

etc. (Second Amdt.) Bill

the corpus we will only be helping the people carry out those things which are really necessary for them and the country at large. Apart from that, there is hardly any other point except the violation that is brought to our notice. We find even in this particular instance which he has mentioned that it did not reflect any violation of the Contingency Fund of India Act. What happened was that certain items were wrongly classified in the accounts and this matter was dealt with by the Public Accounts Committee and regularisation of excess expenditure is being taken up. I think this should allay the fears or doubts in the minds of hon. Members and I request that the Bill may be passed.

SHRI DINEN BHATTACHARYYA
Sir, there is no quorum in the House.

MR CHAIRMAN The Bell is being rung.

Now, there is quorum.

The question is

"That the Bill further to amend the Contingency Fund of India Act 1950 be taken into consideration."

The motion was adopted.

MR CHAIRMAN We take up clause-by-clause consideration. The question is

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

MR CHAIRMAN The question is

"That Clause 1 the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

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

SHRIMATI SUSHILA ROHATGI
Sir, with your permission, I beg to move:

"That the Bill be passed."

MR CHAIRMAN: The question is

"That the Bill be passed."

The motion was adopted.

15.45 hrs.

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

THE MINISTER OF STATE IN CHARGE OF THE DEPARTMENT

etc. (Second Amdt.) Bill

OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE). Sir, as the hon. Members are aware, in December, 1974, Parliament enacted the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 to detain persons engaged in smuggling, foreign exchange racketeering and related activities. When the Proclamation of Emergency necessitated by internal disturbances was issued on the 25th June 1975, it became necessary to further strengthen the provisions of law to effectively deal with the aforesaid persons during the emergency. The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 was therefore, amended on 1st July, 1975, by the insertion of a special provision in the form of section 12A of the Act. This section enables the Government to issue a declaration in respect of a person detained under the principal Act to the effect that the detention of such a person is necessary to deal effectively with the emergency. Wherever such a declaration is issued the statutory requirements of communication of grounds of detention to the detenu within five days of his detention and reference of his case to an Advisory Board within thirty-five days of his detention are frozen during the period the declaration remains in force. The main purpose behind incorporation of these special provisions was that some of the smugglers and foreign exchange racketeers had been posing a serious threat to the economy and thereby to the security of the nation owing to the vast resources and influence at their command. During the present emergency the observance of the aforesaid statutory procedural requirements was not considered to be in the larger interests of the nation.

These special provisions would have in the normal course ceased to have effect on the 25th June, 1976. If these had been allowed to lapse, there would have been a serious set back to the operations designed to combat smuggling and foreign exchange manipulations. It is, therefore, proposed to extend the period of operation of the spe-

[Shri Pranab Kumar Mukherjee] The provisions contained in section 12A of the Act, by another twelve months. For the removal of doubts, it is proposed to clarify that every declaration made under the aforesaid provision before the 16th June, 1976 would also continue to remain in force during the extended period.

In view of the urgency of the matter the President promulgated the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Ordinance 1976—No. 6 of 1976—on the 16th June, 1976. The Bill seeks to replace the provisions of the Ordinance.

I beg to move—

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

MR. CHAIRMAN: Motion moved: "That the Bill further to amend the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 be taken into consideration."

SHRI DINESH JOARDER (Malda)

Sir, we have heard the hon. Minister and also it has been stated in the Statement of objects and reasons that if the provisions had been allowed to lapse, that would have created a serious set-back to the anti-smuggling operations. If this is the purpose under which the provision under section 12A of the Act has been extended for an other period of 12 months totalling to 24 months what would happen after that? You may again come forward here for a further extension of this period on the same plea of a serious set-back in the anti-smuggling operations.

Is the Government thinking of extending the emergency for an indefinite period so that this draconian law may continue for an indefinite period? (Interruptions) Here I am talking about this particular amendment to section 12A dealing with the anti-social elements, smugglers who are behind the bars and not those who had been given any scope for going to the court.

Of course, I support this provision, but I want to know why the Government is coming forward before us with a piecemeal legislation. Those who had been detained under this Act should not be allowed to go to the courts for seeking any relief—that provision should be there. Normal laws of the country like the Indian Penal Code and also the amendment to that code and the Criminal Procedure Code which we have passed are also there. There should be a provision under that Act that when a particular person has been found guilty of that particular offence, there should be a public censure by publication of their names in the newspapers and there should also be a radio announcement about that, we want to know as who are these smugglers who are giving these sorts of difficulties to the Government in conservation of foreign exchange and allied matters. We want to know the names of the guilty persons responsible for foreign exchange racketeering. The names of such persons should be publicly censured. If this is not done the people at large will not know about these persons guilty of smuggling and foreign exchange racketeering. Further, they will have the scope of maintaining the same social status even after they come out of the prison. They will be getting the same social status and free entry into the society. Government must take some definite steps and the people at large should know as to the steps being taken by the Government against the smugglers and the foreign exchange racketeers.

A few days back we learnt that about 65 residences belonging to people having connections with big business houses have been searched and certain amount of money has been seized from their lockers. In this search certain big business houses are involved. A comprehensive list has not as yet been published as to the names of the persons detained under this Act and particularly under section 12A of this Act. What are the properties that have been attached and what is the amount of money that has been

recovered from them. I would also like to know from the hon. Minister as to how they propose to have a check so that these persons when they are released after some period—you cannot extend these sorts of provisions for an indefinite period—will not indulge into similar activities in future. Government must take certain measures to stop them from taking up similar activities in future. What are the views of the Government in this respect? How will these persons and their properties be dealt with? It is not clear.

Also the persons who are not yet detained and who have been indulging in smuggling activity on the northern and eastern borders are finding new ways of carrying on these activities. There are some organisations and some agencies which are lying low at the moment. As soon as the emergency is over, they might again come to the surface and carry on their activities. What steps are being taken to check and stop these activities once for all? What steps are being taken to see that these activities are stopped in other form, racketeering in foreign exchange and smuggling activities, in other parts of the country also? A few days ago in Bangalore, I think, the hon. Minister, Shri Pranab Mukherjee, held a conference with officials of the Home Ministry, police officers and other officers to see to it that smuggling activities do not come to the surface on the southern and eastern coastal areas of the country. There is apprehension on this score. We know that smuggling activities have not been stopped altogether.

Then there is this over-invoicing and under-invoicing in foreign trade indulged by big monopoly houses. You are giving them all sorts of concessions, to the jute industry, textile industry, sugar industry and many other industries. This has been discussed here earlier. By under-invoicing and over-invoicing, these houses keep a large part of the foreign exchange earned in foreign banks. Many of the persons engaged in this foreign exchange racketeering have

deposited this money in foreign banks. What are you going to do about it? Have you been able to seize any of these amounts in those foreign banks? Actually, we are not in the know of how Government are able to check this kind of foreign exchange racketeering and smuggling activity. It is not clear. Even this detention is a very temporary provision. We want Government to take definite steps on these lines.

SHRI B. R. SHUKLA (Bahraich): Smugglers of and racketeers in foreign exchange acquired fabulous wealth by their anti-social, anti-national and clandestine activities and when such activities assumed alarming proportions, Government was compelled to bring forward a Bill in 1974, the Conservation of Foreign Exchange and Prevention of Smuggling Activities Bill which was passed. Smugglers and racketeers are only a species of the wider class of smugglers of goods from foreign countries and also smugglers of Indian goods to foreign countries. Their activities had become all the more serious when the emergency was proclaimed on June 25, 1975. There was a tremendous salutary impact on the activities of those persons. Many of them were put behind bars. Along with various other fiscal measures, this measure went a long way to curb their activities. If any measure in the country had been widely acclaimed by the people, by the Members of the Opposition including Marxists, it was this measure. The whole House is behind the government in extending its support to the measure because everybody is fed up with the activities of the smugglers.

16 hrs.

Now the grievance of Mr. Joarder is that the House has not been taken into confidence by disclosing the names of the big sharks. Perhaps he is not realising that it would not be in public interest to publish their names at present. When normalcy returns and when the economic situa-

[Shri H. R. Shukla]

tion is brought under control the name of every smuggler should be published prominently in newspapers and it should be announced on the radio. For reasons known to the government they think this perhaps is not the time to do so.

The extension of the provisions of the original Act is sought by the Government. Everybody shares the view of the government that the leopard has not changed its spots within a short span of one year. Smuggling and racketeering in foreign exchange are not sporadic or isolated in nature or done at the spur of the moment. It is an ingrained habit of the smugglers. In order to bring home to them that they should not repeat those activities it is necessary that the provisions of the Act should remain in operation for a longer time than a short span of one year.

Now it has been said that even the worst criminal deserves a fair trial; there should be a regular proceeding in a court of law and there should be an opportunity to the criminal to know the charges against him and what evidence is there. That procedure is applicable to normal times; when the nation is passing through a critical period and crisis the normal functioning of the court should not have precedence over emergent provisions like this. They are also not ordinary criminals. They are big sharks with international ramifications and associations. They are connected to big persons even in this country. They have their own liaison with political persons also. These big sharks cannot be brought within the net of the ordinary criminal law, they will break that net. So, to punish them effectively nothing short of the provisions of the Act now being extended will meet the necessity of the situation. If any measure is going to be retrained as a permanent measure, it should be on the lines of the present Bill. Otherwise, vulgar display of wealth, threatening the economy, running of

black markets, having a parallel economy, etc.—all these phenomena would be recurring.

