

[Shri Erasmo De Sequeira]

But, Sir, let me also request the hon. Minister to see that these Vigilance Committees should not be turned into some kind of Congress Committees at the constituency level. This Government may try in this manner, and get out of the direstraits in which it finds itself before the people of this country because of its total inability to function. I agree that the hon. Minister should come forward before this House from time to time, and tell us exactly what is the extent of implementation of this Bill. But, in any view, he can only do this until the 18th March, because on that day he must unbond himself from the chair, and go to the people.

THE MINISTER OF LABOUR (Shri RAGHUNATHA REDDY): Sir, I had already explained the legal position with regard to the points made by Shri Ramavatar Shastri. The law passed by the Parliament is the law that is applicable to all parts of the country and no State can escape the provisions of the law. He need not have any apprehension whether a particular State would implement it or not because the law is applicable to each State and every officer who is mentioned in this enactment is bound to implement the law. He need not have any apprehension about it. With regard to what my friend Mr. Erasmo de Sequeira has mentioned, this is part of our social system, this cannot be there merely by law and every Member of this House must exercise his influence and rouse the social conscience of the people. For instance, Shri Shrikishna Mody brought to my notice that about 50 workers were working here as bonded labour for the last five years as part of the contract labour system. We took immediate action and within 24 hours, they were freed and sent back to their homes with necessary help.

With regard to the suggestion made by friend, I will try my best to convene a meeting of the members who have participated in the debate, as soon as the House adjourns.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

13.42 hrs.

STATUTORY RESOLUTION RE DIS-  
APPROVAL OF CONSERVATION OF  
FOREIGN EXCHANGE AND PRE-  
SENTATION OF SMUGGLING ACTI-  
VITIES (SECOND AMENDMENT)  
ORDINANCE AND CONSERVATION  
OF FOREIGN EXCHANGE AND  
PREVENTION OF SMUGGLING  
ACTIVITIES (AMENDMENT) BILL.

SHRI ERASMO de SEQUEIRA  
(Marmagao): Sir, I beg to move:

"This House disapproves of the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Second Amendment) Ordinance, 1975 (Ordinance No. 29 of 1975) promulgated by the President on the 12th December, 1975"

Sir, it is again my duty to stand in this House and protest against the manner in which this government is ruling by ordinance and by edict, instead of by law. This is the Fascist method, not the democratic one.

Under the original enactment, Government already had power to extend, in the case of a person who has been detained before 31st December, 1975, the period of detention by one year, or two years as the case may be, under section 9 or 10. I would like to ask the minister, what was the justification for this ordinance? How many people has the government detained between 31st December 75 and today, under the ordinance?

Under this ordinance, the government has made the detention valid not only for one or two years, but as long as the emergency is in force. Look at the ordinance and look at the Bill. As I said, Government already had power to detain anybody upto 1977 for one or two years. That means, the detentions are upto 1978 or 1979. In addition Government comes forward and says, "Not only do we want power to detain them till 1978 or 1979, but we want the power to detain them as long as the emergency is in force if that is longer than 1979. On the one hand they say that the emergency is a purely temporary measure. On the other side, they clothe themselves with powers which clearly indicate that this government seems to have no intention whatsoever of lifting the emergency until there is not only limited dictatorship that Mr Shashi Bhushan asks for but complete and total dictatorship. In fact, Mr Bhushan himself complains that he had asked for a public limited dictatorship but he was getting a private limited one. The detention that this House sanctioned was extra-ordinary detention. They were to detain persons in order to prevent them from indulging in smuggling. This is an extra-ordinary measure and it was authorised in view of the great menace of smuggling. But it cannot be an authorisation that can be carried on infinitely because with the knowledge that this Government has of the smuggling operations that are going on in this country, and from the arrests that have been made, Government is well aware of who is indulging in smuggling and foreign exchange manipulation and in spite of this knowledge, this Government does not have the courage to put these detenus before the court under FERA, under the violation of exchange law and customs act and to prosecute these detenus. Government

is also aware that these smugglers have got connections in officialdom, and in political circles of the Government. If Government institutes an inquiry under this law, these things will come to light. This is the only reason, why they are not being put on trial. That is why I object to this and I oppose this Bill also. I say that you know all the people who indulge in smuggling and foreign exchange manipulations. If you are sincere you clear out those who do it and who support them at the official and political levels, take them to court and charge them. Let the courts convict them.

