

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-

trary to the intentions of the Government regarding temporary release as contained in Section 12 of the Act.

The President issued a Proclamation of Emergency on 3rd December, 1971. Another Proclamation of Emergency (due to internal disturbances) was issued on 25-6-1975. Some of the persons engaged in smuggling and foreign exchange racketeering have been posing a serious threat to the economy and to the security of the nation owing to their large resources and influence. In the present Emergency the disclosure of grounds of detention to such persons and compliance with the usual procedures of reference to the Advisory Boards would not be in the larger interests of the nation.

In order to deal with the above and in view of the urgency of the matter the President promulgated on 1-7-75 the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Ordinance, 1975. The Bill seeks to replace the provisions of the Ordinance

I move that the Bill be taken up for consideration by the House.

MR. CHAIRMAN: Motion moved:

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

SHRIMATI ROZA DESHPANDE (Bombay Central): I support the Bill. At the outset, I congratulate the Government that they have taken several steps to fight this menace of smuggling and to bring down their activities. As the Minister has said, smuggling had become a danger to the economic stability and structure of the country. Smuggling has become rather a political game of the monopolies and a weapon of counter-revolutionaries for the last four years

or so, de-stabilising and de-hinging the economy of the country. We can see this because this has been happening on a very high scale for the last 3 years or a years. Formerly also smuggling did exist and I remember, if you asked somebody, what is your business, one would say, my business is smuggling; and it was taken lightly in that way. But for the last 4 years we can see that it has really started challenging the fabric of our economy. It has created a sort of parallel economy. The feeling went round among the people of the country that this Government is ultimately going to give shelter to these smugglers. We know that there have been people inside the bureaucracy, inside the Government, who had been supporting smugglers including some Ministers. In a way it has become a weapon in the hands of the counter-revolutionary elements which we are fighting today, because, smuggling has not only de-stabilised our economy, but at the same time, it has had its political effect also regarding the total picture of our country, about the picture of the Government and also about our morals. I say this because it has affected our people in a way that they felt that nothing can be done, people thought that one who smuggles things can have multi-storeyed buildings, can live very luxuriously and lavishly in this country and the Government will not do anything. The fast deterioration of the economy had added to this feeling.

It is not only the bureaucracy which is the only thing which is responsible which has given encouragement, which has, in a way, protected smuggling. But the whole atmosphere and the deterioration of the economy in the country has helped the smugglers and it has helped the people who were interested politically to disrupt the economy of this country. Please look at the kind of goods that are smuggled. Gold is being smuggled. Do you think that Gold is

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needed only by the women to make bangles and ornaments? It is not so. Gold is a commodity which is the safest commodity to block your black money and that is why gold was smuggled in a very high scale in this country.

Mind you, these superprofits are converted into gold and they keep them with them. Therein lies why the smuggling of foreign currency, gold and such goods has been taking place here. It is not that the commonman is interested in these goods. If Government were to tell or to give a call to the people, that we need not produce the luxury goods hence forth will surely agree with it. We do not need any luxury goods. Is radio a luxury good? Is watch a luxury good? Is nylon cloth a luxury good? Even a petty worker wants to have a good radio. The Phillips radio which is being produced here cannot be compared to the one produced by the parent company. Everyone wants imported goods and there is craze for the imported goods. Why is it taking place? Can't you produce such goods here? I know there is a colony known as Ulhasnagar Sindhi Association near Bombay. They produce goods there and sell as imported. They only buy the cloth--nylon cloth--and print it with the mark 'USA'. What does USA stand for? It stands for Ulhasnagar Sindhi Association and not United States of America. Please do not keep it in mind that I mean that the Sindhis are doing this. What is USA for? It is not United States of America at all. But, then people are so much mad and crazy after imported goods that their products are going by their own name--USA. Why is this happening in this way? First of all, a commonman who has an income of Rs. 1,000 or so would like to have a good quality radio or a good quality wrist watch and a good quality cloth. Do we get it? Private companies are given licence to meet increasing demand for these goods. They only pro-

duce substandard goods and dump in the market which are being sold at a very high price. People cannot at all afford to buy it and even if they buy it, they buy only the sub-standard goods. What are you doing for it?

For instance, Phillips wanted a licence for expansion. One does not know whether it was given at all or it was given to somebody else--maybe, to some interested party. Why should we not see that Phillips produce standard radios for mass consumption which could be compared to their parent company's production? It is not done. Japanese watches are imported. Is it not possible to produce standard goods here in our country? In this country the affluent of the society are going in for the goods which we are not producing in this country. You will see that multi-millionaire people are spending lavishly in marriages and offering dowries in marriages of their daughters. You can not create an atmosphere of austerity in the country while such lavishness exists in a section of society. We can stop producing goods which are not needed at all by the commonman. For example, the cloth which is given to the commonman is hopeless. You cannot think that a factory worker can use that substandard cloth which you are giving to him. The mills produce cloth which they export outside and earn foreign exchange. The best cloth that is produced by the mills is exported. Why can't we produce the cloth for our own consumption? What is the harm in that? A mill in Bombay wanted to put up more looms but you will not permit that. Why can't you give this good quality cloth to the people. Bombay Dyeing produces the same type of cloth. For whom is it produce? I may tell you that it goes somewhere else and again it comes back here and is sold as imported goods. Why are we after the imported cloth or imported goods? Even the consumer goods that are given to the people are substandard. We are not punishing these multinational companies--these monopolists

—in the way we want them. For instance, there is over-invoicing and under-invoicing. Can we find the same? It is there where the super-profits are made. We know there are so many companies who have in their bank accounts thousands and thousands of sterling in Switzerland. Some of these multi-millionaires give their home address as Switzerland. They have their establishments in Switzerland. One of the Directors of Tata has given his address as of Switzerland. When T. T. Krishnamachari was the Finance Minister he found that Bird & Co. was making money through over-invoicing and under-invoicing. When it was detected the manager ran away with all the money. This is not a small factor. If we are not going to stop this then merely giving sermons to the people to look to the present conditions in this country would not serve the purpose and would not solve the problem. Arresting of few smugglers—no doubt, it is a welcome measure—will not improve the situation. They were the most ordinary people like fishermen or ordinary coolie. The point to be considered is how did they get into it unless there were some big people behind smuggling. There are such people. We know, to some extent. Ministers were involved in backing the smugglers. I would like to emphasise again it is good we are arresting smugglers and punishing them but we have to take some basic measures. Smuggling is the greatest menace to our economy and in order to fight out this challenge let us take some basic measures and let us not be satisfied with this that we have put Hazi Mastan and Mr. Narang behind the bar. I read in Economic Times that as Mr. Narang is in prison one the judge gave him the permission to get food from his home and could meet his family people once in a month. You know 'why'? Because he must have peace of mind and stability of mind! But, when we workers are arrested, we do not need peace

of mind and stability and this and that. To these people, who are indulging in smuggling and challenging you, the judiciary is giving protection. Therefore, please be careful while passing all these Ordinances, look to the loopholes in the various enactments. These people who are trying to ruin the country and its economy in every way are given protection by the judiciary. The sovereign Parliament should take care of this and not the judiciary which sits somewhere, on the top floor and gives some kinds of judgement in favour of smugglers: we should take care of it.

I would again emphasise that we have to be careful in fighting this menace. We have to look to our economy and what the people want. Don't only say that we are not going to produce luxury goods. Don't say that. For example, a working girl does like to have a nylon saree. If I want to buy a nylon saree from a Bombay textile mill, it costs nothing less than Rs. 200. But, if I buy a smuggled one, I get it for Rs. 75. What do you want working sisters to do?

AN HON. MEMBER: Go in for that one which costs you Rs. 75.