With these words, I support the Bill.

SHRI PRIYA RANJAN DAS MUNSI (Calcutta—South): Sir, I congratulate the minister for the efforts taken by his ministry to save the country from the smugglers, speculators and persons possessing huge foreign exchange without knowledge of the government. This is a simple amending Bill extending the life of the parent Act. Mr. Joarder said, this sort of piecemeal legislation will not help. I do not agree with him. When there is emergency, some of the constitutional provisions like fundamental rights cannot be claimed by the citizens. We have observed that previously smugglers and other economic offenders used to take advantage of the situation and after getting bail from the court, they used to hide themselves, with all their property. So, the government had no alternative but to bring forward some stringent measures. Nobody can say when the emergency will be withdrawn. It is not possible for the Finance Minister to say that this sort of legislation will be ended on a particular day. I do feel that such amendments are welcome as they weaken the nerve and pulse of the people in the underworld.

Apart from paying my compliments to the ministry and the minister, I submit that some more efforts should be made. It is true that after 1974 till the end of 1975, this ministry has taken a number of steps to unearth black money, foreign exchange etc. and also to deal with smugglers having international connections. We have found some serious things in dealing with them. Fortunately, I have taken a special effort to publish the documents in a journal in our State. In a series of articles, I have ventilated the habits of the smugglers. Apart from

their trade, the smugglers have built up a society itself in which their children and other family members feel that this is not a crime but a sort of profession which should be maintained by the family members. In the Calicut area of Kerala and in some parts of Surat, I had the privilege of meeting a few young men, who were upright in character and good in academic results, but with a bad background. Their relations are still behind the bar. It appears somehow or other, due to the inefficiency of the administration long ago, this business was accepted as a social deal by these groups of people. The main contacts that they have built up in this country is, first, with the Middle East and, secondly, by the border States in the western side of Punjab with Pakistan and, on the north-eastern side, with Nepal and, of late, with Bangladesh.

I came to know during my investigation that smuggling was conducted not only in goods of this country but also there was some inhuman trade in blue films. They used to engage poor Indian girls for this inhuman profession and the blue films used to be exported to the Middle East countries by the smugglers. Since these cases are under investigation, I do not want to disclose their names in the interests of the country. This is how the people of the under-world used to operate for the last so many years.

I am sorry to say that the officials of the Finance Ministry, specially of the Department of Revenue and Expenditure, are not doing proper justice, according to the policy evolved by the Government. I am not suggesting that they are making discrimination between A and B. At the same time, there should be a broad outlook. A few days back I heard over the AIR that Shri Biswajeet Chatterjee was put behind the bars and kept in the Delhi prison for violation of the income-tax rules and that he was released the next day. It is good that you did that, though he was a noble man by heart

and he has donated a lot of his earning for the cause of the people. I am glad that Government did not spare these people. But, at the same time, I have to express my disappointment about the way in which some of the people connected with the Bombay film industry have been dealt with.

I have explained on an earlier occasion how these people connected with the film industry managed to get foreign exchange when they were abroad and how they kept it in their foreign bank accounts. First they will send their middle men to make all the arrangements. Yes, the very same people were awarded Padma Shri and they used to be invited for all the film festivals. I have to express my disappointment that not even one big shot has been touched yet. I would appeal to the Ministry to make further investigations in the matter and see that proper justice is done to all people without any discrimination.

Secondly, I want to say how the monopoly houses operate through smugglers. For example, Birla, Jalan, Bajoria or Modi will never deal directly with a smuggler. They do it through their middle men. When there was a shortage of nylon yarn, for instance, these big monopoly houses used to have dealings with the smugglers through middlemen. If at all he is caught, it is the middle men who will get the punishment. The officials have never tried to find out who are behind these middlemen. If an enquiry is made to find out the real people behind them, I can say with confidence that a large number of people belonging to these big business houses would have to be detained. Some of the young people are employed by the big business houses as Accounts Assistant on a salary of Rs. 500 or Rs. 700. When there is any shortage of any raw material, they are asked to deal with the smugglers, and if they are successful in their deals, they are promoted and given some perquisites. Of course, in some cases they are caught

[Shri Priya Ranjan Das Munsi]

by the Government and put behind the bars or even shot dead. Yet, those who patronise them are not touched. This is not proper. They should find out the real people behind them and punish them.

It is good that Government have devised a machinery to deal with people within the country. They are detained without being sent even to a court, and I am glad about it. But what is the step which they are going to take to deal with those Indian citizens who often go abroad and keep their accounts in Swiss banks, or speculate international market, or purchase some flats binami in West Germany, London or Paris, and come back again. There are a number of these people in this country in the big business houses and also in other circles. I know some of them, but I cannot give out their names because life would not be safe if they are not detained. I know an industrialist whose total capital investment is under Rs. 1 crore, whose three units in West Bengal have been taken over by Government and made into six. They go abroad ten times a year. I cannot understand why they go abroad so often and what they do there, but they are moving nicely and safely. The Minister belongs to my State and he understands what I say. He is aware of the matter.

I know him, he does not spare anybody. I have every faith in his courage, because a year and a half ago while he was very young in this Ministry—I am not talking of his age, he is now mature—he was in Bombay City and I took him without police in a taxi. I asked him to introduce himself as a young man who was going to get married who would like to purchase some very good perfumes etc. He did so and easily purchased a few things which were found to be foreign goods. He dealt with them through his officers. But it is not possible for

him to do it everyday because now his face is known to all, but he can still do it through some of his officers. He also got the support of a large number of young people who gave him information for the sake of the country.

I found in the newspapers the other day a report that a retired police officer of Calcutta, Dev Vallab Dhar, ex-D.I.G., who was charge-sheeted and removed, has been appointed by the Globe Detective Agency which is giving information to big business houses about the plans of the Government. I hope that in consultation with the Home Ministry, he will take proper steps.

I will be extremely glad if the Minister can tell us apart from the citizens who are detained, how many officials of the income-tax and customs department as also the Ministry have been detained, because there is an opinion that some of them have links with smugglers and hence the anti-smuggling operations could not be carried through very successfully.

With these words, I pay my compliments to the Minister and the officers in his department who took great risks during the emergency. The lives of some of them were at stake, but with the encouragement of Parliament I hope they will march ahead.

SHRI C. K. CHANDRAPPA (Tellicherry): I rise to support this Amendment Bill, and I have no hesitation in saying that the Government has taken some good steps in its operation against the smugglers. I feel that the action of the Government against the smugglers has to continue. That can be understood only if you understand the magnitude of the problem as we are facing today. According to the Government's statement, they have already ordered detention in respect of 2,512

persons and there are still 346 persons who are at large. I think, Government have been given sufficient powers by Parliament to deal with these people, and we have extended our support continuously whenever Government came forward seeking more and more powers to deal with smugglers. But here I must say that the actions taken by the Government to put down the smugglers are rather weak. I agree, they have conducted so many raids; I have got the figures; in 1974 they conducted 49,555 raids and they got Rs. 60 crores worth of goods; in 1975, 64,569 cases were detected and the money realised by way of goods was Rs. 45 crores; during the six months of this year, 1976, more than 12,000 cases were detected and more than Rs. 12 crores were collected. With all these that Government has done, I do not think that they can claim that they have completely immobilised the smugglers. They have not. That is why, even during the period of Emergency, during the last six months, they could find out another 12,000 cases. They have not succeeded in completely smashing the ramifications created by the smugglers in our country.

Now, what is happening in the world of smugglers? The newspapers are full of reports. I think, the Ministry might have knowledge about it. In the western coast of this country, Government has taken very serious steps to prevent the inflow of smuggled goods, but the smugglers are not accepting their defeat. They are now looking for new points of entry, and it has been reported that the smugglers have shifted one of their centres, from Dubai to Rangoon. It was reported in the *Economic Times*, in the Indian press. They are now sending the smuggled goods to Manipur. I have seen a lot of smuggled items being sold in the open market; I raised it, and the Minister said that it might be something sold through government disposal stores. That is not so. The

fact of the matter is that that part of the country is now becoming more and more vulnerable, the part of India which is bordering Bangladesh, the part of India which is bordering Burma, the part of India which is bordering Nepal. This side is becoming more and more vulnerable to smuggling activities. They are now indulging in bringing new items, not the conventional ones. The smugglers are smuggling out of this country new items, for instance, automobile spare parts; the smugglers are bringing gold and opium into this country. Girls from Kerala—it may not be a very good thing to tell—are being smuggled outside the country, even after all these operations against smuggling. In this context, what kind of explanation have Government to offer? They have failed to arrest 346 smugglers who are still absconding. Still more strange is the fact that they have not confiscated a single property from any smuggler. This is as per a reply given by you to one of the questions here. I can tell you, if the Minister is in need of my assistance, the number of the question and all that you have answered....