MR DEPUTY-SPEAKER Resolution moved

"This House disapproves of the conservation of Foreign Exchange and Prevention of Smuggling Activities (Second Amendment) Ordinance 1975 (Ordinance No 29 of 1975) promulgated by the President on the 12th December, 1975."

THE MINISTER OF STATE IN-CHARGE OF THE DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE). 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."

Sir as hon Members are aware, in December, 1974, Parliament enacted the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 to detain persons connected with smuggling, foreign exchange racketeering and related activi-

[Shri Pranab Kumar Mukherjee] ties. It was correctly anticipated that the immobilisation of the notorious smugglers would disrupt the organisation established for furthering these reprehensible activities. Resort to preventive detention has had a salutary effect and has resulted in reducing the extent of smuggling considerably. It has also resulted in an appreciable increase in the remittance of foreign exchange into the country through legal channels. To maintain the general climate built up over the last 15 months and to more effectively deal with smugglers and foreign exchange racketeers in the context of the present Emergency, it is necessary to modify the maximum period for which a person can be detained under the Act. In the Act the maximum period of detention provided is one year ordinarily, and two years in the case of persons who are declared to be operating in areas highly vulnerable to smuggling. It has, therefore, been found necessary to amend the provisions of section 10 of the Act to provide that the maximum period of detention should be one or two years as the case may be, or the period during which the Proclamations of Emergency issued on 3rd December, 1971 and 25th June, 1975 are both in operation, whichever period expires later. The amended period has also to be made applicable to persons who are already in detention and who would otherwise have become due for release from the 18th December, 1975 onwards. This step was necessary to obviate the release en masse of these detenus, whose renewed activities might have led to a 'rectudescence' of smuggling, foreign exchange racketeering etc., and thereby undermined Government's efforts to a significant extent.

The provisions of section 9 by which the Central Government can issue a declaration in cases of persons who are operating or through areas highly vulnerable to smuggling were available only in respect of detention

orders issued up to 31st December, 1975. In the light of experience gained it is found that the vulnerable areas continue to remain so, even in the context of reduced volume of smuggling. It is, therefore, desirable to continue to have these powers for a further period. It is, therefore, proposed to extend the period of availability by another two years for the present.

In view of the urgency of the matter, the President promulgated the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Second Amendment) Ordinance, 1975, on 12th December, 1975. The Bill seeks to replace the provisions of the Ordinance.

Under the Act, the power to order the temporary release of a detenu vests in the Government by whom or by whose officers a person has been ordered to be detained. Considering the general objectives of the Act and the class of persons involved, it is desirable that the Central Government also has the power to order the temporary release of State detenus. The present opportunity has been taken advantage of, to make the necessary provisions in the Bill.

Sir, I move that the Bill be taken up for consideration.

MR. DEPUTY SPEAKER: Motion moved.

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

MR. HALDER,

\*SHRI KRISHNA CHANDRA HALDER (Ausgram): Mr. Deputy Speaker, Sir, the hon. Minister has introduced the Conservation of Foreign Exchange

\*The original speech was delivered in Bengali.

and Prevention of Smuggling Activities (Amendment) Bill, 1976 which seeks to replace the ordinance promulgated by the President in December 1975. The present Bill seeks to amend Sections 9, 10 and 12 of the parent Act. I would like to make it very clear, Sir, that our party will support all measures of the Government which will eradicate the menace of smuggling racketeering in foreign exchange and such like offences and as such I extend my support and the support of my party to the provisions of the Bill.

