are involved. Therefore, I would like a deep probe to be made into the whole thing.

There are only a handful of overseas distributors in the Indian film industry, who have been thriving on the films they take for distribution abroad, for several years now, because there is a large-scale discrimination so far as the Corporation is concerned.

and the Film Corporation is handling the matter in such a way that there is discrimination and their officers are also involved in this racket. Therefore, I would like to suggest whether this Ministry would take up action and see that a probe is made against all these malpractices and also to see to what extent this film smuggling is going on and whether this Ministry would take steps to see that immediately a CBI inquiry is made into the malpractices and the nefarious activities in this field.

श्री राजावतार शर्माजी (पटना)

सभापति महोदय, तस्करी का पेशा हमारे देश में बहुत तेजी से बढ़ता जा रहा है और आश्चर्य की बात है कि फिल्म में यह घटने की वजह बढ़ ही रहा है। यह दुःख की बात है कि सरकार इस को रोकने में सफल नहीं हो पा रही है। मेरा ऐसा ख्याल है कि सरकारी अधिकारी भी इसमें शामिल हैं और वे इनको बढ़ावा देते हैं। इन शब्दों के साथ मैं निम्नलिखित सवाल पूछना चाहता हूँ।

(क) पिछले तीन वर्षों से कितनी भारतीय फिल्मों की तस्करी की गई और किन देशों के तस्करी ने ऐसा किया ?

(ख) फिल्मों की तस्करी में प्रत्येक वर्ष भारत को कितनी विदेशी मुद्रा का हानि होती है ?

(ग) भारतीय फिल्मों की तस्करी का क्या रूप है, किम किस तरीके से उसकी तस्करी होती है तथा उसको रोकने के लिए सरकार ने कौन सी कार्यवाही की है और उसकी क्या परिणाम निकले हैं ?

(घ) तस्करी के पकड़े में आ जाने पर उन के विरुद्ध कौन सी कार्यवाही की जाती है तथा तीन वर्षों में कितनों को सजा दी गई है और कौन सी सजा दी गई है ?

श्री मूलबन्ध डामा (दिल्ली) सभापति महोदय, तस्करी व्यापार के बावजूद कुछ नहीं कहना है। मैं केवल एक बात जानना चाहता हूँ कि आज नव मिनिस्टर महोदय ने कोई ऐसे किस पकड़े है जिनमें तस्करी का व्यापार हुआ हो ?

सभापति महोदय आप किस मिनिस्टर से पूछ रहे हैं ? फार्गेन ट्रेड मिनिस्टर से या सूचना तथा प्रसारण मंत्री से ?

श्री मूलबन्ध डामा आप कौन सा लूस है ही कि किम के जरिये इस प्रकार का ही तस्करी व्यापार होता है। क्या यह ठीक है कि कुछ फिल्में बाहर गई हैं ? अगर यह सही है तो क्या आप ने किसी को प्रोसिक्यूट करने की कोशिश की है ? तीन सालों से या जितने सालों से यह तस्करी व्यापार होता है उस में कितनी विदेशी मुद्रा का लूस हुआ है गवर्नमेंट के ख्याल में ? किस किस डिपार्टमेंट के लोगों ने इस के प्रति सतर्कता नहीं बरती है ? जैसा श्री लाकप्पा कह रहे हैं, काटीनुससली कई सालों से दूसरे देशों में हमारी फिल्में जाती हैं। क्या आप बतला सकते हैं कि कभी भी गवर्नमेंट ने किसी सरकारी कर्मचारी के खिलाफ कोई एक्शन इस सम्बन्ध में किया है ?

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI I. K. GUJRAL): Sir, I am grateful to my hon. friend Mr. Lakkappa. As is common and usual with him, he takes interest in the subjects that he always initiates. I think he has really enlightened us a great deal because he seems to have studied smuggling to a great extent and in great depth.

SHRI K. LAKKAPPA: We know how these smugglings are operating, but we are not ourselves involved.

SHRI I. K. GUJRAL: I cannot say whether he has caught smuggling cases or not. But I must say this to his credit that he has really tried to understand the problem as such. The point is this. While replying the other day, I had said this, which I can say again that, naturally, it is difficult for the Government to say with precision as to how much smuggling has taken place and what is the value and how much money has been lost. But the only thing we could say would be how much of smuggling was caught while being attempted. I have got certain figures with me; these relate to 1969 to 1972. The number of films seized by the Customs authorities during the year 1969 to 1972 October, and their value would be like this. The value would vary from Rs. 9,25,000 to Rs. 86,000 in this year. This is the statement for the last four years. The number of films seized in 1969 are 64; in 1970, 23, in 1971, 4 and in 1972, 9. The latest thing was on the 14th of November, 1972. The Bombay Customs have also seized 10 packages consisting of 174 reels of different titles of cinematograph Indian films worth Rs. 3,48,000 at Poshapir Rock (Panju). So, such action has been taken and naturally the films are caught. But it does not happen very often that one is in a position to catch the smuggler also. There are certain techniques about which he gave details..

SHRI K. LAKKAPPA: I would have explained more techniques if I

had more time, and said how they are operating.

SHRI I. K. GUJRAL: I would suggest, Sir, that the very worthwhile information of the hon. Member should be published in the form of a book. For, it will make very interesting reading. I agree that these must be the various techniques used by the smugglers. I do not have any personal acquaintance with the problem. So, I am not in a position to verify and say whether what Shri K. Lakkappa has said is right or wrong.