SHRI DINEN BHATTACHARYYA (Serampore): Yes, you give it.

SHRI C. K. CHANDRAPAN: It is in reply to unstarred question No. 484 dated 13-8-76. The Government say:

"No property has been confiscated so far under the Smugglers and Foreign Exchange Manipulators' Forfeiture of Property Act, 1976."

Last time, I think it was 6-7 months ago, when this Minister came with all enthusiasm to introduce this Bill, I think all sides of the House welcomed that Bill. We all extended our full support to the Minister, we all wished him well to let him fight against these smugglers, let him forfeit their properties and let him

[Shri C. K. Chandrappan]

bring the smugglers' ill-gotten wealth to the national exchequer. What happened in this case is only this. According to the Government's own reply to the same question, they said that in 235 cases they have issued notices for forfeiting the properties and I do not know if it has been done by the concerned authorities. Then 'The Competent Authority of Bombay issued notices in 100 cases. The Competent Authority of Madras issued notices in 98 cases. The Competent Authority of Delhi issued notices (only) in 37 cases'. These are the notices issued under the Smugglers and Foreign Exchange Manipulators Forfeiture of Property Act for confiscating their property and the list of these top smugglers is also given in the answer. But, why, after issuing the notices the Government failed to act even in a single case to forfeit their property and make a breakthrough in fighting the smugglers who are absconding?

When we extended our support to this legislation, we expected that the Government will act in that fashion. Otherwise this will be just an eye wash. Not that I am accusing the Government of inaction. Not that I am accusing that the Government is in connivance with the smugglers. Nothing of that kind. The Government has in fact failed to act in a manner this Parliament wanted the Government to act, this nation wanted the Government to act, to bring down the edifice and the threat created by the smugglers to our country.

When we extend our support again, certain questions remain unanswered. For example, 71 foreign smugglers are arrested, smugglers who are foreigners. But again a smuggler who is wanted by the Interpol, who could come to India, got admitted in a hospital in Goa died there and his body was kept in the morgue for three months. For whom I do not

know? And only after his identification was searched by the Government, it was found that he was a West German citizen. The Interpol said that he was holding a passport which was forged and the person in whose name he came to India, is still alive in Germany and the Interpol told the Government that this smuggler is the leader of an international smugglers' gang for whom they were searching. But this fellow could land in India and could go to a hospital and fortunately for us and for the world he died. Your Police, your Customs and your Security could do nothing. This has happened under emergency. I hope you will not deny this, because, if you have a mind to deny, I can give the name of the smuggler. This has happened in our country.

This is against foreign smugglers. If they come in the guise of tourists, if they come in the guise of intellectuals and academicians, what is the step the Government is going to take? I do not think you have done anything in that regard. You have arrested some people. It is good. Many more persons are roaming about and this point should be taken care of. The machinery created is inadequate to deal with the situation, to meet the requirements of the situation. Mr Joardar asked about this. This Bill seeks to extend this provision for another 12 months. It is natural to ask what will happen after these 12 months. Are you doing anything in the direction of setting up machinery permanently to deal with smuggling? We do not know why Government is only thinking of dealing with this issue on an ad hoc and temporary basis. The hon. Minister made a promise in this House that the Government is thinking on the lines of setting up special courts to deal with smugglers and to try them. I do not say that they should be given all kinds of justice which is required under normal law. I am not demanding that. You can

try them under the provision of special courts. You can hang them if you want. I do not oppose it. We will lend you all our support. But what we are saying is this. Why do you want 12 months, in an ad hoc manner? Again the Minister will come and ask for another 12 months extension. That is not the way to deal with the problem. At what stage is this proposal now, of setting up special courts with special powers, to try and punish smugglers? This is my question. The Director of Revenue Intelligence, Mr. Srinivasan, said in Calicut which is in my State, on 1st of July, that the consideration of setting up a special court was in an advanced stage. Advanced stage may be like advanced stage of pregnancy or something like that, I do not know. I would like to know from the Minister as to when this child is going to be delivered. These ad hoc measures will not help the situation. Of course, we are supporting now because you will say that you are helpless. But this is not a foolproof way in which you can deal with such a serious problem.

Now, regarding smuggled goods available in the country, Mr. Das Munsi said about this I think that they are taking a light view of the matter. If you really want to put down smuggling you should get the cooperation of the people. The DAVP is putting up an advertisement: Be an Indian; buy Indian goods. I think the money for that Department is being spent by the Ministry of Revenue and Finance. Under that very board or hoarding smuggled goods are being sold, not through the co-operative societies. In Calcutta streets various smuggled goods are available, things like cigarettes which you and I would like to smoke, a good blade that we may like to buy, and so on. We are being tempted. And you are putting up an advertisement there saying, don't

buy goods which are not Indian goods. These very non-Indian goods are being sold there under that big banner which you are putting up.

It is a shame. This happens in all the big cities in this country. You can find this out if you just go there as a buyer. If you want to create that atmosphere that the people of this country will not buy these things, well, you should make such an arrangement that you should ensure that the smuggled goods are not coming in the open market. The smugglers will not have that audacity to sell these things in public in defiance of all laws of the land.

I think the Government has to implement this legislation with a sense of urgency and with more seriousness. Then only the desired results will be there. These are some of the points which I want to bring to the notice of this House and the hon. Minister. I hope in all fairness the Minister while replying to this debate will enlighten us on these problems which we have raised. I support this amendment.

SHRI VAYALAR RAVI (Chirayinkil): Mr. Chairman, Sir, I fully support this Bill of the hon. Minister and I take this opportunity to congratulate him and all those dedicated officers of his Ministry who, by and large, have done a good part of their job to check the smuggling and foreign exchange racket.

Shri Bhattacharyya and his friends are always critical about the emergency and they were asking about the gains made out of it. I hope that they will agree with me that the economic condition of this country had improved. I do not want to go into the details of the internal situation or what is happening in other parts of the country. It is very clear that after this Bill came into operation, Government could check not only the smuggling activities but also

[Shri Vayalar Ravi]

the circulation of the black money and thereby they could contain the inflation. This is the only country which could control the inflation to a minus point. Many Members have spoken about the different aspects and so I do not want to go into them in detail. Mr. Banerjee will agree with me here that Shri Mukherjee has done a good job of it. Take the foreign remittances from the people who are abroad. Three years ago the foreign remittances were only Rs. 330 crores. Now, if I am right in February this year it has gone up to Rs. 1200 crores. It is because of the incentives offered to people working abroad. They have been able to remit here their foreign exchange earnings. The money from abroad is more than double because of this concession. This is the contribution of this Bill. The remittances from abroad have now gone up. I would like to draw the attention of the Minister to other points. I want to know whether he has studied the problems of the people staying abroad or he has made any evaluation or analysis of it. To whom have you given those concessions in the matter of remittances from abroad? Is it for the benefit of the employee working abroad or to the nurses and others? Can they bring such a huge amount of money from abroad? It is only some rich people who live abroad who can do this. But when you are giving incentives and concessions have you taken into account the condition of the salaried people living abroad and sending part of their salary of this country. I think you have not made a study of the problems of the fixed salary people working abroad. No incentive has been given to such people.

Sir, I happened to meet a gentleman from Kuwait recently. He told me that he had purchased a plot of land measuring about 10 cents in Bangalore and wanted to dispose it off. He could not do so as the Reserve Bank objected to it. He wrote to the Reserve Bank and the Reserved Bank

made a query who asked you to purchase the land? What a pity! He came on a two-week leave and spent most of his time in going to the Reserve Bank and meeting the officers over there. I want to know, is it a crime for a person who had worked abroad and put his foreign exchange earnings in India in dollars to purchase a plot of land? Later on, he was asked to submit a pre-dated application and granted permission on paper and allowed to sell the land. Of course, he could sell the land. He asked me a question, "Do you want me to invest more money in India?" This is a classic example of harassment.

Now, Sir, people come to India on leave after two to three years of stay abroad. They come with ten to twenty saris for their relations. You know as to how much they are harassed by the customs authorities. Sir, a direct Air India flight was introduced from Abu Dhabi to Madras for the convenience of Keralites and others working abroad. As soon as this flight touched the Madras airport the customs authorities pounced upon these passengers like tigers. I say that you be strict but why can't you have confidence in the people who come after two to three years with twenty saris? Why can't you have a reasonable attitude in the matter? That flight has since been cancelled.

Sir, I suggest that you may fix some slab system for the salaried people working abroad, namely, if they send so much of amount they will be given so much of concession. If a man works abroad and sends a good amount of his salary to India in foreign exchange why don't you fix a slab system and allow him to bring something for his relations. I appeal to you to consider the problems of the fixed income group working abroad. If you have a talk with them you will know their problems.

The next point I would like to make is about the impounding of passport. I fully support this provision. In this

Will the detention power has been given to certain important people, even upto the level of Joint Secretary.

Again I would make an appeal to the Minister. Do not treat all people staying abroad as smugglers. Do not go on that presumption. Yes, check them and find out. But unfortunately, in some cases injustice has been done. I know of some cases. I can say this before the Minister. I do not want to go into details. When impounding the passport of a person living abroad, how do you re-examine the case? who is the appellate authority? Here if you detain somebody, there is an Advisory Board to examine that case and examine the whole issue. But when you are impounding the passport of a person, what is the machinery you have to re-examine the whole issue?