Mr Deputy Speaker Sir you are aware of the fact that the big monopoly houses of our country like the Birlas, Singhanias, Thappers etc., are indulging in under invoicing and over invoicing of goods on a large scale and thus they are defrauding the Government of huge sums of foreign exchange which would have otherwise gone to Government's coffer. I would therefore like to know what precise steps have been taken by the Government since the promulgation of emergency to deal with these big business houses who have been cheating the nation on a big scale. I would also like to know the number of persons who have been prosecuted for indulging in such practices and what has been the total gain to the Government treasury as a result the steps taken by the Government. I would also like to know Sir after the Ordinance was promulgated in December 1975, the number of smugglers and foreign exchange racketeers that were arrested the value of the property attached and the number of cases which have been instituted in the courts of law and the outcome thereof. I would take this opportunity to remind this House Sir that a notorious smuggler Haji Mastan Mirza in an interview to Blitz had stated that during the time of elections ministers political workers and leaders approached them for funds. He had also said that without the support of

the big officials of the Government and the Ministers smuggling and racketeering in foreign exchange could not be carried out even for a day. I would therefore like to know what steps the Government have taken to locate these political workers, leaders or ministers and the senior officers of the Government who actively supported the smugglers and what punishments have been given to them? It is a common knowledge that a great part of the money of the smugglers and the foreign exchange racketeers are at present lying stored in foreign banks. It is an imperative duty of the Government not only to fish out the black money generated as a result of such anti social activities within the country but it is equally important and necessary to ensure that the huge sums of these smugglers stored in foreign banks are also repatriated from foreign banks into our country and utilised for the purpose of social upliftment works. I would therefore like to know from the hon Minister whether they have considered this aspect of the matter and if so, what steps have been taken or proposed to be taken by the Government in this regard?

Before concluding I would like to draw the attention of the House to Section 4 of the present amending Bill. In addition to replacing the Ordinance the Bill seeks to amend Section 12 of the principal Act so that the Central Government can also have power to order the temporary release of persons detained under orders of State Government or State Government Officer. I am afraid Sir that this provision not only creates duplication in matters of releasing smugglers but it is also likely to be misused. We cannot rule out the possibility of a situation where a smuggler through his money power can reach some understanding or carry out a bargain for some consideration with the ruling party and with some senior Government officer in the Centre and secure a temporary to begin with

[Shri Krishna Chandra Halder]

and to remain free permanently. I feel through this provision the Government is trying to create a political pressure on the smugglers. Immediately after the imposition of emergency in the country it was heard that Government had initiated searches of lockets and started seizing papers of foreign exchange racketeers and two years back some steps were also initiated against the Birlas. I would like to know how many of Birlas have been prosecuted or whether the steps have since been withdrawn. In the end I would request the Minister to give the details of the cases of apprehension of smugglers and other details as I have sought during the course of my speech earlier in his reply to the debate.

14 hrs.

SHRI B. R. SHUKLA (Bahraich): The provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act are already showing good results. Smugglers and foreign exchange racketeers have been detained under the provisions of this Act, but the situation is not fully under control. If these big economic sharks are allowed to be at large and come out of jail, they will again engage themselves in nefarious activities. Therefore, Government has rightly come forward with this amending Bill for further detention of these economic offenders.

On this occasion I would like to draw the attention of the hon. Minister to the fact that large scale smuggling is going on on the Indo-Nepal border. Bahraich, Gonda, Basti and Gorakhpur are the districts where people have grown fabulously wealthy overnight. The raids by the income-tax and customs departments are mostly confined to metropolitan cities, but so far as these districts are concerned hardly any effective action has been taken. Therefore, Government

should take effective steps. There are many persons indulging in these activities. Those who were penniless, who had no property, have accumulated crores, erected palatial buildings. Therefore, my submission is that Government should immediately take action against these persons.