MR. CHAIRMAN: He is an expert on it?

SHRI I. K. GUJRAL: He has studied it, and so, he must have known it better.

SHRI RAMAVATAR SHASTRI: He must have some friendship with those people.

SHRI I. K. GUJRAL: My hon. friend Shri Ramavatar Shastri was very innocent, because he was only seeking information. I think that if they could sit together, then Shri Ramavatar Shastri will be wiser for that experience.

Whenever the Enforcement Directorate have been able to catch hold of people, they have taken action against them. I am aware of two such cases where they were in a position to lay their hands on two persons suspected of this sort of activities. Smuggling can be of different types. One is physical smuggling. Another form of smuggling is that prints are made out of whatever films have been legally exported and are sent to those countries for which territorial allotments have not been made. Government have not only been taking steps for physically stopping them, but Government have also been taking steps to see that the trade also gets into channelised forms. That is why my hon. colleague Shri L. N. Mishra has recently decided that all the exports of films from this country

would be channelised through the STC, and we hope that by this we shall be able to check this type of activity which is definitely not in the national interest and which is against our interest, because we not only lose money but we also look bad in the international world. I think that the steps that we are taking at least will meet the situation to an extent.

I must also say, let not the impression prevail that the whole film industry is involved in this smuggling. I think that by and large, India is doing very well in exports also. Our export figures have been growing with the passage of years. In 1971-72, our export earnings were of the order of approximately Rs. 5 crores. I hope that with the channelisation of exports, export earnings will increase further. Indian films have very good market abroad, not only in areas where people of Indian origin live but also in those areas where people are interested in good films.

We have often criticised Indian films here in the House whenever we have discussed Indian films. But there are films and films. I think that it would not be a good thing to try to condemn the whole film industry as such or even the members of the whole industry as such. Like in every other industry and in every other trade, there are shades of grey, and there are shades of white and there are shades of black, and I think that by and large, the Indian film industry has discharged itself very well, both in export earnings and in performance and their reception in countries abroad.

SHRI M. C. DAGA: What is the answer to the question whether Government are stopping smuggling or not?

SHRI I. K. GUJRAL: I thought I had replied. I will repeat it if I was not clear.

श्री मूल प्रश्नकर्ता : मैं जानना चाहता हूँ कि क्या आप ने किसी पर मकदमा चलाया है या किसी अप्रसर को सजा दिलाई है ?

श्री आई० सी० गुजराल : श्री डागा का एन्क्विजिशन मेरी समझ में नहीं आता। बहरहाल अभी मैंने अंग्रेजी में जर्ज किया था, अब मैं हिन्दी में फिर जर्ज कर देता हूँ। दो आदमियों के खिलाफ कदम उठाये गये। इसी तरह से जिसके खिलाफ यह शक है कि उन्होंने स्मग्लिंग की है उन के खिलाफ एक्शन लिया जा रहा है। दूसरी बात उन्होंने पूछी किसी अप्रसर के खिलाफ क्या एक्शन लिया जा रहा है या किसी अप्रसर के खिलाफ यह शक है कि वह ऐसा कर रहा है। यह दूसरी बात है कि श्री डागा को तसल्ली देने के लिये मैं दो चार अप्रसरों को फांसी पर चढ़ा दूँ, लेकिन बिना किसी सबूत के हम कैसे कुछ कर सकते हैं।

यह नहीं हो सकता है।

श्री मूल प्रश्नकर्ता : आप अप्रसर को पकड़ नहीं सकते हैं।

श्री आई० सी० गुजराल : डागा जी हमारी मदद करे और एक अप्रसर को पकड़ कर ले आये तो हम जरूर एक्शन लेंगे।

तीसरी बात यह है कि यह इनक्यूयरी रिसेंटली सी० बी० आई० को भी दी थी। वह इसमें काफी तफसील में गईं हैं। सी० बी० आई० को कुछ स्पेसिक क्वेश्चन भी

जेजे मये बे । उनमे भी बह गई है और बतावा है कि उन कैबिनेट में कुछ जान नहीं है ।

सी० बी० झाई० ने इनकवायरी करके बताया है कि श्री तारिक ने जो एजीमेंशन लगाये थे उनकी भी इनकवायरी की लेकिन उसमे में भी कुछ नहीं निकल पाया है । ऐसी बात नहीं है कि सरकार कुछ नहीं कर रही है । सरकार सी० बी० झाई० के जरिये देख रही है । फिल्में पकड़ने का जहां तक ताल्लुक है मैंने फिगार्ड बी है । फिर मैं उन को बोहराता हूँ ।

In 1969, 64 films were caught; in 1970, 28 were caught; in 1971: 4 caught; in 1972 (uptill October) 9 were caught. So it is not that vigilance is not there or that our enforcement authorities are not functioning. But is there any method available to Government by which Government can claim that any activity will totally stop? The race between those people who do not observe the laws of the country and those who enforce the laws of the country is always there. Sometimes they are caught; sometimes they go out of the net. But I can assure him that particularly in the canalisation of export, my hon. colleague, Shri Mishra's Ministry feel that they will be able to contain this very effectively.

17.56 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, November 28, 1972/Agrahayana 7, 1894 (Saka).