I can cite an example. The man produced all evidence. He had made remittances through the Canara Bank, through the Indian Overseas Bank. All the accounts of the different amounts have been produced. His patriotism was reported on by the ambassador himself. I do not want to go into the details. But because of some personal reasons, because somebody had written 'this man is a smuggler', his passport was impounded. This is not the way to do it. The evidence has been produced before you. But without reason, some incriminating statement was made by a Deputy Secretary sitting in an embassy abroad, who was prejudiced against him, and the passport was impounded. This, I think, is not justified. I make an appeal to the Minister to consider the establishment of some kind of appellate authority to examine such cases on appeal in regard to impounding of passport, whether it is genuine or whether it has been done out of personal prejudice. In this case I know it was done on merely personal prejudice. As I said, the patriotism of that man has been exported by the ambassador himself. Unfortunately, you could not take a decision. I do not know whether you had the power

or who the authority was which took that decision against him in this matter.

Then Shri Das Muni was speaking about films and smuggled goods. Shri Chandrappan also made a mention of something in that regard. There is an instance in Kerala where one man escaped prosecution—I do not want to mention his name. Shri Bhattacharya may be interested because he is a big financier of his party. The party is called Popular Automobiles. By making a declaration of Rs. 80 lakhs of black money, they escaped prosecution. I am only sorry to say that your department could not make any check.

SHRI DINEN BHATTACHARYA
(Serampore). Your Government also did it.

SHRI VAYALAR RAVI: I was going to say that. The Kerala Government did it. I do not know whether they smuggled him in or not. This party had been advertising the availability of foreign automobile parts. I had appeared in *The Hindu* in all the English newspapers: 'Popular Automobiles—available foreign car spare parts'. How is it coming? Have you given them an import licence? Or is it smuggled in? Of course, earlier there was smuggling. Recently the Kerala Government's Economic affairs department made a search and they found on big packets 'Made in Germany', 'Made in England', 'Made in America' everywhere. Later they found that all this was made in their factory itself. Of course, they were smuggling these earlier. But you allowed them to cheat the people and you allowed these crooks to escape prosecution by giving them a chance to declare an amount of black money to the tune of Rs. 80 lakhs Shri Bhattacharya and his party may be very angry for this. He is the sole financier of his party in Kerala all the time.

SHRI DINEN BHATTACHARYA:
who?

SHRI VAYALAR RAVI: Please ask Shri Namboodiripad.

SHRI DINEN BHATTACHARYA: I am interested so that I may get some money.

SHRI VAYALAR RAVI: I am asking when these advertisements have been appearing that they have spare parts of foreign cars and so on, how has it come about?

Then Shri Das Munsi spoke about films. I have seen a photograph of a famous film producer touching the feet of Haji Mastan. He was a film producer and actor once upon a time. He is still claiming to be patriotic (Inter-ruption). I want to know how when one fine morning Haji Mastan went into jail all this chain has been broken, how all this chain of black money has been broken. What is the explanation given about this photograph showing his touching the feet of Haji Mastan? What action has been taken? Have you made a search on that? Have you found out what are the links that these people have? Have you made any kind of examination of this matter? You are arresting smugglers and foreign exchange racketeers. We are saving money through the black door but delivering it through the front door. Have you taken action against persons who indulge in under-invoicing and over-invoicing and are increasing their Swiss bank account? Have you ever arrested any exporter or businessmen on this account? The businessmen are now happy; they have started praising the 20-point programme; it is just hypocrisy. They want to exploit the name of the programme of the government. Big firms are entering the export business. I can give names and I shall write to him; I do not want to mention the names in the House. They are doing under-invoicing and over-invoicing. Some arrangements are made with foreign buyers to remit the money into Swiss bank accounts or other accounts abroad. You have not taken action against them and they are flourishing even

today. The hon. Minister must look into this matter also. To cite an example, he can take up one or two cases and try to put them behind the bars along with Haji Mastan and others. They are equally criminals. Millions of people working outside are sending money to the country out of their meagre salaries. Remittances from abroad had gone up to Rs. 1500 crores. The grievances of such people who send their meagre salaries to our country should be considered. The exploiters and foreign exchange racketeers should be put behind bars. When passports are impounded there should be an appellate authority to examine the whole case. With these words, I fully support the Bill

श्री मूल बिल का नाम (अन्य) :
समाप्ति ज. जब मैं इस बिल को पढ़ रहा था तो इस के स्टेटमेंट प्राक प्राक्वेन्टन और रोजन्स में मैंने यह आइडिया कहा :

"There would be serious set back to the anti-smuggling operations if the provisions had been allowed to lapse and hence the President promulgated on the 16th June, 1976, the Conservation of Foreign Exchange and Prevention of Smuggling Activities Ordinance"

एक तर्क है कि 15 अक्टूबर 1976 का कानून बिल ने प्रस्तावित मंत्र का प्रावण सुना है कि हम नार्मल स्थिति लाना चाहते हैं। और आप कहना चाहते हैं कि ज्यों ही यह कानून खत्म हुआ तो तस्करी का व्यापार और बढ़ सकता है। तो यह निश्चित रूप से श्रेय है। ऐसा निष्पुष्टन होनी चाहिये कि दूध नहीं। हर दस्त तो एडमार्मल सिचुएशन नहीं रहेगा, इमरजेंसी कानून लागू नहीं रहेगा। हमें कोई ऐसा कानून बनाना चाहिये कि सब के लिये तस्करी का व्यापार खत्म हो जाये, जो कि देश के लिये अभिशाप है। आप ने एक राज का समय बर्बाद दिया। आप इस कानून को तस्करी से

लानू कीजिये। बांग्ला देश ने धर्म,
कहा है :

"Bangla Desh issued yesterday an emergency Bill which provides for death penalty to smugglers, hoarders and black marketeers and 14 years imprisonment"

हैं और बर्तन म.केटिंस के लिये जहा
इने कानून बर्तन हैं वहा आप यह
भी बताइये कि 400 स्मगलर्स जो देश
के बाहर चले गये थे और आपने सदन में
आश्वासन दिया था कि उन की प्रीपर्टी
को जप्त किया जायगा, तो कितने
लोगों को आप ने बाहर से पकड़ कर
बुलाया ?

श्री मन्मोहन ने कहा था कि जो स्मगलर
विदेशों में चले गये हैं, उनको यहां बुला कर
गिरफ्तार किया जायेगा और स्मगलिंग
के द्वारा उन्होंने जो प्रापर्टी बनाई है, उस को
जप्त कर लिया जायेगा। इस आश्वासन का
एक कानून भी पार किया गया था। मैं
यह जाना चाहता हूं कि ऐसे कितने स्मगलर्स
को बाहर हिन्दुस्तान में बुला कर गिरफ्तार
किया गया है और उन की कितनी प्रापर्टी
को जप्त किया गया है।

क्रिमिनल पोसीजर कोड की धारा 87
और 88 के अनुसार फरार व्यक्ति के मकान
और जायदाद बरौद को कुक किया जा
सकता है। मैं यह जाना चाहता हूं कि
क्या सरकार ने इस कानून के अन्तर्गत
किसी जायदाद को कुक किया है।

श्री मन्मोहन यह भी बताये कि इमर्जेंसी
के खतरा होने के बाद सरकार स्मगलिंग
को रोकने के लिए नार्मल कानून के अन्तर्गत
और कस्टम्स डिपार्टमेंट, एक्ससाइज डिपार्टमेंट
और अन्य डिपार्टमेंट्स के माध्यम से क्या
कार्यवाही करेगी।

गोहाला गांधी के सदन में स्वदेशी
आन्दोलन का था और यह कह गया था
कि विदेश वस्तुओं का बायबोट दिया जाये।
इस समय हमारे यहां जो विदेशी चीजें जाती
हैं, या पकड़ी जाती हैं, उन को दुकानों या
कस्टम्स हाउस में बेचा जाता है, लोग उन
को खरीदते हैं और इस तरह उन चीजों
के लिए उन की एडवॉइस बढ़ा है। या
तो सरकार यह व्यवस्था करे कि इन विदेशी
चीजों को जप्त किया जायेगा, नष्ट कर दिया
जायेगा और उन को किसी दुकान या सुपर
बाजार में बेचा नहीं जायेगा, और जो व्यक्ति
इन चीजों को रखेगा, उस को सजा दी
जायेगी। इस प्रकार लोगों के मन में विदेशी
चीजों के प्रति हैट्रिड पैदा की जाये।