SHRIMATI ROZA DESHPANDE: Surely we have to do it. If you want, I can produce dozens. Even today, with all this Emergency, everything is being sold in Bombay. Why can't we produce such goods in our Bombay mills? Why can't the mills produce such goods which the common people do want as a necessity? Instead of going in for cotton sarees, working girls like to wear nylon sarees. It can be just put in water, dried and worn. It has become economical. Why can't you look at it from that point of view? But, our mills want to earn foreign exchange for the benefit of the country. Benefit or no benefit, they do not care for this country. We know it very well. Then, why don't we look to this and see that such goods and such



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cloth are produced and sold in this country and not exported?

We should fight smuggling in every way. I would make an appeal to the hon. Finance Minister, hon. Industries Minister—all are sitting here—that we all have to combine and think on these lines. You should not think that this under-invoicing and over-invoicing is a very minor part. It forms a major part as far as the drain on foreign exchange is concerned. It is very difficult to be found out. Many companies are indulging in this under-invoicing and over-invoicing and earning crores of rupees. mind you, crores. The smuggling of wrist watches and radios is only a small part of the total quantum. These multinationals which have a worldwide empire of their own are eroding the foreign exchange earnings and our own monopoly concerns are involved in it. I would request the Finance Minister to take steps to find out which are these companies and bring them to book. I would not take much time. But, I would request the Minister to think of combating this menace on these lines and link it with our economy. We should fight this menace not by giving sermons but by giving goods of proper standard—watches and radios—to the people and increase their production to meet the demand. Then, you can go to them and tell them that they should not buy smuggled goods. If you do so, I am sure the people of this country will cooperate with you.

SHRI S. R. DAMANI (Sholapur): I rise to support the Bill. It is a fact that smuggling into the country is going on on a large scale. Sometime back, smuggling was mostly of gold and in return they used to smuggle out silver. But slowly this activity spread and smuggling of consumer goods started. Now to a great extent smuggling is of consumer goods. Everything from ball point pens to refrigerators is being smuggled.

The hon. lady member said that the reason for the smuggling was the quality of the smuggled goods. According to me, one of the major reasons for increase in smuggling is not the inferior quality of our goods but the excise duty, tariff, on goods produced in the country is so high that it has become profitable to smugglers to smuggle these goods. On account of this, smuggling has increased.

The second point is this. The hon. lady member mentioned about nylon and other items. What is the extent of the duty on these nylon produced in the country? It is three times. Now it is profitable for the smugglers to smuggle these items and make money. These goods can be produced in the country and sold at a reasonable price. But on account of the duty on these items, the production of these items has suffered.

On account of smuggling, many small industries have suffered very badly. Those industries which are producing fountain pens, ball point pens and other goods have to pay excise duty whereas the smuggled goods are sold free of such duty. Therefore, our goods cannot compete either in quality or in price. This has very badly affected specially the small scale and medium size industries producing these consumer goods.

Then again, the policy followed by Government in disposing of the seized goods is defective and requires to be corrected. This has been giving a cover to smugglers to smuggle these goods. What is being done of the goods seized by the customs department? They sell them by auction. The persons who purchase them resell them in the market to the consumer. They purchase these items and then go on selling these smuggled items under cover and protection. I have drawn the attention of the hon. Finance Minister several times to this and said

that this system of selling should be stopped; if it continues, protection will be there and it will be difficult to stop smuggling. But recently I notice that Government are considering stopping such sale of smuggled goods. They want to sell it duty-free at airports. But I do not know how far it will be possible to dispose of such a huge quantity of seized goods duty-free at the airports zone. I think if Government decide to call for tenders for exporting these seized goods and if they are exported, the country will get foreign exchange. Also there will be no cover to sell smuggled goods in the country because the present system gives such a cover. They should adopt this policy of calling for tenders for the goods seized by the Government for exporting it outside. There are many countries which are importing those goods and they can buy those goods. There will be no difficulty in disposing of those goods that way. In this way the country would be able to get the foreign exchange and it will be difficult for the smugglers to sell the goods as they do now. With these suggestions, I support the Bill.

**SARDAR SWARAN SINGH SOKHI** (Jamshedpur): Sir, I welcome the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill which came in the form of an Ordinance promulgated by the President of India on 1st July, this year to amend the original Act of 1974. Smuggling of foreign exchange, black marketing, hoarding and corruption are all interlinked and they have deep roots which adversely affect the economy of our country. The persons engaged in smuggling and foreign exchange racketeering are the worst enemies of our country. Our country has no sympathy for them and they should be dealt with by imposing the maximum penalty, even death penalty if possible, irrespective of whether they are Indians or foreigners. No smuggling could take place unless the high officials of our police and

border security forces indulge in corrupt practices due to greed or other reasons.

The big smugglers who were arrested in the past were released by our courts one by one and again they started their business, after getting out of the jails, so that this amendment was very essential. It has been hailed by all sections of the people in our country.

I think that in the past our courts treated the offences of the big smugglers, hoarders, blackmarketeers, etc. in an ordinary way, without considering the impact on the economy. By this amendment they will either leave this business once for all or rot in jails for the whole of their lives. It is doubtless that the persons engaged in smuggling and foreign exchange racketeering were posing a threat to the economy and security, and they had large resources and influence inside and outside the country. In some cases they encountered our border security forces on land and sea. By the re-arrest of those sharks who attempted to bring in or take out gold, diamond and other valuable things and who were the actual blood suckers, Government had really saved the country and the man on the street in our country appreciates this commendable step taken by the Government.

The smugglers operate at all levels in the country, right from the street level upto the palatial buildings and it is really a matter of great regret that even respectable women are engaged in smuggling of every sort and they go to the extent of performing fake marriages with the smugglers for the sake of smuggling. In this International Women's year I should request them to kindly keep away from smuggling and avoid bringing bad name to the womenfolk.

Still there is a lot of foreign currency smuggled into our country and it is in operation through illegal means, even through our nationalised banks in the capital too. The Government should check the same and

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do something about it. It should be done immediately by the Ministry concerned. The properties of the big smugglers must be confiscated and seized permanently and it should not be released under pressure or threat, even after the emergency is over. Here, I may suggest that the present emergency should continue till smuggling including foreign currency is rooted out because due to this there is threat to internal security. It does not matter if emergency continues till such time in national interest. Sir, smuggling, hoarding, black-marketing and corruption are interlinked which is a socio-economic problem and should be dealt with during this emergency period, once for all.

There is no question of natural justice for the smugglers who knowingly stake and why they should be spared when even inspite of the Prevention of Smuggling Activities Act passed in the year 1974. Now, they will come to their senses when the courts would not be able to help them in getting out of the jails and instead they would rot there for their whole life. By this amendment all their activities would be completely paralysed because the foreign smugglers who are the master mind behind them would not be able to operate in our country who used to help them with equipment and finance.

The main items being smuggled from Pakistan are, opium, hasish, fire arms, almonds and cloves and from India Banarsi Saris, cardamom, betal leaves, semi-precious stones and small engineering goods. The Pakistani smugglers cannot dare to enter our country if the people on this side of the border does not encourage them and have a self imposed responsibility to check smuggling, keeping in view the vast border line with Pakistan. The villagers should catch them and hand them over to the police or security force. The weapons captured so far by the border security force were mostly manufactured in Pakistan and

are as good as the best manufactured in the more advanced countries in the world.

During recent raids at Delhi, Agra, Bombay and Poona it was found that news prints worth crores of rupees were smuggled to neighbouring countries, by importing from a neighbouring country and exporting to another neighbouring country, this is not only an act of income-tax evasion but of smuggling and I understand that these persons held are very influential and I would request the Government to show no leniency towards them and challan them under this smuggling amendment Act.