MISA and the present Bill under discussion have come in for criticism from many quarters but so far as the economic offenders are concerned, the House, irrespective of party labels, is unanimous in extending its support to Government. Therefore, the scope of the Bill is very limited, and it is a most non-controversial measure. So, I fail to understand why Mr. Sequeira is always coming with a resolution of disapproval even regarding these innocent measures with which he should have no difference of opinion. Of course, he has got a good opportunity, in the absence of other Members of the opposition, to move resolutions disapproving of every thing which the Government does, that is, opposition for the sake of opposition, or for drawing the attention of the Government to certain aspects. With these words, I extend my full support to the provisions of this Bill which are very necessary and essential for the time being.

SHRI C. K. CHANDRAPPA (Tellicherry): These amendments are sought for 50 smugglers who are in custody for one year or so or until the emergency is over, whichever is later. It has been made very clear that we are fully in support of all the actions that the Government will take against the smugglers. In that context, we are happy that the Government is amending this Bill and trying to take stringent action against the smugglers. In this context, I would like to draw the attention of the Government to some of the problems

relating to smuggling, after so many measures had been taken by the Government. Now smuggling in this country is assuming new proportions by taking new steps. The smugglers are devising new methods for smuggling purposes. Recently, some alarming reports have appeared in the Press in this connection. Kindly see "Blitz" dated December 6. The heading is "High Priest of Smuggling." The Chief of the Bohra Community indulging in smuggling on a large scale has been arrested in Colombo and fined. His followers have been denied visa. This gentleman has been moving in this country without fear. Some instances of his involvement in cases in Tanzania, Iraq and several other countries in the past have been cited in this report. I would like to know whether the Government has taken any steps about this gentleman who has been alleged to have been indulging in smuggling.

As far as smuggling in Bombay is concerned, after the smugglers had been arrested, now new areas have been found by the smugglers to land their goods. According to "The Economic Times" they have found out a place in Goa, Daman and Diu. Instead of gold they bring more textile and other non-perishable goods by which they can do smuggling on a large scale. They involve children as carriers and use them to take goods from one place to another. These are the things which are going on even today. Recently, I had the opportunity to go to Manipur and Imphal, a place which is very near to your place.

MR DEPUTY-SPEAKER Far away

SHRI C K CHANDRAPPA Compared to my place, it is nearer. In Imphal, I saw a strange spectacle. Most of them—there may be some exceptions—smuggled textile goods. There are some hotels. The people

say that these are dens of smuggling. They are doing it openly. I do not know whether the Government has looked into these things. These are some of the things to which the Government should pay its attention.

Now, when we speak of these people who are in jail, we support that the Government is going to keep them for a longer period under detention. What about those people who are absconding? Till today, according to the press report, the Minister may correct me if I am wrong—more than 250 persons are still at large. I want to know in how many cases the Government has confiscated their property. If they have not confiscated the property of these people, I want to know what prevented them after the promulgation of the Ordinance to take action against them. These are some of the questions which the Minister has to reply.

Then there is another case which I would like the Minister to clarify. It is not a new one but an old case. The United Commercial Bank which was owned by Birlas before nationalisation had indulged in a big foreign exchange racketeering just a few weeks before the devaluation was announced by the Government. It was admitted by the Government also that the Bank had purchased with the permission of the Reserve Bank—I do not know whether the Reserve Bank told them that devaluation was coming and that that was the time to purchase it—a huge amount of foreign exchange mainly dollars. There was a case pending against the then management of the Bank, owned by Birlas. I want to know, when the Government is tightening up its measures, what happened to that case.

Lastly, I am very much alarmed and I think all patriotic people will be

[Shri C. K. Chandrappan]

alarmed, when the news came that the CIA is now financing the heads of religion and priests through various channels. The Minister might say that this is not something connected with foreign exchange racketeering. But this is happening. I have the experience how it has come to Kerala. It comes always in the form of foreign money. I want to know whether the Government is keeping a watch on all these things.