श्री प्रणव कुमार मुखर्जी के सब स्टेटमेंट
बहुत अच्छे होते हैं और उन के कदमों में
काफी लाभ भी हुआ है। वह इस कानून
को अवधि एक मास के लिए बढ़ रहे हैं।
मैं यह कहना चाहता हूं कि सरकार जिन
विभागों पर, कस्टम्स डिपार्टमेंट और एक्-
साइज डिपार्टमेंट आदि पर इतना पैसा खर्च
कर रही है, उन को कमा जाये और साधारण
कानून के अन्तर्गत इस तरह काम किया
जाये, जिस से स्मगलिंग को खत्म किया जा
सके। सरकार ने हजारों अफसरों को
पकड़ा है और करोड़ों रुपयों की प्रापर्टी
को जप्त कर लिया है। उस के बाद भी
पाकिस्तान के साथ रेन-सम्बन्ध जारी होने
पर फिर स्मगलिंग होने लगी है, लोग कहते हैं
कि वहां में मोना आने लग गया है। इस पर
विचार करने के लिए श्री मुखर्जी और गृह
मंत्र ने एक मीटिंग भी बुलाई।

मैं फिर आग्रह करता हूं कि नार्मल ला के
अन्तर्गत सबकी से काम लिया जाये। केंसल
को कोर्ट में ले जाने के बजाये समरी ट्रायल
से स्मगलर्स की सजा दी जा सकती है।
सवाल यह है कि नार्मल ला कब काम करेगा।

[श्री मून चंद डग]

—या बिल मीला से ही काम लिया जाता रहेगा। जबकि हाल में श्रीमहोदय श्री सदन के साबने धार्ये धीर कहेंगे कि चूंकि सभी एक तस्करी खत्म नहीं हुई है, इस लिए इस कानून को धीर एक साल के लिए बढ़ाया जाये। मुझे आशा है कि सभी महोदय अपनी बार इस कानून की अवधि को बढ़ाने के लिए सदन के सामने नहीं धार्येगे। हां अगर बिल इसी कानून से स्मगलिंग खत्म होती है तो इस कानून की हमेशा के लिए बढ़ाये रखा जाये। मैं यह नहीं चाहता कि स्मगलर्स को बन्द रख ने के लिए एमर्जेंसी में यही कानून रहे। स्मगलर्स के बिना बाहर क्या कानून है। उन के बिना काला कानून बनाइए कि वे लोग ऊपर ही न उठ सकें। एमर्जेंसी का सवाल नहीं है।

17 hrs.

[SHRI VASANT SATHE in the Chair.]

SHRI S. M. BANERJEE (Kanpur): Mr. Chairman, Sir, I rise to support the Bill and pay my warm compliment to my hon. friend, Shri P. K. Mukherjee and some of the officers who have really worked hard and established that there are people in this country whose integrity cannot be challenged. Recently, when I went to Bombay I had a talk with some of my friends and I was surprised to see that the face of Shri Mukherjee, which is apparently a lovable face, has become a terror to the smugglers. He has really established that smuggling can be checked by taking strong action.

My hon. friend, Shri M. C. Daga, quoted the speech of the Prime Minister at Red Fort. I do not know what its connection with this Bill is. The Prime Minister was speaking about emergency and saying that it may be

slakened. She said: "यह उसकी कुछ शिथिल करने को हासिल कर रहे हैं।"

If this Bill was not there, if this power was not there with the Government, I am sure the bigger smugglers would have dictated their own terms and it would not have been possible to put them behind the bars. At that time it was necessary, and the life of the Bill which is being extended should be supported by all of us.

A question which has been raised is whether any permanent statute is necessary. It may not be necessary. I believe that human nature changes. But the nature of a person, who has been earning fabulous amounts out of smuggling, might change but it changes after he or she was hammered properly.

In this case, it was asked, for instance, why not burn the smuggled goods. I am one of those who believes in burning cigarettes. Give me any amount of cigarettes, even foreign cigarettes. I will burn them before the next day. But the point is that the ordinary shopkeepers who deal in smuggled goods like blades and scents are not harming the country at all. They are not going to harm our conception of swadeshi, the swadeshi andolan or the swadeshi way of life. What is harming us is the amount of gold which is going out of this country. Who are doing this? It is not the shopkeepers who are selling the goods, but the big smugglers, who have a team of experts at their command who do it in connivance with some high officials. Even though some of them have been put behind the bars, their partners are still outside. The hon. Minister should try his best to see that those partners are also put in jail. I know the smugglers die very hard because they have an international wing.

The other day some people were caught from Vikram Hotel. The hon. Minister said that they were smugglers.

All of them were foreigners and they have murdered some people. Shri Om Mehta in his reply said that they were from France and that they belong to some international ring of smugglers, who are operating in this country. It is difficult to catch them unless such powers are given to the officers. Of course, they have to use them judiciously.

My hon. friend, Shri Chandrappan, said that the smugglers have shifted their operation from Dubai to Rangoon. Previously, Dubai was smugglers' paradise. Now they have shifted to Rangoon and they are sending some goods through our borders. So, our border areas should be protected. But the question in which we are more interested in the things which are being taken out of this country. Has the value of the goods smuggled out of this country minimised? The figures show that the amount of goods smuggled out of this country in 1973-74 was much more than what it is today. That means it has been checked, and for that I wish to congratulate the hon. Minister once again.

Then there is under-invoicing and over-invoicing. I fully agree with Shri Vayalar Ravi and Shri Chandrappan when they say that this should be checked. I do not impute any motives, but all the big business houses which are flourishing in the various industries especially in the jute industry, are actually involved in this under-invoicing and over-invoicing, and they are conserving foreign exchange in the Swiss and other banks, and we cannot put our hands on their accounts. I have information with me, I do not want to divulge it, that they are helping some of the sons of the big officers who are being educated abroad. They are paying them money regularly, and that is the attraction for which they are gaining favours from the officers. I know that the officers are generally very good and honest, but you know we have our soft corner for our sons and daughters, and

naturally they cannot possibly deny that obligation. How to arrest this tendency? It is a very difficult job. One of the officers, Shri Srivastava, Director of Revenue Intelligence, put his hand on the Bajorias and other houses, but ultimately he got the setback of his life. So, if you cannot completely eliminate this under-invoicing and over-invoicing, at least try to minimise it in the matter of jute and other goods. So, these people are there who are doing it regularly, and that amounts to the worst type of smuggling. A smuggler smuggles a particle article, but these people are actually taking away the money of this country and conserving it in foreign banks for their own interest and for supporting some of these people who are a menace to our society.

Then, the question is whether we have been able to put our hand on the various accounts in the Swiss banks or not. We want to know whether this is possible or not, and if possible, what we have done.

I had a discussion with the hon. Minister and I do not wish to mention the name, but I was surprised to know that a warrant has now been issued against a person who got one of the worst type of smugglers arrested risking his life and got a reward of Rs. 95,000 for that. This, will discourage persons. If that man has done something wrong, he should be hanged, but persons who get smugglers arrested risking their lives, property and business, should be properly helped and encouraged.

Then I come to smuggling of jewellery from this country. The tendency now is to smuggle the costliest jewellery belonging to the old Rajas and Maharajas, Rajmats and Maharanis and of course the Rajkumaris, because in India nobody can possibly purchase them. I am told, I do not know whether it is correct, that the official valuation of a particular necklace was Rs. 185 lakhs. I am yet to see it and if I see it, my eyes may

[Shri S. M. Banerjee]

be dazzled and I may die, but the question is that such things can be purchased by whom? Only by the Arab countries. So all efforts are now being directed to smuggle jewellery to the Arab countries because they are able to purchase them. There is no market for them in the USA now, and they will also ultimately sell them only to the Arab countries, because they are the persons who are enamoured of these things like big diamonds etc. That should also be checked I would also suggest to the hon. Minister that whatever jewellery has been seized from the big Mahara-
jas etc. should go to the National Museum and if these Mahara-
jas etc. are prepared to donate them to the National Museum, they should be accepted. They should not be arrested for this. Suppose a particular Maharani or Rajmata says, 'Do not put me in jail; take away all the jewellery and keep them in the museum or treasure', we should agree. I know, in Moscow, there is a National Treasure where all such things belonging to the Czar period are kept and they are still shown to people. Instead of the thing going through smuggling to Arab countries, let them remain in the national treasure. That is my suggestion, and I hope that the Minister will consider this.

Then, I want to say something about selling of the smuggled goods. If the smuggled goods are here, then they should be sold in a proper manner. I am told that there is a shop in Nehru Market or somewhere which is far off from this place, where these goods are sold. They should be sold in the Central Government Employees' Cooperative Stores or in the Super Market. One Wilkinson blade will easily come for a month. The cigarettes are also cheaper. I do not encourage these things, but I do not mind these smuggled goods being purchased by our people. The smuggled goods should not be burnt; that will only be a heroic action;

let them be purchased by the people who want them. What is the harm in that? But they should be sold in open market in a proper manner. In Bombay, I have seen, all these things are available. But people cannot possibly distinguish whether a thing is fake or real. Three-in-one is sold there, and people purchase thinking that it must be a Sony Set or an Akai Set; they cannot show these to others, and when they come back, they find that it is only a case and there is nothing inside. That is why I suggest that the smuggled or confiscated goods should be sold in open market.

