

nemically in the real sense of the term, it would not have that much effect.

Another very interesting point has been highlighted. Of course, it requires a detailed discussion—whether for the development, particularly, for the economic development of the State, the size of the State should be taken as a relevant factor and very correctly my friend over there quoted some of the instances which can corroborate this argument. But, at the same time, there are other instances also. Sometimes, we find that fragmentation of the areas does not lead to economic development unless the other contributory factors remain there and we can exploit those contributory factors to the fullest extent.

Certain other steps have also been mentioned which do not strictly concern me. I would draw the attention of my colleagues in other Ministries and see that the problems are sorted out.

Before I conclude I can assure my hon. friend—also I have told him informally that I do not know all this—that I would take the earliest opportunity to be in Pondicherry and I would like to be acquainted with the problems over there.

MR. CHAIRMAN: Now, the question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper, be granted to the President, out of the Consolidated Fund of the Union Territory of Pondicherry to complete the sums necessary to defray the charges which will come in course of payment during the year ending the 31st day of March,

1976 in respect of the heads of demands entered in the second column thereof—

Demands Nos. 1 to 32 and 34."

*The motion was adopted.*

SHRI S. M. BANERJEE (Kanpur): I want that the money should not be paid in cash because it will add to the inflation.

16.03 hrs.

# PONDICHERRY APPROPRIATION (NO. 2) BILL\*, 1975-76

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1975-76.

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1975-76."

*The motion was adopted.*

SHRI PRANAB KUMAR MUKHERJEE: I introduced the Bill.

I beg to move†:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1975-76, be taken into consideration."

\*Published in Gazette of India Extraordinary, Part II, section 2, dated 23-7-1975.

†Introduced/moved with therecommendation of the President.

MR. CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1975-76, be taken into consideration."

*The motion was adopted.*

SHRI K. MANOHARAN (Madras North): I congratulate you on your elevation.

MR. CHAIRMAN: The question is:

"That clauses 2 and 3, the Schedule, Clause 1, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

Clauses 2 and 3, the Schedule, clause 1, the Enacting Formula, and the Title were added to the Bill.

SHRI PRANAB KUMAR MUKHERJEE: I beg to move:

"That the Bill be passed".

MR. CHAIRMAN: The question is:

"That the Bill be passed."

*The motion was adopted.*

16.06 hrs.

CONSERVATION OF FOREIGN EXCHANGE AND PREVENTION OF SMUGGLING ACTIVITIES (AMENDMENT) BILL.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): I beg to move:

"That the Bill to amend the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, be taken into consideration."

As Hon'ble Members are aware prevention of smuggling and the conser-

vation of foreign exchange are of vital importance to a country like ours. In December, 1974 the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 was enacted by Parliament to immobilise, by detention, the persons connected with smuggling, foreign exchange racketeering and related activities and to disrupt the machinery established for furthering these activities. Hundreds of persons have been detained under the provisions of this Act both by the Central and the State Governments. Detention of some of these persons was challenged in writs of habeas corpus in the various High Courts of the country. In view of the clandestine manner in which such persons carry on their activities and the consequent difficulty in securing the type of evidence needed to comply with the rigid standards insisted upon by the Courts, some persons against whom orders of detention were made under the Act have succeeded in getting such orders set aside. These orders were set aside in a number of cases by following the case law that has developed in regard to detentions under the Maintenance of Internal Security Act, 1971, principally relating to persons detained for acting prejudicially to public order; the orders were set aside by reason of the finding that some of the many grounds of detention urged by the Government in support of an order of detention were vague, irrelevant or otherwise invalid. Considering the special category of persons being dealt with under the Act, the clandestine methods adopted, and the organised nature of their activities, it is found necessary to clarify that the grounds are separable so that the non-acceptability of one or more grounds does not result in automatic release, and thus defeat the aim of Government to disrupt the operations of these anti-social elements.

Some persons had obtained release on bail or otherwise from Courts con-