These are some of the things that I would like the Minister to answer when he replies to the debate. I share the apprehension of Comrade Halder about over-invoicing and under-invoicing which is still going on without any check. The Minister will say that some check is there. I think, that is just nothing. Will he be able to take some bold action against the big monopolies who are indulging in this kind of activities? I want an answer from the Minister to that.

श्री मूलचन्द डाया (पाली)

उपाध्यक्ष महोदय, श्री सेक्रेटरी ने जो प्रश्न उठाया है, उसके बारे में मैं यह कहना चाहता हूँ कि हिन्दुस्तान में एक बहुत बड़ी समस्या यह है कि बहुत से लोग मकदमों में गवाही देने नहीं आते हैं। एविडेंस एक्ट के अन्तर्गत एविडेंस को कलकट करना और अदालतों में पेश करना बहुत मुश्किल है। तस्करों के विरुद्ध चलाये गये मकदमों में यह कठिनाई विशेष रूप से मज्जम की जाती है। सरकारी अधिकारी भी उन के प्रभाव में आ जाते हैं और गवाही नहीं देने हैं। इस बारे में कोई प्रेन्सीपल बनाया चाहिए, जिस से ऐसे मामलों में एविडेंस को प्राप्त किया जा सके।

मैं फिनाम मिनिस्टर साहब से यह पछता चाहता हूँ कि क्या उन्होंने ऐसी कोई मशीनरी बनाई है जो उन तस्करों से इन्वेस्टिगेशन करे, जिन को दोतीन साल से जेल में रखा गया है। क्या सरकार को यह मालूम हो सका है कि उन लोगों का कितना रुपया विदेशों में है। ऐसा मालूम होता है कि उन लोगों को दसने साल तक जेल में रखने के बाद भी उन में इन्वेस्टिगेशन नहीं किया जाता है और कोई नई बात प्रकाश में नहीं आती है।

बहुत से तस्कर हिन्दुस्तान से बाहर दूबई आदि देशों में रहते हैं। मैं जानना चाहता हूँ कि क्या उन देशों की सरकारें उन तस्करों को पकड़ने में भारत सरकार से सहयोग करती है या नहीं। इस संबंध में एक्सटर्नल एफेयर्स मिनिस्ट्री की भूमिका क्या है? यह तो बहुत अच्छी बात है कि सरकार ने बहूत हिम्मत के साथ तस्करों के विरुद्ध कदम उठाया है, लेकिन सरकार को यह भी बताना चाहिए कि कितने तस्करों को विदेशों से पकड़ कर यहां लाया गया है और कितनी अधिक पूंजी का उस को पता लगा है।

जिन लोगों को तस्करों के आरोप में पकड़ा गया है, उन के सम्बन्ध में मैं यह जानना चाहता हूँ कि क्या इस बात की कोई एनक्वायरी की गई है कि जो लोग पकड़े गये हैं, वे दारतव में समझलर है या उनके बदले में कोई साधारण लोग पकड़ लिये गये हैं।

THE MINISTER OF STATE IN-  
 CHARGE OF THE DEPARTMENT OF  
 REVENUE AND BANKING (SHRI  
 PRANAB KUMAR MUKHERJEE): I  
 am grateful to the Hon. Members for  
 making their observations.

The Hon Member, while moving his motion for disapproval, raised the question as to what was the urgency for bringing forward the Ordinance and what steps we have taken after the Ordinance was promulgated by the President. The reason is very simple. Quite a large number of detenus say 300 were to be released by 31st December 1975. Had this Ordinance not been there and we found that if most of these detenus were released just at the stroke of the midnight hour on 18th December, it would have adverse effects on anti-smuggling operations which were continuing for quite some time. As I had indicated in my introductory remarks, this had some salutary effect on our economy as well as on the remittances from abroad through legal channels.