SHRI S. A. SHAMIM (Srinagar): Mr. Chairman, there is no quorum. All the Members are still in the Central Hall.

MR. CHAIRMAN Let the quorum bell be rung. Now, there is quorum. The hon. Member may continue.

SARDAR SWARAN SINGH SOKHI: There is no doubt that the Government is vigilant about the smugglers being active on our borders but the administrative machinery should be streamlined and toned up, to check the foreigners, whether gents or ladies, with upto date detecting equipment and separate confidential cells should be created directly under the ministers concerned for effective implementation of this amended act, because Pakistan might be using some of the smugglers for intelligence purpose. So a strict watch along the border is very essential.

With these words, I support this Bill.

SHRI CHAPALENDU BHATTACHARYYA (Giridih): Mr. Chairman, Sir, I whole-heartedly support the present Bill. In December, a large number of smugglers had to be released because of decisions of various High Courts and thereby the anti-smuggling activities almost came to a standstill. If in the present emergency justiciability can be taken away from the political workers, these smugglers

should not be given the justiciable right. Therefore, it is right and proper on the part of the Government to take away justiciable right from economic offenders and smugglers. It will strike terror not only to these persons but also to those who are the brains behind the smuggling whether they are in India or in Hongkong or in Dubai and the smuggling will be brought under control. I will like to give an example. Take a small item like mica which is being exported from this country. After 1966 devaluation the Finance Ministry imposed 40 per cent export duty on this commodity. The result was that out of Rs. 15 crores of mica which has been exported from Bihar, Rs. 5 to 7 crores of smuggled mica was said to have been exported via Nepal. That is a rough index of smuggling. If the Customs Department is vigilant enough, we can save crores of rupees for Indian economy. The customs duty which we earn is about Rs. 900 or Rs. 1,000 crores. This is a visible tip of the iceberg from which we can deduce that Indian economy is losing about Rs. 700 to Rs. 900 crores in customs duties due to these smuggling activities. Smuggling foreign exchange manipulations, over-invoicing and under invoicing have a cumulative effect. In Mica it may be 60.40. In Mangalore coast, for instance, in the course of three years fishermen's huts may be changed into pucca buildings and in that town of 40,000, 200 new Ambassador cars may ply. In fact, from Gujarat right down along the sea coast making allowance for local difficulties, smuggling assumed more and more a big business. How and why this was allowed to grow?

While supporting the Government in their desire to stiffen laws against these economic crimes, one has to point out there has been a very definite failure in the organisation—either technical failure or human failure. That is also required to be stiffened. My submission is that our basic attitude should be to haul up the big people. The small fry, including

the officials, should not be proceeded against that heavily. In fact, just as in income-tax they do not bother much about people with lower level incomes, similarly in the case of smuggling also, the customs and vigilance organisation should concentrate on the main culprits and smaller fry should not be given the attention they have been getting all this time.

This requires honest implementation. Tremendous powers are being given to the Government officials. Therefore, in the anti-smuggling drive internal monitoring committees for monitoring and evaluation of the daily and weekly results is a must. I entirely agree with Mrs. Deshpande that one of the main motivating forces behind smuggling is the quality differential, not just the price differential, of the goods. In India, under the tariff shelter, we are helping to produce a lot of goods so that we can have economic independence. The difficulty is that unless we go in resolutely for quality control and improve the quality of our goods to international standards, our weakness will always remain, and by propaganda, we will go in for what is called foreign goods. That is not to our national self-respect. We have to set our own house in order. Sir, with these words, I support this bill and we hope that the network of smugglers, with the master-minds operating behind them, will be hauled up; and our economy, in the present context of our foreign exchange situation, will get a respite—which it so badly needed—from this blood-letting.

DR. KAILAS (Bombay South): While supporting the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill, 1975, I would offer some comments and ask some queries to which I expect that the Minister would kindly reply. In the Statement of Objects and Reasons, it is mentioned in the first paragraph:

"Some persons against whom orders of detention were made under



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the Act had to be released because the orders of detention were held to be void as some of the grounds of detention were considered by Courts to be vague, irrelevant or otherwise invalid."

I can understand their coming out should be stopped and we should have an amendment to Section 5, by adding 5A. They say, under (a) of 5A:

"such order shall not be deemed to be invalid or inoperative merely because one or some of the grounds is or are—

- (i) vague,
- (ii) non-existent,
- (iii) not relevant,
- (iv) not connected or not proximately connected with such person, or
- (v) invalid for any other reason whatsoever."

But, Sir, some smugglers were sent out by the courts in December, 1974. Why did the Government wait for the declaration of emergency for coming out with this amendment like this? This should have been done much earlier. In the Statement of Objects and Reasons, para 2, it is said:

"....to the security of the nation owing to their large resources and influence. In the present emergency, the disclosure of grounds of detention to such persons and compliance with the usual procedures of references to Advisory Boards would not be in the larger interests of the nation."

Sir, when it has been said in the beginning of the Statement of Objects and Reasons that "Smuggling, foreign exchange racketeering and related activities have a deleterious effect on the national economy", why are we trying to have this amend-

ment and restricting it only to the period of emergency? I would say that smuggling should be debarred for reference to the Advisory Boards for all times to come. When you say this in the Statement of Objects and Reasons and you say in the changes quite limited which Government are proposing here as 12A, viz.:

"(1) Notwithstanding anything contained in this Act or any rules of natural justice, the provisions of this section shall have effect during the period of operation of the Proclamation of Emergency issued under clause (1) of article 352 of the Constitution ..." etc.

and that too, for a short period of one year which may be counted either from 3rd day of December 1971—which I could not understand, you may kindly explain—or as it says in the bill:

"a period of twelve months from the 25th day of June, 1975, whichever period is the shortest."

When we know that smuggling and economic offences are creating havoc in this country why is the Act being amended only to that extent? So, the words "period of twelve months" should not have been there; and it should never be referred to the advisory board. We can definitely make this provision as a permanent one. In the same way under (2) of 12A it is said:

"the Central Government or the State Government or, as the case may be, the officer is satisfied that it is necessary to detain such person for effectively dealing with the emergency...."

Again the word 'emergency' is occurring so often. It continues:

"that Government or officer may make a declaration to that

effect and communicate a copy of the declaration to the person concerned."

I do not understand this. It seems the emergency is going to be perpetually with us. I am sure emergency should not last more than 6 months or, at the most one year; and some normalcy will have to come. Never mind it may be for a period of 10 years; but to make such rules and to say "within one year" then it will lapse is not correct. We should now permanently bar any person who is indulging in smuggling. Their cases will never be referred to the advisory board; and an officer of the State Government will have no chance of giving any reason to the person why his detention has been made and why he has to be put behind the bars. I can understand that the State Government should examine the cases properly and that the person should get natural justice. I am understand; but if it is known that we have got a large number of Haji Mastans here, why should even those known cases be referred to the board?

17.00 hrs.

Hence I would request Mr. Mukerjee, who is handling this department so well, that he should explain why these things have been kept only for the emergency period. We want this to be a permanent feature that smugglers should be debarred from all illegal activities.

As rightly pointed out by Mrs. Rozi Deshpande and supported by Mr Bhattacharyya, we should also have taken care of under-invoicing and over-invoicing. Smuggling is a bad as under-invoicing and over-invoicing. Hence, the multi-national corporations or monopoly houses which are regularly multiplying their black money by under-invoicing and over-invoicing should have been covered by this Clause and punished in the same way as the smugglers. I think you are

giving respectability to such people because they happen to have more money and hence you do not want to touch the multi-national corporations and monopoly houses. They must be touched and brought within the net of this legislation in the same way as the smugglers.

Hence I would request Mr. Mukherjee to kindly explain this to the House and to the country at large. My speech may not find a place in the newspapers, but his words will go round the country, and hence he should announce that Government will put a stop to these smuggling activities as also under-invoicing and over-invoicing.