My hon. friend has said something about customs. I fully agree that people should be allowed to bring something for their own family members. I was present the other day, and I can say with confidence and with all conviction that the customs officers in Delhi and other places are not so bad; if you bring a bottle of wine or whisky or some cigarettes or nylon sarees for your wife, they do not bother about these things. I have also seen the amount of things that some people bring—the entire excess-weight consists of foreign goods. The customs officers do not mind if somebody brings a bottle of 'Intimate' for his wife or beloved. If instructions are issued to the customs not to be harsh to the people, then every person who goes out will bring only foreign goods. Why do we lose hockey and other matches? When our players go, they only go round to see what possibly they can take from there; they are not interested in the game, be it football or hockey. I am not imputing motives to any one. But it is a fact that they bring so many things. Last time when they won, they were let off by the customs. But when they lose naturally they are caught. I must admire the work being done by the customs officers. It is a very difficult job. But one thing, I would like to point out. When the suit-cases belonging to a lady are searched, it should not be done openly. It looks bad. People

from the gallery are also watching the whole thing. Somebody takes out a brassier and asks whether it is English or Indian. Somebody is showing a blouse and you ask 'Is it Indian or foreign?' This way ladies are put to shame. After all they have come to India. They are not foreign ladies. They are all Indians. Treat them well. If you want to search somewhere, let there be a proper place where the ladies' garments could be searched. Some people have to face this humiliation. That is why I am telling. I do not want ladies to come with smuggled goods more than the men. They have got equal rights. These are small matters. The Minister can simply issue directives. That is a different matter. If there are two cabins for searching men and women as we have got with respect to security checking, I think that will be better. Otherwise, they are put in a very embarrassing position which the Government could avoid.

With these words I support the Bill. I must again assure the hon. Minister a young Minister who has established his integrity beyond doubt and has got a bunch of devoted officers. I wish him all success. Mr. Panab Kumar Mukherjee has shown his strength and I wish he becomes stronger in his life—after all I am at the fag end of my life—but he is going to live longer in this country—so that these good things are shared by my son or my grandchildren.

श्री हरी सिंह (खुर्जा) : समाप्ति सत्रोदय, विदेशी मुद्रा संरक्षण और तस्करी निवारण द्वितीय संशोधन विधेयक 1976 पर मदन में चर्चा चल रही है। मैं इस बिल का स्वागत करता हूँ। मैं समझता हूँ कि मंत्री जी तथा इस विभाग के अधिकारियों और कर्मचारियों ने रिजल्ट वर में जो काम किया है, सप्रदर्श्य है। अना कर्तव्य पालन करते हुए कस्टम अधिकारियों को इन तस्करी से मुझे भी मुझे जिसमें कुछ बायल भी हुए, कुछ को चोट भी लगी।

इन अधिकारियों को विभाग द्वारा पुरस्कार भी किया गया है। लेकिन आप जानते हैं कि जो विदेशी मुद्रा की गड़बड़ बोटाया करने वाले लोग हैं, जो मंगलर और तस्करी हैं वे सोना चांदी ही चोरी छिपे नहीं लाते हैं बल्कि नारकोटिक्स, काँडे, दवाइयाँ आदि भी लाते हैं और उनकी तस्करी करते हैं। विदेशी मुद्रा का अनधिकृत रूप से जो व्यापार करने वाले वे उन्होंने हिन्दुस्तान की अर्थ व्यवस्था को चौपट कर दिया था और मालूम है कि हिन्दुस्तान के मरने जो एक बहुत भारी संकट आ कर खड़ा हो गया है, आर्थिक संकट आ कर खड़ा हो गया है, उम्मीद यह देश उबरने वाला नहीं है, अब देश चले वाला नहीं है। कोई गम्मा तब नजर नहीं आता था। जो तस्करी लोग थे, जो विदेशी मुद्रा का व्यापार करने वाले लोग थे उन्होंने अर्थ व्यवस्था गवर्नमेंट भी बना रखी थी जिस से गैडो प्राइस मिनिस्टर, गैडो आई जी आदि रखे हुए थे तब तब के लोग गुप्त नामों में रखे हुए थे। अधिकारियों के ऊपर भी इन्होंने अपना प्रभाव जमा रखा था। ऐसी मिमालें मौजूद हैं जिन में इन लोगों ने तब तब से शासन को अपने काबू में कर रखा था, अधिकारीगण इनके कुंजल से बाहर नहीं थे, उनको इन लोगों ने तब तब से प्रभोभन दे कर अपने काबू में कर रखा था। जो सराहनीय कार्य इस विभाग से किया है उनके लिए यह विभाग न केवल बधाई का पात्र है बल्कि मैं समझता हूँ कि अगर वह हमें तब से कार्य करता रहा तो जो देश में आर्थिक संकट अब भी बोझा बहुत दिखाई पड़ता है वह भी समाप्त हो जाएगा। विदेशी मुद्रा का अनधिकृत रूप से व्यापार करने वालों ने, तस्करी और काला बाजार करने वालों ने देश में आर्थिक संकट पैदा कर दिया था और दिखाई पड़ने लगा था कि अब देश आर्थिक संकट से उबरने वाला नहीं है। यह कानून जब लागू किया गया था और जिस को आज फिर से संशोधित करने की आवश्यकता पड़ी है बड़ा कारगर साधक

[भी हरी सिंह]

हुआ है, इस कानून के अन्तर्गत बड़े बड़े तस्करों को धरपकड़ कर गिरा है और उनकी कार्रवाई पर रोक लगाने में सरकार को मदद मिली है, उसके हाथ कजबूत किए हैं। य. प्र. जो जाते हैं कि विभाग ने अपने प्रयत्नों से बटोड़ों लाने का तस्करों का भाव और विदेशी मुद्रा यदि इनके यहाँ से 'कट' है। प्रायः वे तो अतन्त्राधिक तत्व हैं, वे डर गए हैं, प्रयत्न तो हो गए हैं और काला घड़ा करने वालों की कार्रवाइयों पर अंकुश रखा है। लेकिन मैं कहना चाहता हूँ कि ये जो काला घड़ा करने वाले लोग हैं वे बड़े चतुर होते हैं। ये समय को परखते हैं, समय के अनुसार चलते हैं। इन्होंने इस तरह से कार्य करना आरम्भ कर दिया है जिससे वे सोचें तरह से काबू में न आ पाए। इस बीच का प्रयास को ध्यान देना होगा। इस विभाग ने दुर्गा तथा ए. ए. इसरी नाम का कर समुद्र में जो स्मगलिंग होना था उस पर रोक लगाई है, उन लोगों को धरपकड़ का है। इनसे उन लोगों का मनोबल टूटा है।

इस बिल में लिखा हुआ है कि इस बिल को आवश्यकता इसलिए महसूस की गई है कि अगर यह सम्मोचन न किया गया तो जा हमारे प्रयत्न हैं वे डोने पड़ जायेंगे।

यह बात बिल्कुल सही है। जो तस्कर हैं इनके बड़े लम्बे लम्बे हाथ हैं, इनकी दूरदरे देशों में शाखाएँ होती हैं। और यही नहीं इनने पीछे विदेशी नाकने हैं जो भारत को कमजोर बनाना चाहती हैं क्योंकि उनका ध्येय होता है कि अगर स्मगलर्स, फारेन एक्सचेंज रेकेटीयर्स और काला घड़ा करने वाले आन्तरिक आर्थिक सकट को पैदा कर देंगे तो उनका मकसद पूरा होगा। मकसद यह कि कमजोर हो जाने पर देश उन ताकतों के पास जायगा और वह हम पर आधिपत्य जमावेंगे। तो यह जो रीएक्शनरी नाकने हैं यह लोग भी इन तस्करों का साथ देती हैं। उनका पेशा राजनीतिक था, और आर्थिक इस माने में कि जब देश की अर्थ-व्यवस्था

दुर्लभ काली तो देश बौद्धिक हो जायगा, देश की ताकत खत्म हो जायगी।

इन के जो विरोध काम करते थे उनके पास पावरफुल चामरलैस ईट्स होते थे, म्यूच मीडिया होता था और महकमे बने हुए थे। यहाँ से टेलीफोन हुआ तो कॉपीन टेलीफोन पहुँच गया और कॉपीन से कमकसा पहुँच गया। इस प्रकार स्मगलर्स और क्रौरेन एक्सचेंज रेकेटीयर्स का जाल बिछा हुआ था पूरे देश में। हमारी सरकार ने गम्भीर प्रयत्न किये हैं जिससे देश को ताकत मिली है। इस बिल में प्रथम सम्मोचन होना चाहिये। माननीय डागा जी ने कहा था कि हमको इस बात को परमानेंट बना देना चाहिये ताकि इमरजेंसी में यह सब कानूनों की जरूरत न पड़े। बाल प्रण्डी है, लेकिन जब मर्ज बढ जाता है, या प्रादत बहुत खराब हो जाती है तो उसके लिए स्पेशल इलाज की जरूरत होती है, और यह कानून उसी मर्ज का इलाज है। जब तक स्मगलर्स पूरी तरह से खत्म नहीं कर दिये जाते हैं तब तक इस तरह के कानून की जरूरत रहेगी।

यह बिल सामयिक है, विभाग का प्रयत्न बड़ा सफल है। लेकिन इस विभाग को आत्म-संतोष की बात नहीं सोचनी चाहिये, बल्कि मुस्ती से काम करने रहना चाहिये।