Secondly, he has raised the question as to why we are extending the provisions of Section 9 against those persons who had been arrested after 31st December 1975. It is because of the very obvious reason that for the vulnerable areas which have been indicated and detenus from those areas who are operators therein, against whom we had taken deterrent measures, we are to continue those stringent measures for some time more. As, on an earlier occasion, while replying to a question in the other House I had indicated in some of those areas renewed activities in smuggling have started and we have drawn the attention particularly of the Gujarat State Government to that point because seizures from the Gujarat coast indicated that, of late, even compared to the figures of seizures in the month of October, there have been more seizures in the month of November and although December's figure is not with me, the figures I got till the 12th of December indica-

ted that smuggling activities had intensified to some extent in the coast. Therefore, there is need for this provision to put the kingpins behind bar and to keep them in detention for a longer period of time.

Hon Members raised a very basic question—which I had answered on an earlier occasion also when we were asked why we were resorting to preventive detention measures and why we are not bringing these people under the normal laws of the land. I had replied to this earlier, and I would like to repeat it, that it is not possible to bring these kingpins to task under the normal laws of the country, because of the very reason that they are behind this crime and they manage the whole affairs through their paid agents. Therefore if we want to strike at the real point, if we want to take the kingpins to task, it is necessary to bring them to book by resorting to preventive detention measures.

While making their observations, hon Members raised the question as to how many persons have been arrested by us and what steps have been taken by us against the absconders. I would like to give some figures for the information of the hon Members. Up to 24th January, 1976, the total number of detention orders issued is, 2,049 and out of these 294 persons were absconding. We took some measures under the provision of section 7 of the Act. Measures were taken to attach their properties, and as soon as actions were taken, nearly 99 persons who were absconding, surrendered to the police. Therefore, the actual number of absconders which Mr Chandrappan has put in the order of 300 has been reduced by 100. It was of the order of 300 but when we resorted to these measures, they started surrendering to the police. Till today



[Shri Pranab Kumar Mukherjee]

the number of persons who have not been actually detained would be of the order of 195. These include certain persons against whom detention orders have been issued in the last four weeks. For example during the last four weeks we have issued detention orders against 71 persons, but 33 have actually been detained. It takes some time, after issuing the detention order to get the man and put him behind the bars. That time gap is there. Therefore, the hon Members need not be worried about the large number of absconders.

Regarding confiscation of properties, perhaps the hon Member has misunderstood the provision of the Bill. It is not confiscation of the properties, it is attachment of the properties. However for this confiscation of the properties of the smugglers and foreign exchange manipulators, measures have already been taken. That bill was passed by this House. It has been passed by the other House also, and that law will come into force.

Mr Daga wanted to know what steps we were going to take to identify the properties of the smugglers and foreign exchange manipulators. We have indicated this when that Bill was passed. Their properties are being identified, those are being located, and the competent authorities which have been set up under the provisions of the Smugglers and Foreign Exchange Manipulators (Forfeiture of property) Act will take care of them. It is true, we have collected certain information from these people.

While making his observations, hon Member, Mr Halder, wanted to point out that, perhaps, the provisions which we are resorting to in this piece of legislation were to have some arrangements with the smugglers and foreign exchange racketeers. That is his own

conclusion. That will not be a permanent thing, that is temporary release on the ground of health and on the ground of certain other social reasons. We have released certain smugglers and foreign exchange racketeers who were detained under the provisions of COFEPOSA when there was a marriage ceremony and some such ceremonies. That benefit has been extended to the political persons also to the hon Member's party colleague also. There is nothing new in this. In every detention Act, there is a provision for temporary release which is known as parole. The amendment that we are trying to have in this piece of legislation is that, for temporary release in respect of State detenus, the Government of India will have the power. Basically, COFEPOSA is a Central Act, it is the responsibility of the Government of India. Therefore, we should be in a position to know whether there is any need for any temporary release in respect of State detenus also. That is the only extent of the amendment which we wanted to bring. There is no question of having any arrangement with the smugglers and foreign exchange racketeers. The hon House and the Members are well aware that we have extended the provisions of the Act to all sorts of people irrespective of their social and economic standing, I would not like to repeal it. It is known to the hon House. Wherever we have got evidence against those persons who are indulging in this type of activities, we have taken strong measures against them; we have put them behind the bars. Regarding cases of normal prosecution many a time I have said, in answer to the questions of hon Members, in how many cases of normal adjudication, in how many cases under the normal Customs Act and Gold Control Act, we have penalised the offenders.