With these words, I support this Bill, though it is very much delayed, though it is restricted to the period of the emergency, but since it is a good piece of legislation, the Government should be congratulated.

SHRI K. NARAYANA RAO (Bobbili): The simple answer to Dr. Kailas's question is that only during the emergency, the power of Parliament can be extended in this manner. Otherwise article 22 comes into the picture according to which the grounds must be stated and the Advisory Committee has to be consulted.

DR. KAILAS: Why should he reply? The Minister can reply. Why should they not amend article 122 and amend it during emergency i.e. take advantage of emergency under article 352?

श्री मूलबन्द डागा (पाली) : सभापति जी, 1974 में एक कानून पेश किया गया, उसके पास होने के बाद अब आप एक मॉन्जेक्शन लेकर आये हैं।

"The effective administration and realisation of the purposes of the Act have been rendered difficult by reasons of the clandestine manner in which the persons engaged in

[Dr. Kailas]

these operations carry on their activities and the consequent difficulty in securing sufficient evidence to comply with the rigid standards insisted upon by courts."

यह कुसूर किसका है ? यह सरकार का कुसूर है, सरकार मशीनरी का कुसूर है । 1974 में आप बिल लाते हैं और उसके बाद यहां अपने भाषण में आप सारे एशोरेस देते हैं—आप जरा अपनी स्पीच को पढ़िये आप देखिये उसमें आपने क्या कहा था और अब आप एक साल के बाद आ कर कहते हैं कि हालत खराब है—

A bad worker always quarrels with his tools.

इसका मतलब तो यह है कि आप काम करना नहीं जानते, आपकी मशीनरी ठीक नहीं है, तब फिर हमें क्यों दोष देते हैं । इस पार्लियामेंट में आप जो हमें कहेंगे, वह तो हम कर ही देंगे, लेकिन कानून में एक बात है—चाहे 100 गुनहगार छूट जायें, लेकिन एक बेगुनाह नहीं फंमना चाहिये । यह कानून का उसूल है । आप हमें बतायें—उन तस्करों ने क्या बयान दिये, जिनको आपने इतने दिनों तक बन्द रखा है मैं समझता हूं 5-6 महीने तक तस्कर जेल में रहे, आपने इन्वेस्टीगेशन किया होगा, एन्क्वायरी की होगी, आप हमें बतलायें कि उन्होंने क्या कहा ? वे लोग कैसे छूट गये, क्यों छूट गये । हमसे कहा गया कि हमारे रीजन्ज वैलिड नहीं थे, कोर्ट ने टेक्निकली एक्जामिन किया, इसलिये छूट गये । मैं आपसे पूछता हूं कि उनके डिटेन्शन आर्डर में क्या रीजन्ज दिये गये थे, उनमें अगर कोई कमी थी तो क्यों थी, कौन उसके लिये जिम्मेदार है ?

सभापति महोदय, हमारे कस्टम्ज के अधिकारी कितने मालदार हो गये हैं, क्या कभी आपने जांच की, कितनों को सजा दी—पिछले एक साल में । मैं जब पिछली दफा फौरन एक्स-चेंज बिल के सिलसिले में बम्बई गया था, तब मुझे मालूम हुआ कि जितने कस्टम अधिकारी थे सब मालामाल हो गये हैं । उनके पास मोटरें हैं, बगलें हैं...

17.06 hrs.

[SHRI C. M. STEPHEN: in the Chair]

श्री पन्नालाल बारुपाल (गंनानगर) :  
करोड़पति बन गये ।

श्री भूल चन्द डांगा : मैं फाइनेंस मिनिस्टर से पूछता हूं—आपने कितनों के खिलाफ कार्यवाही की, कितनों को जेल भेजा । क्या कभी उनकी पंजी का सर्वे करवाया, उनकी जांच कराई कि वे कितने गुनहगार हैं और उन्होंने कितने गुनहगार पैदा किये हैं । वे लोग खुद स्मगलर्स के साथ चलने वाले हैं । उन स्मगलर्स को डिटेन करने के बाद भी आप कहते हैं कि उनकी एक्टिविटीज बढ़ी हैं—यह बात हमारी समझ में नहीं आती । गवर्नमेंट मशीनरी पर आप जहां करोड़ों रुपया खर्च करते हैं और कहते हैं कि हम स्मगलर्स को पकड़ लेंगे, लेकिन उसका परिणाम क्या निकलता है, आप फिर भी उनको पकड़ नहीं सकते, क्यों कि आपके आफिसर्स उनसे मिले हैं । इस लिये एक दफा अपने आफिसर्स का सर्वे कराइये, देखिये कि उनके पास कितना पैसा है, कितनी प्रापर्टी है तब आप को सही हालत मालूम होगी ।

हाजी मस्तान ने अपने बयान में कहा था—अगर अधिकारी मेरे साथ नहीं मिलते तो मैं यह काम नहीं करता—यह उस का स्टेटमेंट था ।

डा० कल्लाश : इलस्ट्रेट वीकली में निकला था ।

श्री मूल बन्धु डा० : आप जरा उसके स्टेटमेंट को पढ़िये । अगर आपके इन्कम टैक्स आफिसर चोर न होते, तो काला धन नहीं बढ़ता । ये सारे चोर बैठे हैं, लाखों रुपया इनके पास है और हम इसलिये मालदार हुये, क्योंकि हमने उनका हिस्सा दिया । इसलिये मेहरबानी करके अपनी मशीनरी को मजबूत कीजिये ।

स्मगलिंग को रोकने के लिये आपने बड़ा बड़ी नावे खरीद ली है और उनके जरिये लोगों को पकड़ रहे हैं, लेकिन फिर भी वे लोग आप को धोखा दे रहे हैं । इस एमर-जेंसी में आप इस कानून को लायें हैं और चाहते हैं कि हम इसको पारित कर दें । इस में हम अमेंडमेंट नहीं रख सकते हैं । अमेंडमेंट नहीं होगा तो लोग कहेंगे कि हम तस्करों के साथ किसको सहानुभूति हो सकती है । हिन्दु-स्तान का कोई भी ईमानदार आदमी, देश भक्त, देश का हित चाहने वाला, स्मगलरों के साथ ऐसा व्यवहार नहीं कर सकता । यह आप की सारी मशीनरी ऐसी है जो इस का करना नहीं चाहती है, जिसके इरादे गलत हैं, जिसने उन लोगों को चोरी करना सिखाया है । मालदार बन चुके हैं, शराब पीते हैं—क्या आप ने कभी उनकी जाच की है । आप देखिये—वह बालयोगेश्वर जाग गये, वे भगवान पता नहीं कहाँ चले गये—आपके इन अफसरों ने क्या किया ? आज जब आप का बिल पढ़ता हूँ तो मुझे दुख होता है । एक लायर के नाते मुझे इसको देख कर दुख होता है—इस वक्त स्टीफसन साहब बेयर में बैठे हैं—आप देखिये—  
 I hope, Mr. Stephen who is in the Chair will also apply his mind to it. It says:

"Where a person has been detained in pursuance of an order of detention  
 1130 LE—8.

under sub-section (1) of section 3 which has been made on two or more grounds, such order of detention shall be deemed to have been made separately on each of such grounds and accordingly—

(a) such order shall not be deemed to be invalid or inoperative merely because one or some of the grounds is or are—

- (i) vague,
- (ii) non-existent,
- (iii) not relevant,
- (iv) not connected or not proximately connected with such person, or
- (v) invalid for any other reason whatsoever,"