एक बात और कहनी है कि बहुत से लोगों को जब पता लगता है कि सरकार बड़ी तेजी से काम कर रही है स्मगलर्स के खिलाफ, हांडर्स के खिलाफ, ना ऐसे लोगों की गतिविधियों की खबरे जनता मुमनाम पक्षों द्वारा आधिकारिकता तक पहुँचती है। मेरी भाव है कि इस तरह के मुमनाम पक्षों पर आपको तबज्जह देनी चाहिये। यह नहीं कि किसी का नाम नहीं लिखा है इसलिए उस पर ध्यान न दें। अगर आपको खबर मिलती है तो आपको देखना चाहिये कि इस खत के पीछे भी कोई सचाई हो सकती है।

प्रायः स्मगलर्स जैस में पड़े हैं, कुछ की सम्पत्ति नीलाम हुई है और कुछ की विधेयों से

पकड़ कर बुलाने की कोशिश की जा रही है। यह सारे प्रयत्न साबित करते हैं कि हमारी सरकार का ट्रैंड इस मीनेस से निपटने का है। सारे देश के अन्दर जो आर्थिक संकट है उसको खत्म करके ऐसी अर्थ व्यवस्था देश में कायम करनी है जिससे देश तरक्की करे और अपनी इकोनामी जैनरेट हो। हमारे देश का आर्थिक ढांचा फले फूले।

एक बात मुझे और कहनी है कि जो लोग बाहर जाते हैं विदेशों में, वहां डेढ़, दो साल या 6 महीने काम कर लेते हैं तो उनको बहुत सारा सामान लाने की इजाजत मिल जाती है। मतलब यह कि उन्हें इस बात की छूट रहती है कि 5, 6 महीने तक कोई चीज खरीद कर इस्तेमाल करें और फिर उसको देश में ले आएं। यह जो नियम है इसमें संशोधन करना चाहिये। जो देश के बाहर 6 महीने तक या उससे ज्यादा समय तक रहते हैं उनको बहुत ज्यादा सामान अपने देश में लाने की इजाजत नहीं होनी चाहिये क्योंकि अब सभी चीजें अपने देश में बनती हैं। कौन सी वस्तु ऐसी है जो हमारे देश में नहीं बनती? हमारे देश के कपड़े और घड़ियां बहुत अच्छे हैं। इतनी अच्छी और सस्ती घड़ियां किसी मुल्क की नहीं हो सकती हैं जितनी कि हमारे देश की हैं। आप देखें एच०एम०टी० की घड़ियां बहुत अच्छी हैं।

श्री एस० एम० बनर्जी : जो आदमी 5, 6 साल तक बाहर रहता है, उसको वहां पर नये कपड़े बनवाने ही पड़ेंगे। क्या उसको उन कपड़ों को लाने की इजाजत भी नहीं होनी चाहिये?

श्री हरी सिंह : वे लायें, लेकिन वे डेर के डेर और अम्बार के अम्बार न लायें जिनको उनके पोते और पड़पोते तक पहन सकें। हम देखते हैं कि कई लोग पूरी दुकान उठाकर ले आते हैं। वे ऊपर का रंग खरोचकर

या कवर को फीका करके चीजों को पुराना बना देते हैं और इस तरह पुरानी चीज की आड़ में नई चीजें लाते हैं। यह भी बड़ी भारी स्मगलिंग है और सरकार को इस तरफ ध्यान देना चाहिये। इस अधिनियम की अवधि बढ़ाने के लिये यह जो विधेयक सदन में विचार के लिये पेश किया गया है, यह बड़ा ही सामयिक है और इस पर तत्परता से काम करने की बहुत आवश्यकता है।

देश में जम्हूरियत को बचाने के लिये जो बहुत से प्रयत्न हुए हैं, उनमें इस विभाग द्वारा किये गये उपाय भी बड़े सहायनीय हैं। इन अलफाज के साथ मैं इस विधेयक का समर्थन करता हूं।

SHRI K. MAYATHEVAR (Dindigul): Mr. Chairman, Sir, I stand to support this Bill. All of us are aware of the anti-social elements who were indulging in smuggling activities. They are anti-nationals. It goes without saying that it is they who were responsible for this unprecedented inflation in India and Government were able to control this by their action. The people expect a much more effective action by Government against the smugglers.

So far as Government is concerned, we have given them all the powers that were necessary to put an end to the smuggling activities that were going on in this country. But, I am sorry to say that only fifty persons have been arrested—big sharks only have been apprehended. For instance in Tamilnadu Coolie Mastan was a smuggler who was arrested in Bombay. But one Mr. Yasin has still not been arrested because in Tamilnadu he was the right hand man of the then Chief Minister of Madras and the supporter of then Law Minister, Shri Madhavan. At the time they were ruling it is they who had been protecting this person, Shri Yasin who was a famous international

[Shri K. Mayathevar]

smuggler in Tamilnadu. He was like a millionaire, a powerful man like Mastan and Bakhia. It is shameful that our Government has not been able to arrest this person and put him behind the bars. Why?

We are having the Extradition Law. That is applicable to all countries uniformly, be it USSR, USA, Britain or France. Why were we not able to extradite Shri Yasin under the Extradition Law?

Shri Yasin could have been extradited under the Extradition Law applicable to all the countries. He was in Singapore sometime back, he was in Bangkok later on and in the east-asiatic countries I am sorry to say that he came into India as well as left India without the knowledge of the Government. Sir, we will have to arrest many such people so as to annihilate the entire smuggling activity. Unfortunately, the Government of India is still treating this smuggling offence as an economic offence. I have pleaded three to four times on the Floor of the House for treating this offence as a 'pucca' criminal offence.

Sir, these smugglers are responsible for inflation and rise in prices. They are not only stabbing the economy of the country but also they are stabbing at the back of the poor masses of India. We must introduce a special law to give punishment to such people. There should be a provision for a minimum of ten years' sentence for this offence. As present under Customs Act and Foreign Exchange Act we are only giving them two years imprisonment plus a fine of Rs. 2,000/-. This is not sufficient. I plead for a change in the law.

Further, Sir, I would like to know what are you going to do with these smugglers after the Emergency is

lifted? They will—once released—once again become multi-millioners. These fellows in spite of having committed national offence and anti-social offences are treated as very big people in the society even now. We must amend the entire law permanently. It is no use extending it merely by 12 months. We must have a special law, special courts and provide special punishment to these offenders. I would like to suggest, if necessary introduce a new sub-section to Section 302 IPC to provide death sentence for the offence of smuggling.

Mr. Chairman, Sir, these smugglers who are at present behind the bars are being given the son-in-law's treatment in the jail. I am told they are provided with all the facilities except giving them ladies.

AN HON. MEMBER: They are allowed to go to their wives.

SHRI K. MAYATHEVAR: Sir, the people expect more stern action against these people. Why are you allowing them access to all these privileges. I plead that these people should be treated as part of the ordinary criminals inside the jail. Then only they will feel sorry for their offences and when they come out, will rectify themselves and completely change their mode of life. They are not political offenders, they are not political leaders, to be given special privileges inside jail. They are pucca offenders under certain provisions of law, not only of customs but of foreign exchange. Hereafter at least they should be treated as ordinary criminals under IPC and some other offences under the law of the land.

I am from Tamil Nadu. The hon. Minister knows it.

AN HON. MEMBER: And ADAR.

SHRI K. MAYATHEVAR: Thank you for the compliment. Last year

some members of our party brought to the notice of Government in Rajya Sabha that the ex-Chief Minister, Shri Karunanidhi, and the then Law Minister, Shri Madhavan, were reliably said to have deposited large amounts of money in foreign banks. Now after the appointment of the Inquiry Commission, the Government of India have dug out so many crores on account of black money, unaccounted money, received by them by way of corruption or misuse of power on the pretext of executing so many plans for the public. Still larger amounts remain in their names or in their benami names—especially these two Ministers. This may also be checked by the Government of India.

What are the provisions we are having? What are the laws we are having now to bring back all the black money or earned money or unearned money deposited by our smugglers in foreign banks? Our laws are even now silent on this. Some friends were happy to note that the inflow of money is larger now as a result of the emergency and steps taken thereafter. But that inflow is not sufficient. Still so many crores are allowed to be deposited in foreign banks. Under these circumstances, the Government of India must at least take effective steps to bring back all the money deposited by our smugglers in foreign banks in their names or in fraudulent benami names.

Then what are the measures taken to confiscate their property? Notices have been issued against some. Issuing notices is not enough. You must immediately take action to forfeit all the properties of these people. It is high time you implemented that kind of law. The actions taken at present are not sufficient and adequate. We are not happy. We are ready to support you to the fullest extent. You go forward with still more speed. That is what we expect, the people of Tamil Nadu expect, the whole Indian people, 60 crores of them, except of Government—go forward more speedi-

We are happy with whatever action has been taken by Government against smuggling activities. We are happy to support it and welcome it and we will support you in future also if you take much more serious, much more effective, action against these people and try to confiscate the properties of these smugglers without consideration of any sympathy for them because they are not ordinary offenders, they are offenders at the national level, they are not only economic offenders, they are offenders whose offences are killing the entire Indian economy. With this plea, I conclude my speech and thank the hon. Chairman for giving me this opportunity.