Here I would like to indicate only one important feature which the hon. Members would, perhaps, like to know. As a result of these measures, remittances from abroad through legal channels have increased considerably; these moneys were previously utilised as a source of finance for bringing things from outside. Remittances through legal channels have increased considerably. I would like to give some figures. During January to October 1974 the total amount of remittances was Rs. 413 crores, while during the same period in 1975, it has increased to 730 crores. The remittances of foreign exchange from abroad through legal channels have increased 75 per cent. It is a clear indication that a substantial part of it was utilised by the foreign exchange racketeers and smugglers to import goods from those countries. It indicates that the anti-smuggling operations have had a salutary effect. Many a time, I have replied in this House quoting figures that while the number of raids, searches and seizures has increased the quantum of goods seized has decreased. This is a clear indication that the anti-smuggling operations which this House approved are paying good dividends.

One hon. Member mentioned about the smuggling activities at the Indo-Nepal border. I do not rule out the possibility that at the Indo-Nepal border, some smuggling activities are still going on and to take care of that, we have created a special cell and a Collector of Customs (Preventive) has been entrusted with the job to look into the anti-smuggling operations in that particular area. We will have to keep in view the long borders, very difficult terrain and our trade relations with Nepal. We are trying to sort out the problems, but still loopholes are there. I personally took a meeting with those persons, who are incharge of anti-smuggling

operations. We have streamlined the administrative machinery there. On certain points we wanted to have co-operation from his Majesty's Government of Nepal and they have readily extended their cooperation. With these measures, it would be possible to reduce the smuggling activities in those areas also.

श्री विजय मिश्र (मोतीहारी) : पहले से बहुत कम हो गया है ।

SHRI PRANAB KUMAR MUKHERJEE: I hope, it will be reduced more and more. I hope, all the points which the hon. Members have mentioned, or most of them, have been replied to.

There is one more point which Shri Chandrapan wanted to bring to our notice and that is the use of large scale foreign garments by the people of Manipur. I would like to draw the attention of the hon. members that sometimes this may be misleading in the sense that we sell the confiscated goods through cooperative societies and cooperative organisations. Therefore, whenever somebody wears something imported, we should not come to the conclusion that it is smuggled, it may be legally purchased through cooperative stores, but I do not rule out the possibility of smuggling, as it is on the border of Burma; there may be some smuggling. I would look into that.

We have taken all measures to prevent smuggling. This is a continuous effort; this is not a one-time exercise. I have told many times on the floor of the House that anti-smuggling measures against economic offenders is not an operation which can be finished with one stroke. It is a continuous operation and that operation is going on and would go on relentlessly. I hope, the hon. Members agree with me and this Bill will be passed.

**SHRI C. K. CHANDRAPPA** (Tellicherry): What about the UCO case; it is a very serious matter?

**SHRI PRANAB KUMAR MUKHERJEE**: I will have to look into it.

**SHRI ERASMO de SEQUEIRA**: Sir while moving my resolution for disapproval of this ordinance, I had asked, what were the reasons, why the ordinance had been brought forward. The hon. Minister, in his reply, said that one of the reasons was that these detentions were running out on the 31st December, and if this ordinance had not been brought forward, all would have been released on that day. I would like to draw his attention to the original Section 9, which quite clearly specified that for any order of detention made before the 31st December, 1975, there is a period of one year that would apply to their detention. I would like to ask him, what stopped them making a new order before that date, carrying on the detention for one year more and then coming forward to this House with a bill, instead of resorting to an ordinance. Therefore, I come to the unfortunate conclusion that the question of issuing ordinances, is becoming rather a matter of habit, a habit which, I think, should be very much discouraged, and I feel and continue to feel that this ordinance should be disapproved and the Government made to rule by law, and not by edict.