Now what has he to explain? कोई सबूत न भी हो तो भी कोई परवाह नहीं । एक भी हो तो कुछ नहीं । लेकिन वह जो रीजन्स दिये जायेंगे वह माने जायेंगे । जब रीजन्स ही माने जायेंगे तो फिर आप इसको क्यों रखते हैं । मद्रास में मैंने एक अच्छी बड़ी खरीदी, आपने कहा कि यह स्मगलर गुड है इसलिये पकड़ो इसको । मैं एक साल जेल में रहूँगा । अगर मैं कहूँ कि मेरा कोई कसूर नहीं है मुझे माफ किया जाय, तो अधिकारी कहेंगे कि मैं माफ नहीं करता क्योंकि तुम्हारे पास स्मगलर समान है । आप स्मगलर को पकड़िये । आप डिटेन्शन में 12 महीने तक जिसको चाहेंगे रखेंगे । सरकार जो रीजन्स देती है यह उसकी कमजोरी दिखाता है । हम आज तक यह नहीं जान सके कि तस्करी किस प्रकार करते हैं, और हमको गवाह अबेलएबिल नहीं होते । 8, 8 महीने तस्कर जेल में रहे आप इन्वेस्टीगेट नहीं कर सके ।  
 Now, what are the offences? Har-  
 bouring of persons engaged in smug-  
 gling goods dealing in smuggled goods  
 or engaged in concealing or keeping  
 smuggled goods.



[श्री मूल चंद डागा]

यह मेरे दोस्त हैं समुद्र के किनारे रहते हैं यह मुझे कहने लगे कि तुम्हारे लिये रेडिया ले आऊँ। मैंने कहा ले आइये। कहा गया कि यह स्मगलर गुड है। आप डिटेन्शन के लिये पावर किस को दे रहे हैं? उन्हीं अधिकारियों को जिन की लापरवाही से तस्करी चलती है। मैं मानता हूँ कि एक मिनिस्टर सारे काम नहीं कर सकता क्योंकि उसके पास और भी सैकड़ों ऐनगेजमेंट्स होते हैं। तो कह दिया :

"The Central Government or the State Government as the case may be" if the officer is satisfied. बाहिर में सारी पावर्स ब्यूरोक्रेट्स के हाथ में दे दी। मैं चाहता हूँ कि एक भी बेगुनाह न फंसे चाहे 100 गुनहगार निकल जाये। आप अपनी मशीनरी को ठीक करें। अगर सरकार चींटों को नहीं पकड़ सकती तो वह सरकार किस काम की। जब आप रक्षा नहीं कर सकते तो आप किस लिये है? क्या करेगे? जिसको चाहा पकड़ लिया। अब क्या है?

".....the Central Government or the State Government or, as the case may be, the officer is satisfied that it is necessary to detain such person for effectively dealing with the emergency, that Government or officer may make a declaration to that effect and communicate a copy of the declaration to the person concerned".

हम लोग बम्बई जाते ही हैं। वह कहेंगे कि यह वही आदमी है, ऐसा मेरे साथ हो चुका है।

When I was MLA and when I spoke against the S.P., he registered a case under section 409 against me. (Interruption) After all, you must do your duty sincerely. After all, you must do something. Why should you leave everything in the hands of the bureaucrats?

एक ऐडमिनिस्ट्रटरी बोर्ड था, अब प्रीवेंशन में वह भी नहीं रहा। चार, चार महीने करके

आप 12 महीने किसी को भी रख सकते हैं। कोई बजह नहीं है रीजन्स देने की। मेरा कहना है कि गुनहगार तो फंसता नहीं है और बेगुनाह फंस जाता है अधिकारी लोगों ने कभी एक दूसरे के खिलाफ कोई एक्शन नहीं लिया। इन्होंने अपना एक कुनबा बना रखा है। इसलिये मैं चाहूँगा कि अधिकारियों की सिफारिशें या चापलूसी यहाँ सदस्य लोग न करे।

"Notwithstanding anything contained in any other law and save as otherwise provided in this section, no person against whom a detention order made under this Act is in force, shall be released, whether on bail or bail bond or otherwise."

अब कोई दूसरा ला लागू है नहीं। आपने यह आर्डिनेंस जारी किया जिस की जगह बिल लाये हैं, मैं जानना चाहूँगा कि 1974 में आने स्मगलर एक्ट पास किया और उस वक़्त जो आप ने आश्वासन दिया उसके प्रन्सार कितने स्मगलर्स के बारे में आपके अधिकारियों ने इन्वेस्टीगेशंस किये, उन्होंने क्या बयान दिये? कितने स्मगलर्स छूट गये? कितने बेगुनाह आदमी आज जेलों में हैं? कितने कस्टम्स अधिकारियों के खिलाफ आपने एक्शन लिया? जब कभी आप नया बिल लायें तो आप यह बतायें हमको कि यह एक्शन लिया था और उसमें हमको यह सफलता मिली और यह विफलता मिली। जब तक यह डाटा पार्लियामेंट के सामने न हो तब तक हम कैसे यह अधिकार आप को दे दें। मेरा निवेदन है कि हम को अंधेरे में नहीं रखना चाहिये।

श्री पन्नालाल बाकशाल (गंगानगर): सभापति जी, जो हमें सूचना मिली है उसके मुताबिक मैं बताना चाहता हूँ कि तस्करी कैसे होती है। जितने जनपोत हैं, नेबी है यह जब विदेशों में जाते हैं और मरम्मत के लिये यार्ड में चले जाते हैं, वहीं उन

में तस्करी का माल भर दिया जाता है और भारत में आने पर उसी बोट का यार्ड में भेज दिया जाता है और वह माल वहां निकाल लिया जाता है। यह सब कार्यवाही अफसरों की देख रेख में की जाती है। इसलिये आप ऐसी जगहों पर होशियार आदमियों को रखो जो किसी भी बोट के यार्ड में जाने से पहले उसकी अच्छी तरह से जांच करें

SHRI PRANAB KUMAR MUKHERJEE: Mr. Chairman, Sir, I am thankful to the hon. members for making their observations on the amending provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act. While making observations, the last speaker, Hon. Member Shri M. C. Daga, made some very forceful arguments and tried to point out that whatever could have been done was not being done because of the corrupt Customs officers, because the Ministers have no time to look into even the provisions of the Act and are otherwise engaged in appearing before T.V. and Radio; no action has been taken against the Customs officers; blanket powers are being given to the bureaucrats.

Sir, not to speak of this piece of legislation, I do not know any other preventive detention measure which has been passed by this House and where the power has not been given to the officers. Even in the Defence of India Rules, even in the Maintenance of Internal Security Act and even when it was not there and other types of preventive detention measures were passed by other legislatures, I do not know, whether this power was being given to anybody else other than the officers. And to what type of officers we have given this power. While in the ordinary Maintenance of Security Act, the power has been given to a District Magistrate, here the power is given to the officers at the level of the Secretary in a State Government and at the level of Additional

Secretary or Joint Secretary at the Government of India. I do not know, whether there is any other mechanism of transacting the business of the Government without the medium of the officers. This is merely an amending provision; powers are given in the original Act and the officers are empowered with this type of powers. I do not know, what is wrong in it.

It has been said that we have not taken any action against the defaulting officers and before we come forward with a piece of legislation before the Parliament for its approval we should give what actions we have taken against the erring officers in the Department. I appreciate this point and I would like to give some of the figures, particularly the actions that we have taken after the emergency. Against as many as 500 officers action has been taken in the last two weeks. This is after the 26th June. 339 officers have been transferred and 178 have been asked to retire before their retirement age. There are 39 officers against whom other types of disciplinary actions have been taken. There are certain more cases in the pipeline. It is, therefore, not a fact that we are merely putting the smugglers behind the bar and against those people who have the doubtful integrity, we have not taken any action. These are not new figures which are being given on the floor. When I piloted this Bill in the original form in last December, I myself gave some figures of the actions we had taken.