SHRI B. V. NAIK (Kanara): So much has been said on this Conservation of Foreign Exchange and Prevention of Smuggling Activities (Second Amendment) Bill under consideration that it is very difficult to add more. I think the root cause of smuggling not only in our country, but in the world at large is—in spite of my own secular outlook, I have to say this that Islam does not forbid smuggling. Islam is a religion which does not forbid smuggling just as they forbid eating pork.

MR. CHAIRMAN: Which religion forbids smuggling?

SHRI B. V. NAIK: I hope the Chair will tolerate a compliment being paid. Before economic nation-states came, there was religion and there were few inhibitions. In the history of England there was a time when, particularly in the 15th and 16th centuries, smuggling was there very much. Later on when nation-states came in, they put tariff barriers and thereafter it became antinational. But in regard to Islam as a whole they believe in economic internationalism, believing in interest which is preceding even Marxist interpretation of religion or economics, they are cutting down all the interest; there is permission; it is not a forbidden act because Islam is both a State religion as well as religion. I am not

[Shri B. V. Naik]

going into the dangerous field, all the Muslim countries in the Arab world, in Dubai, etc. I hope I have been able to carry conviction. In Kuwait and middle-eastern countries exporting of smuggled goods is carried on as an open trade. Collection of funds is really big business in those countries, collection of funds, not against receipts, but parking of their vehicles, their ships, their trawlers, their mechanised boats and all those things are done under the jurisdiction of the sheikh and is legal, there is nothing illegal.

SHRI DINEN BHATTACHARYA
What are you saying? What is your proposition?

SHRI B. V. NAIK: The collection is an open collection. Small people invest in it. In other words, the root of our smuggling is not in this country but it is in some of those countries where it is permitted.

MR. CHAIRMAN: Mr. Naik is always original.

SHRI B. V. NAIK: In the circumstances, if you can bear with that, the solution for a permanent cure to this malady should lie, as suggested by Mr. Chandrappan, in changing the consumer habits in the Calcutta streets, Bombay streets, port areas and towns. If you want to put a stop to opium trade, stop opium consumption; if you want to put a stop to some other consumption of luxury goods, stop that consumption. But more important, if you want to tackle it realistically and at a political level, you should do this. But things suggested by Chandrappan were suggested centuries ago by reformers. But it has not been possible. We tried prohibition, it had not succeeded. Therefore, the solution would be to tackle it at the root, that is, in the Arab world, particularly those countries known for smuggling will have to be tackled at a diplomatic

plane. It is a matter essentially falling within the purview of the Ministry of External Affairs and if I could say so, on a bilateral basis fresh initiatives particularly with our sister countries in the middle east by our goodwill, which we enjoy might pay dividends. I am not saying that smugglers who continue to be allegedly, fairly influential in many parts of the world and elsewhere are not influential in those countries. If the suggestion is credible to the hon. Minister—his expression does not reveal it—we can ask the other non-aligned countries through diplomatic channel so that those countries impose immediately law in their respective jurisdiction against the operation of those smugglers in respect of those friendly countries, wherever there is objection. So, from Dubai, if Pakistan does not object to the smuggling, they can carry on the smuggling operations. But if there is a smuggler in Dubai and India objects to the smuggling, the State law must come in. This is my suggestion and it may be examined.

My colleague Shri Maya Thevar said, something must be done about foreign banks considering the sovereignty of these countries, particularly Switzerland and others, it would be a difficult proposition. But like the voluntary disclosure scheme for tax dodgers, does the ministry have any plan—Stage II—for these smugglers also? Once the person who has been locked up behind the bars comes to know that there is no escape from it, if you keep the door open to the smuggler who has been detained under COFEPOSA that in case he declares in writing, "I am holding accounts in such and such foreign banks; these are the deposit numbers and these are the specific branches, etc", if he discloses all such information which he alone can disclose, will it be worth-while to have a scheme whereunder a person who admits the guilt, as in the case of non-payment of taxes, might be in a position to be in the good books of

the government and you will be also able to collect the foreign exchange he has accumulated through nefarious means? Otherwise, what sovereignty do we have over Swiss Banks? It is prevailing because we cannot do anything. There are limitations of national sovereignty. You can impose heavy penalty, confiscation of goods, etc., but does the ministry have such a plan for these people also?

MR. CHAIRMAN: The same procedure which you suggested for Dubai can be adopted here also. Why have different standards?

SHRI B. V. NAIK: If I am carrying on smuggling from Dubai, a port, my actions are plainly known. But if I** go and deposit 100 dollars in a Swiss Bank, there is no way of knowing whether we are MPs** or smugglers. Since there is difficulty of identification, I would suggest that the voluntary disclosure scheme which has been adopted in regard to tax dodgers may be tried here also.

MR. CHAIRMAN: Your remark is not called for and it will be deleted from the records, in respect of the Chair. You can include yourself.

SHRI K. LAKKAPPA (Tumkur) To preserve the dignity of the House, his name also should not be included.

SHRI B. V. NAIK: Having understood the gravity of the situation, I would not labour that point. If you go through the entire construction, you will see that there was absolutely no intention to offend the dignity of the Chair.

MR. CHAIRMAN: I know you did not do it deliberately, but that should not find a place even in a lighter vein.

SHRI B. V. NAIK: What I have stated now is for the purpose of record. The confiscation of property that has been done so far is inadequate. Since I come from a constituency, which is in the West Coast, there are some inhabitants there who are smugglers. According to my information, which is based on the reply given by the hon. Minister in reply to a question, in Karnataka some properties belonging to the smugglers have been attached by the District Magistrates. I do not know under which Act. There are some such instances. I want the hon. Minister to enlighten us on this point.

Yesterday when I was talking about the MISA I expressed the hope that we would like to see the day when it is outside the statute book of this country. I am sure many hon. Members will join me in that sentiment. But when it comes to COFEPOSA, since it deals with anti-social elements, the Minister has received full-throated and almost unanimous support from all sections of the House and I would say that it should find a permanent place in the Statute Book of this country. I am making this suggestion after due deliberation and continuous observation. I join the sentiments of the rest of the Members and I repeat that it should find a permanent place in the statute book.

SHRI K. LAKKAPPA (Tumkur): Mr. Chairman, while supporting the Bill, I would like to say that the Statement of Objects and Reasons for this Bill says:

"The special provisions for dealing with emergency contained in section 12A of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 have proved helpful in dealing effectively with persons engaged

**Expunged as ordered by the Chair.

[Shri K. Lakappa]

in smuggling and foreign exchange racketeering who, owing to their large resources and influence, have been posing a serious threat to the economy, and thereby to the security of the nation."

Therefore, we have to extend our support to this measure.

Enough has been said regarding the smuggling activities and the leakage of foreign exchange. It is the need of the hour to consolidate the gains of emergency and act more vigilantly to conserve our foreign exchange to prevent the smuggling activities in the country.

So far as the detenus under COFEPOSA are concerned, the people specially in Bombay are wondering whether they are really in prison or in paradise. Even though Parliament has passed all sorts of laws to deal with them effectively, I wonder why they are being given such good treatment, be it the Central Government or the State Government. There was a report in the *Times of India* recently which reads:

"The incidence of coronary ailments seems to be exceptional high among the COFEPOSA detenus, judging by the relatively large numbers in which they have been admitted to the prison ward of the St. George's Hospital in Bombay since the crackdown on the alleged smugglers and racketeers in foreign exchange. By itself, this would have interested only those involved in advanced medical research, but public interest, indeed concern, has of late been aroused, and for good reason, because many of the detenus supposed to have been laid up with serious heart trouble have been seen merrily moving around the city; some have, in fact, been caught sneaking back into their hospital-cum-prison in the wee hours of

the morning. Whether they have been going out on their traditional business or pleasure or a judicious combination of both has not been fully established.. But it is beyond doubt that they could not have embarked on their nocturnal prowls had they been what they claim to be: heart patients."

On the pretext of heart ailment, the detenus have been having virtually all freedom to move about the city and meet people who are engaged in smuggling activities, those who are defending and backing them.

"It is against this background that the Chief Minister of Maharashtra, Mr. S. B. Chavan, has ordered that all COFEPOSA detenus under treatment at St. George's Hospital be transferred to J. J. Hospital."

I am not criticising the Chief Minister of Maharashtra, but why should such lenient treatment be meted out to them? The people of this country begin to feel that the smugglers are respected by such treatment. I know that you are doing very good work, but please give good treatment to the poor people, give them food, shelter and clothing, but not to these people who should be treated mercilessly.

Recently the hon. Minister stated at the Calcutta airport that smuggling to our neighbouring countries is on the increase. Though special arrangements have been made and a collectorate has been established, still the smuggling activities are rampant in these areas. There are certain people in detention who are operating with the connivance of big people who are defending them. It may be that some of them are lawyers or belong to big business houses.

MR. CHAIRMAN: He may continue day after tomorrow.