The hon. Minister said that the measures thus far taken had disrupted the organization of smuggling. I agree with him. They have. But, as he says, the vulnerable areas continue to be vulnerable, and this is really my complaint, that while the Government says that it has put the king-pins under preventive detention because it cannot catch them in the prosecution about so-called paid agents that they can catch, they are doing nothing. I

have not heard of a single major prosecution for smuggling in the last six months, and this is something which the Government should really look at, because if they are serious about stopping smuggling, it is no good just to resort to preventive detention. There should also be a regular build up of cases, and it will take a considerable effort, and these people must be brought before the court, and got convicted.

From the allegations that are being made against the Gujarat Government, almost every day these days, it is my duty to say that it looks to us, that the only reason why the Gujarat Government is being singled out, is because it happens to be a government of the Opposition. Because, if smuggling and seizures have increased in the Gujarat coast, it is the duty of the Customs which is a central government organization, to bring it to the attention of the central government, which is supposed to have all the information and you have set up an Intelligence Cell and there is nothing to stop you from ordering further detention under the powers of the Central Act. But please stop blaming the Gujarat Government. If you want more detentions in Gujarat, go ahead and detain.

I am one with you when you seek the power to have parole granted for these detainees. My only request is that we should have an assurance in this House that in no condition will this parole be used to override the State Government. This will be very bad if it happens.

What I would really like to see in this Bill is that the detentions should be co-termknous, not with the Emergency, but with the elected term of this government, which runs out on the 18th of March, 1976, because on that day, they should seek a fresh mandate.

MR DEPUTY-SPEAKER I will now put the resolution of Shri Erasmo De Sequeira to vote

The question is

"This House disapproves of the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Second Amendment) Ordinance, (1975) Ordinance No 29 of 1975) promulgated by the President on the 12th December, 1975"

The motion was negatived

MR DEPUTY-SPEAKER Now, the question is

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

The motion was adopted

MR DEPUTY-SPEAKER We shall now take up the clauses

Now, the question is

"That clauses 2 to 5 and 1 stand part of the Bill"

The motion was adopted

Clauses 2 to 5 and 1 were added to the Bill

Enacting Formula

SHRI PRANAB KUMAR MUKHERJEE I beg to move

Page 1, line 1,—

for "Twenty-sixth" substitute  
 'Twenty-seventh' (1)

MR DEPUTY-SPEAKER The question is

Page 1, line 1,—

for 'Twenty-sixth' substitute  
 'Twenty-seventh' (1)

The motion was adopted

MR DEPUTY-SPEAKER The question is

"That the Enacting Formula, as amended stand part of the Bill"

The motion was adopted

The Enacting Formula, as amended, was added to the Bill The Title was added to the Bill

SHRI PRANAB KUMAR MUKHERJEE I beg to move

That the Bill as amended, be passed "

MR DEPUTY-SPEAKER The question is

"That the Bill as amended, be passed "

The motion was adopted

14.37 hrs

SUPPLEMENTARY DEMANDS\* FOR GRANTS (NAGALAND), 1975-76

MR DEPUTY-SPEAKER The House now will take up discussion and voting on the Supplementary Demands for Grants in respect of the Budget for the State of Nagaland for the year 1975-76

DEMAND No 6—LAND REVENUE  
 STAMPS AND REGISTRATION

MR DEPUTY-SPEAKER Motion moved

"That a Supplementary sum not exceeding Rs 25,000 on Revenue Account be granted to the President out of the Consolidated Fund of the State of Nagaland to defray the charges which will come in course of payment during the year ending the 31st day of March, 1976 in respect of 'Land Revenue, Stamps and Registration'"

DEMAND No. 9—TAXES ON VEHICLES

MR DEPUTY-SPEAKER Motion moved

"That a Supplementary sum not exceeding Rs 51,000 on Revenue Account be granted to the President out of the Consolidated Fund

\*Moved with the recommendation of the President