SHRI H. K. L. BHAGAT (East Delhi): Transfer is not a punishment.

SHRI PRANAB KUMAR MUKHERJEE: It is a punishment. Sometimes if somebody is transferred from the vulnerable area to another area, that is a punishment.

SHRI H. K. L. BHAGAT: I might say for the information of the hon. Minister that transfer is never consi-

[Shri H. K. L. Bhagat]

dered any punishment. That has been the ruling of the courts invariably.

**SHRI PRANAB KUMAR MUKHERJEE:** Whatever be the legal position, when transfer takes place and particularly when some people are transferred from vulnerable areas, where smuggling takes place, definitely it is a reflection on them. Smuggling is not taking place all over the country.

**SHRI H. K. L. BHAGAT:** But it is not a punishment.

**SHRI SHAMBHU NATH (Saidpur):** Even departmental suspension is not punishment, what to talk of transfer. He must amend himself.

**SHRI PRANAB KUMAR MUKHERJEE:** It is very difficult for me to what action we have taken against the erring officers.

श्री प्रनाबलाल बाइवाल : मैं यह जानना चाहता हूँ कि कितने लोग जेल भेजे गये और कितने अफसरों की सम्पत्ति जब्त की गई ।

**SHRI PRANAB KUMAR MUKHERJEE:** It is very difficult for me to say as to how many officers have been sent to jail and their properties confiscated. Even I have not been able to confiscate the property of smugglers, as the law is such that unless I can identify it and locate and establish their relation that it has been acquired out of the smuggling activities, I cannot do that. Therefore, it is easy to say these things and put questions. I can also put similar types of questions if I had not the privilege or misfortune of sitting in the Treasury Benches.

Therefore, it is not a fact that the Government is feeling shy so far as their own deficiencies are concerned.

I do not rule out the possibility. I am not talking of punishment. I am talking of what steps we have taken against the erring officials. There are certain punishment cases. Definitely premature retirement is a punishment. You cannot rule that out. We have taken action of that type. Then We have taken action like reduction in the increment or stoppage of promotion which is a punishment. Therefore, whatever may be the legal construction, so far as I am concerned....

**MR. CHAIRMAN:** The point the Minister is making is that after the 26th of June, the Government have gone into about 500 cases.

**SHRI H. K. L. BHAGAT:** We welcome the transfers. We are with the Minister. He has our support and appreciation.

**SHRI PRANAB KUMAR MUKHERJEE:** Another point Mr. Bhagat has said is, why we are making provision to Section 5A giving draconian powers to the officials, and why even out of some grounds one or two grounds become vague or irrelevant or non-existent the people should be arrested on the other grounds. He is a legal expert and he should know what was the out come of the judgment of the Gujarat High Court. All the six top detenus were released by the Delhi High Court which took that out of ten grounds, if even one ground is irrelevant or non-existent and the other nine grounds are good grounds, the man should be released because there is a one bad ground. In order to plug that situation, in order to see that even if some grounds may not exist but other grounds are good and relevant, the court should not have the opportunity of releasing the man because only one ground is bad, we have brought this measure. This is a matter on which even the legal our lawyer friends have their doubts. The Gujarat High Court has provisionally come to the conclusion that out of many grounds

if one ground is bad, that ground can be excluded and the person can be detained on the other good grounds. The Supreme Court has given the judgment in political cases that out of a number of grounds if one ground is bad, the man can not be detained on the other good grounds. But these are not political cases. We are dealing with a separate type of people and on many an occasion I have pointed out to the hon. Members that it had not been possible for us to deal with this type of people with the existing law. Otherwise there is no necessity for a draconian piece of legislation like this or for an over-riding power legislation like this. But these people could not be produced before the courts. Even somebody is taking the name of Haji Mastan and Bakhia. But it is really very difficult to establish before the courts with the evidences and with the documents that they are indulging in smuggling and have amassed so much wealth out of that.

Therefore, it is necessary to have this type of law. It is asked whether this law may not be misused. I am not ruling it out the possibility of its being misused. There, the Parliament is there and the Ministers are there and even when Members of Parliament bring to our notice any erring officer, we take immediate action on it and we try to sort it out. Therefore, it is not a fact that if there is any misuse, that will not be taken care of.

An hon. Member suggested why we are not making it a permanent feature and why we are relating it to the emergency period only. If we can change the Constitution and if we can do away with the provisions of Article 22, perhaps we can do that. But reference to the Advisory Board is compulsory so far as preventive detention is concerned. As for provisions of Art 22 are concerned, so

far as that Art 22 exists, no preventive measure can be taken where the reference of the case of detention to the Advisory Board can be stopped for ever. Even when a person is detained under Sec. 9, there we have taken the precaution of not referring the cases to the Advisory Board for a period of 9 months and we have referred only to the emergency keeping that point in mind. So long as emergency is there, these provisions are suspended and it is will then be easier for us to take care of these anti-social elements.

That is the only reason why it has been linked with the period of emergency and in order to see that this overriding power is not utilised for all time to come we have limited it for the time being upto one year i.e., for a period of one year (12 months) w.e.f. 26th June 1975. But there is nothing which can prevent the Government from bringing forward another piece of legislation to extend this period. At that time we shall get an opportunity of reviewing the whole matter.

In this connection I would like to point out that perhaps some sort of misunderstanding has developed, as six or seven people were released by the Delhi High Court that the entire anti-smuggling activities which Government took up for quite some time came to a negation. But that is not the fact. I would like to give some figures—

The total number of detention orders issued under the Act on 19th December, 1974.... 527  
 Upto 19th July, 1975 .... 1242

It is more than double. The number of detentions have increased considerably.

On many occasions a point was raised by many hon. Members and



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they expressed their anxiety why so many people are absconding and are avoiding arrests. There are certain legal provisions which we can resort to. The total number of absconders is 211. 181 are new absconders in the sense that their detention orders have been issued just a couple of weeks back.

In respect of 109 cases of absconders who are absconding for more than two weeks, actions have already been initiated to attach their properties and authorities have been sought. All sorts of measures which are available with the existing laws and which are provided by the Parliament in the form of new legislation and in the form of ordinances which are already in vogue; we have taken up the matter and it is possible for us to put almost all serious type of smugglers behind the bar. But at the same time it is to be kept in mind that so long as there are certain basic factors in our economy, in spite of our best efforts, whatever 100 per cent pure customs and income tax organisations we may have, smuggling cannot be stopped for ever so long as economic distortions are there. It has been pointed out by Mrs. Deshpande, if somebody finds out (it is not a question of craze, it is a question of bare necessity) that a foreign product has more durability, it is cheaper and convenient, whatever amount of his patriotism may be, he would try to find out something foreign and compare it with the indigenous. We can build up a campaign and that campaign may have effect. But I have every reason to doubt whether we can have that type of campaign so far as the essential items of daily use are concerned.

SHRI VASANT SATHE (Akola):  
I want to ask a question. What are you going to do with the smuggled goods which you captured and con-

fiscated? If these find a place in the market much of irritation and confusion would arise. During the period of emergency will you see to it that they are not put in the market or be sent back to the countries from where they came?

SHRI BHAGWAT JHA AZAD  
(Bhagalpur): You can throw them into the sea.

SHRI PRANAB KUMAR MUKHERJEE: On 6th June 1975 we issued instructions that the smuggled goods which are confiscated will not be disposed of even to the co-operative societies except some perishable goods. Some perishable goods like powder milk, chocolates and cigarettes are being confiscated.

On the Indo-Nepal border, even some living animals like cows and goats are being caught and I cannot detain them perpetually. But there are other types of goods which are being used as cover in the market for synthetic garments, yarns, electronic goods, etc. and we have issued instructions to all our Collectors of Customs, saying from 8th June onwards, there will be no disposal of items which are not of a perishable nature. We are assessing the market position to know what the impact of it has been and I understand that some reasonably satisfactory results have been located and thereafter we shall have to decide about these things. Some body suggested saying, some of us are quite interested to have some kind of bonfire of those imported things. Whether we can dispose of totally goods worth Rs 75 crores is another question which has yet to be looked into. And, the question of export also was discussed at some length. But, I may point out, it was not possible to find out a way because the agencies which can export these things themselves are finding it difficult. And even in respect of synthetic garments and

yarn, they are not of one type or of one quality and even if we sell them at less price than the market price, even the smugglers will organise themselves to re-purchase those things and send them back into the country.

SHRI VASANT SATHE: Ask the S.T.C. to do it.

SHRI PRANAB KUMAR MUKHERJEE: STC have refused to do it. We are trying. Even the Diamonds could not be exported. I am not talking of synthetic garments; I am talking of the diamonds and other precious types of things. It is seen that they could not develop the sort of expertise through which we could export these to other countries.

Therefore, this is an exercise which is being constantly made at various levels. We are equally concerned how these types of goods will not be able to find their way in the market and that certificates are not being used as cover for the smuggled goods. And in order to do that, we have to change the baggage rules and we are contemplating to change the baggage rules. But even then, within these existing laws, we are issuing instructions saying that anything beyond Rs 500 should not be allowed to the passengers, even with paying the penalty and fines etc. And it is a fact that we have confiscated certain types of goods. But there are certain other types of goods which have to be looked into and we shall have to look into those aspects in greater detail.

I share the anxiety that these types of confiscated goods, by way of their disposal, should not be treated as a cover for other types of smuggled goods.

SHRI VASANT SATHE: What about wrist watches?

SHRI PRANAB KUMAR MUKHERJEE: We are using it for our army people in our border areas, those who are defending our country. Another measure is also taken. Except the areas where the smuggled goods are otherwise not available, we are not giving them to the Cooperative societies. In each and every place there is a craze for these goods. Almost every day, I am getting hundreds of letters, and some of them are recommended by politicians also, to give a quota to the cooperative societies etc. But we have restricted it. Therefore, it has been possible, by making these exercises, to reduce the smuggling activities to some extent. There is a fear of emergency, fear of this law, and there is the overall psychology also. And if we can make use of it, if we can streamline our organisation, we can do a lot, and it will go a long way.

I do not deny the possibility that there may be some collusion, some connivance. But for that connivance, all these smuggling activities would not have assumed these large dimensions and they would not have reached such state of affairs. But, at the same time it was perhaps too much to say that all our customs officers are corrupt, all our income-tax officers are corrupt. With the instruments which we have got, it has been possible for us to increase the number of raids many a time. Sir, if I give you just one figure, you will appreciate the position. The total number of raids have increased by more than 30 per cent. Between 1st January, 1974 and 30th September, 1974 the total number of raids was 38,736 and in the rest six months, this has been 41,405. Therefore, it will be seen that the number of raids has increased considerably.

And, corresponding to that, the quantum of goods seized as a result of these raids has been decreased. Therefore, this is an indication that

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the quantum of smuggled goods coming into the market has been reduced to some extent and we would never claim that it has been possible to negate it altogether. In spite of our best efforts, I believe, that it would take some time to do away with this menace altogether.

I hope that I have tried to cover some of the points which the hon. Members raised and I hope we will get the overall support of the hon. Members.

MR. CHAIRMAN: The question is:

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

*The motion was adopted.*

MR. CHAIRMAN: Now we take up clause by clause consideration.

There are no amendments to clauses 2 to 5. I shall, therefore, put them together to the vote of the House.

MR. CHAIRMAN: The question is:

"That clauses 2 to 5 stand part of the Bill".

*The motion was adopted.*

*Clauses 2 to 5 were added to the Bill.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI PRANAB KUMAR MUKHERJEE: Sir, I beg to move:

"That the Bill be passed".

MR. CHAIRMAN: Motion moved:

"That the Bill be passed".

श्री राजबंशर शास्त्री (पटना) : सभापति जी, आपसे अभी मत लिया, इसी से प्रस्ताव हो गया होगा कि सभी लोग इस

बिल के समर्थन में हैं। हम लोग भी इसका समर्थन करते हैं। लेकिन मैं आपको समरण दिलाना चाहता हूँ कि 1974 में जब आपने इस तरह का विधेयक इस सदन में पेश किया था, उसी समय हमारे दल ने इस बात की मांग की थी कि तस्करी को निकालने का सुराज मत छोड़िये। उन्हें सख्त से सख्त सजा मिले, जेल में बन्द रखा जाये और उनकी सम्पत्ति जब्त की जाये। लेकिन उस समय आपकी पार्टी ने हमारी इन तर्कसंगत बातों को स्वीकार नहीं किया था। देर से ही सही, देर आयेद दुस्त आयदे की कहावत के मुताबिक बिलम्ब से ही सही, इस सदन में इस तरह का बिल तो आप लाये हैं। हम तो इसका समर्थन कर ही रहे हैं, तमाम जनता आज तस्करी के खिलाफ है। आज तस्करी हमारे देश के आर्थिक जीवन और सुरक्षा के लिये अभिशाप है। इसको अगर आप समाप्त कर सकें तो जनता आपको बहुत धन्यवाद देगी।

तस्करी के खिलाफ आपने इस बिल के द्वारा कदम जरूर उठाया है। बहुत सारे माननीय सदस्यों ने यह बात बतलाई है कि जो अधिकारी इस कानून का कार्यान्वयन करेंगे, जो इसे लागू करेंगे उन्होंने अगर एमरजेंसी के तौर पर काम नहीं किया तो आपका यह कानून किताबों में रह जायेगा और जिस तरह से अब तक पूरे हिन्दुस्तान में तस्कर गोलमाल करते रहे हैं, आगे भी उसी तरह करते रहेंगे और हमारे आर्थिक जीवन को तहस-नहस करते रहेंगे। मैं आपको फिर चेतावनी देना चाहता हूँ कि इस कानून को सख्ती के साथ लागू किया जाये।

बारबार इस सदन में यह बात उठाई गई कि राजनीतिक लोग भी तस्करी से दोस्ती रखते हैं। मैं यह जानना चाहूंगा कि क्या इस दिशा में आपकी सरकार ने कुछ जांच-पड़ताल करने की कोशिश की है। मैं बिहार की बात

जानता हूँ। वहाँ बेगूसराय में एक सज्जन श्री कामदेव प्रसाद सिंह हैं। यह आज से नहीं हैं, बहुत दिनों से हैं और बड़े भारी गाजे के तस्कर हैं। वह और सामान की तस्करी भी करते हैं। सुना है कि अब वे नेपाल भाग गये हैं और यह भी खबर है, हम लोगों को पूरी जानकारी है, कि उनका सम्बन्ध बिहार के किसी मंत्री महोदय से है। उनको पकड़ने के लिये सरकार ने एक लाख रुपये का इनाम घोषित किया है लेकिन वह पकड़े नहीं जा सके हैं क्योंकि मंत्री जा उनकी सुरक्षा करते थे। इसीलिये मैंने कहा कि राजनीतिज्ञों का सम्बन्ध तस्करों से है। अगर आप इस पर हाथ नहीं लगायेंगे तो तस्करी को पूरे तरीके से खत्म नहीं कर सकेंगे। मैं श्री कामदेव प्रसाद सिंह का हुलिया भी बताना चाहता हूँ।

पिछले 1971 के लोक-सभा के चुनाव में बेगूसराय इलाके में आने वाले सदस्य अभी तो वह माननीय सदस्य यहाँ हैं नहीं, जेल में बन्द हैं, श्री श्याम नन्दन मिश्र, जो संगठन कांग्रेस के नेता हैं, उनका समर्थन श्री कामदेव प्रसाद सिंह ने किया था। श्री कामदेव प्रसाद सिंह ने कम्युनिस्ट पार्टी के उम्मीदवार श्री जोगेन्द्र शर्मा के विरोध में 50 बूथ पर स्टेनगन लेकर कब्जा किया। उस समय कामदेव प्रसाद सिंह जैसे तस्कर का सम्बन्ध श्री श्याम नन्दन मिश्र जैसे संगठन कांग्रेस के नेता के साथ था। श्यामनन्दन मिश्र इस चुनाव में 5 कास्टीटुएन्सी में 20 हजार वोट से हार गये थे लेकिन बेगूसराय के बूथों पर इस तस्कर श्री कामदेव प्रसाद सिंह की मदद से इन्होंने 25 हजार वोट हासिल किये और 5 हजार से जीत कर यहाँ तशरीफ लाये। (व्यवधान)

उनकी खबर लेने वाले लोग हैं, क्योंकि मैं कम्युनिस्ट हूँ, समझ जाइये। मैं आपकी तरह टोपी पहनकर यहाँ नहीं बैठा हूँ।

इसलिये वह जो तस्कर श्री कामदेव प्रसाद सिंह हैं, वह भाग गये हैं, एक लाख

रुपया उनको पकड़ने के लिये इनाम है, और अब उनके सम्बन्ध कांग्रेस के साथ हो गये हैं। यह कांग्रेस के लिये तौहीनी की बात है। (व्यवधान)। कांग्रेस लम्बी-लम्बी बातें और समाजवाद की बातें करती है और अब फासिस्टों से लड़ने की बातें कर रही है। ठीक है लेकिन ऐसी फौज के सिपाहियों को लेकर आप नहीं लड़ सकते हैं। आप तस्करों को निकालिये। अगर आपका कोई नेता या कोई कार्यकर्ता उनसे सम्बन्ध रखता है तो उसे अपने संगठन से निकाल बाहर कीजिये।

दरभंगा जिले में जयनगर है जहाँ से हमारे संसद् के सदस्य श्री भोगेन्द्र झा हैं। जयनगर रक्सौल और फारबेसगंज नेपाल के वार्डर पर है और वहाँ बहुत तस्करी होती है। कुछ दिन पहले जयनगर में एक कस्टम इन्स्पेक्टर को तस्करी करते हुए जनता ने पकड़ा। उसको 4 जिला मजिस्ट्रेटों, डिस्ट्रिक्ट मजिस्ट्रेट दरभंगा, मधुबनी और दो दूसरे जिले के थे उनके सामने पेश किया गया। डिस्ट्रिक्ट मजिस्ट्रेटों ने उसके खिलाफ कोई कार्यवाही नहीं की, उसे छोड़ दिया। उल्टे, जिन लोगों ने उसको पकड़ा था, उनके खिलाफ कार्यवाही की गई, काउन्टर केस किया गया। मैं चाहता हूँ कि मंत्री जी इस बात की जांच कराये और अगर यह बात सच हो तो चारों जिला मजिस्ट्रेटों के खिलाफ कार्यवाही की जानी चाहिये कि उन लोगों ने तस्करी करने वाले कस्टम अफसर की हिमायत क्यों की। इसका आपको पता लगाना चाहिये

दरभंगा जिले में बासोपट्टी एक जगह है। वहाँ का बी० डी० ओ० तस्करी करते हुए पकड़ा गया। उस बी० डी० ओ० के खिलाफ बिहार सरकार ने तो ज़रूर कार्यवाही की, लेकिन मैं जानना चाहता हूँ कि वहाँ के कस्टम आफिसरों ने सरकार को इस बारे में क्या रिपोर्ट दी है और क्या कार्यवाही की है।



[ श्री रामश्रवतार शास्त्री ]

कहा जाता है कि बंगलौर के ईस्ट एंड वेस्ट होटल का मालिक हाजी मस्तान है। मैं जानना चाहता हूँ कि क्या सरकार ने इस बात की जांच-पड़ताल की है कि वह होटल किस का है। अगर सचमुच में हाजी मस्तान या किसी भी अन्य स्मगलर से उस का ताल्लुक है, तो सरकार उस होटल को अपने कब्जे में क्यों नहीं कर लेती है? सरकार को उस होटल पर कब्जा करना चाहिए।

बिहार में सरकार के अफसर गड़बड़ करते हैं। मैं इस बारे में एक-आध दफा पत्र भी लिख चुका हूँ। सरकार को उन पर अंकुश लगाना चाहिए। नेपाल से बहुत सा सामान हमारे यहां आता है। आप चल कर ट्रैन में देखिये कि लोग कपड़ा बगैरह बेचते रहते हैं। कोई बंदिश नहीं है। बिहार और नेपाल के बार्डर पर हमारे देश से चावल और कपड़े आदि बहुत सी चीजों की स्मगलिंग होती है। इस को रोकने के लिए सरकार ने क्या व्यवस्था का है। इस आपातकालीन स्थिति के दौरान सरकार ने उस क्षेत्र के कितने अफसरों को पकड़ा है या उन को चुस्त-दुरुस्त किया है, ताकि वे सीमा की ठीक तरह से हफ़ाजत कर सकें? नेपाल के स्मगलर हमारे देश में और हमारे देश के स्मगलर नेपाल में दुकान खोलें हुए हैं और उन दोनों में पारस्परिक सम्बन्ध है। उन दुकानों पर कब्जा किया जाना चाहिए। तभी सरकार स्मगलिंग को खत्म कर सकती है।

**SHRI PRANAB KUMAR MUKHERJEE:** Sir, in fact, the hon. Member has given some information and I have taken note of it. Regarding the Indo-Nepal border, we are fully aware of the problem and a central collectorate has been created. We are making a constant review to see that the smuggling activities are reduced.

**MR. CHAIRMAN:** The question is: "That the Bill be passed."  
The motion was adopted.

17.54 hrs.

## FINANCE (AMENDMENT) BILL, 1975

THE MINISTER OF FINANCE  
(SHRI C. SUBRAMANIAM): Mr.  
Chairman, Sir, I beg to move:

"That the Bill to amend the Finance Act, 1975, be taken into consideration."

Sir, in her broadcast to the nation on July 1, 1975, the Prime Minister had announced Government's decision to raise the exemption limit for income-tax from Rs. 6000/- to Rs. 8000/- I have brought forward this Bill to implement this decision.

The Bill seeks to replace the rate schedules in Finance Act, 1975, applicable in the case of individuals and Hindu undivided families for the purposes of reduction of income tax at source from 'Salaries' and payment of advance tax during the financial year 1975-76.

Under the existing rate schedule applicable in the case of individuals and Hindu undivided families, either than those having at least one member with taxable income exceeding the exemption limit, the rate of income-tax on the first slab of income upto Rs. 6,000 stands at nil, on the slab of Rs. 6,001 to Rs. 10,000 at 12 per cent and on the slab of Rs. 10,001 to Rs. 15,000 at 15 per cent. Under the new rate schedule, the rate of income-tax on the 1st slab of income upto Rs. 8,000 is proposed to be fixed at nil. In order to moderate the extent of the benefit accruing to tax payers in higher income brackets by reason of the exemption limit being raised from Rs. 6,000 to Rs. 8,000 the rate of income tax on the new slab of Rs. 8,001 to Rs. 15,000 is being fixed at 17 per cent. The effect of the proposed changes will be that while a tax payer having taxable income of Rs. 8,000 will get a relief of