

are certain allegations which are being investigated by the Central Bureau of Investigation that the oil was purchased outside and it was sold outside because the prices had gone up in the international market. When it was all done there were scarcity conditions in the country and they did great harm and damage to the country.

#### Steps to curb Smuggling in collaboration with Neighbouring Countries

\*292, SHRI NIHAR LASKAR: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether India is approaching neighbouring countries for taking measures to curb smuggling; and

(b) if so, the salient features thereof?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Yes, Sir. There has always been mutual cooperation between India and its neighbouring countries with regard to measures taken to curb smuggling.

(b) These measures are taken under the provisions of bilateral treaty or by periodical meetings between the officers of the Customs and Police Departments with their counterparts in these countries.

SHRI NIHAR LASKAR: From such a plain answer we cannot make out anything. Our main problem is how to check smuggling and that can be done with the help of our neighbouring countries. I want to know specifically what is the nature of talks with the neighbouring countries, whether the Government has benefited by these talks and whether smuggling is being curbed as a result of these talks or not. On the one hand, you say that you are going to check smuggling and you are holding talks with neighbouring countries and, on the other hand,

you are releasing your own smugglers in your own country. Recently, it has come in bold letters in the press that smuggling has been rampant after the release of smugglers in the country and that smuggling has been increasing like anything. On the one hand, you want to check smuggling and, on the other hand, you are releasing smugglers in your own country. What is your policy in this regard?

SHRI H. M. PATEL: First of all, the hon. Member asked, "On the one hand, you are releasing smugglers and, on the other hand, you are talking about curbing smuggling." The smugglers were released before this Government came in power.

Without taking any precaution whatsoever as to what activities they would indulge in thereafter, they have done it. But that is not particularly relevant. The hon. Member has said that I have not given a clear reply. Your question was whether India is approaching neighbouring countries for taking measures to curb smuggling. I said, 'yes.' There has always been mutual co-operation between India and its neighbouring countries. Now you would like to know what was the nature of discussion that took place. This is a very strange question, but I would still tell him about it. Recently, for instance, we had a discussion with Sri Lanka. Recently, our officers had a meeting with their officers in Ceylon, in Colombo and there the points that they discussed were: review of the progress on the decisions taken at the last conference held in Madras in 1973, the present trend in smuggling between India and Sri Lanka, discussion and exchange of views pertaining to smuggling goods between the two countries and discussion on further areas of co-operation for prevention of smuggling between the two countries. So, this is the kind of discussion that took place. When we had conferences with our neighbours. Now, for instance, between India and Nepal, there are treaties. Between India and Nepal, according to one of the provisions,

certain arrangement exists and in addition to that, there are also discussions. Besides all this, if there is any other suggestion which the hon. Member has to make, I shall certainly consider it.

**SHRI NIHAR LASKAR:** I would like to know whether the Government is aware of the smuggling that is taking place on the western and the eastern sectors on land routes? Then there are reports, that smuggling is going on the border areas between India and Bangladesh.

**SHRI H. M. PATEL:** I have not understood your question. Well, our neighbouring countries are: Pakistan, Nepal, Bangladesh and Burma also. So far as Burma is concerned, there is very little trade between India and Burma and therefore not much of smuggling takes place. Similarly, in the case of Bangladesh, there is very close understanding as to what steps should be taken to prevent smuggling and relatively little seems to take place. So far as India and Pakistan are concerned in fact, not much of smuggling takes place at all. The very little smuggling that takes place is along the west coast and by sea. This is the area where the smuggling takes place. So far as even Sri Lanka is concerned, between Sri Lanka and Tamil Nadu coast very little smuggling takes place. But as I had said just now, very very stringent measures are taken and we are aware and are trying to see that this smuggling is kept under check, very little smuggling, comparatively speaking, takes place by land route. The bulk of it takes place by sea.

**श्री कूल चंद वर्मा:** मैं मंत्री महोदय से जानना चाहूँगा कि क्या उन्हें इस बात की जानकारी है कि कुछ दिनों पहले बम्बई के बन्दर श्री जय प्रकाश नारायण के समझ सम्बन्ध 150 तस्करोँ ने भारत-समर्पण किया था ? मैं यह भी जानना चाहूँगा कि क्या इन 150 तस्करोँ के भारत-समर्पण के बाव भी बहुत बड़ी तादाद में तस्कर हैं श्री

भारत-समर्पण करना चाहते हैं, क्या सरकार के पास ऐसी सूचना है, यदि ऐसी सूचना नहीं है तो सरकार इन तस्करोँ के खिलाफ, तस्करी रोकने हेतु कौन कौन से सब कदम उठाने जा रही हैं जिस से देश के बन्दर तस्करी रक सके और तस्कर यापार के द्वारा जो विदेश का माल आता है और हमारे यहां से बाहर जाता है इस पर रोक लगाई जा सके ?

**SHRI H. M. PATEL:** The hundred or so smugglers were supposed to have taken a pledge before Shri Jayaprakash Narayan. There is nothing that I can add to the matter. As regards the question as to what steps we are taking to persuade others similarly to take pledges, I can only say that we are taking no steps because this is something that is done voluntarily; those who went before Shri Jayaprakash Narayan did so on their own; they were not persuaded by anybody.

As regards the question as to what steps we are taking to see that these smugglers do not resume their activities, there is nothing that we can do except to keep a watch on such of them as appear to be active in this business, and for the rest, prevention of smuggling is done by keeping a watch, as I said since it is mainly by sea, by certain preventive measures which we take in respect of coastal vessels—through intelligence about the countries from which these vessels are supposed to take off; in this manner we do have sufficient information and quite a considerable cargo is seized from time to time.

**SHRI N. SREEKANTAN NAIR:** When there are acute shortages in certain countries and surpluses in the neighbouring countries, is it not quite natural for the country experiencing shortages to wink their eyes to smuggling in of the much-needed goods? So, instead of cooperation, it is really non-cooperation that you get.

**SHRI H. M. PATEL:** Does the hon. Member want me to give a reply to that?

**SHRI SHYAMNANDAN MISHRA:** I would like to know whether there is any particular difficulty in forming a joint machinery for cooperation in this matter with the neighbouring countries; such machinery could meet at regular intervals.

Secondly, I would like to know whether the hon. Minister has any information that the persons released by the previous Government have fled to the neighbouring countries and they are openly carrying on their nefarious activities from there.

**SHRI H. M. PATEL:** So far as the first part of the hon. Member's question is concerned, I have said a little while ago that we have close co-operation with our neighbouring countries....

**SHRI SHYAMNANDAN MISHRA:** I am asking for a joint body.

**SHRI H. M. PATEL:** That depends on the desire of the other countries. It is, in effect, a joint body in as much as regularly our officers meet there and decide upon the steps to be taken to prevent smuggling as between these countries. Such machinery does exist as between the land-frontier countries, that is to say, with Nepal, Bangladesh and Sri Lanka; and even with Pakistan there have been talks, but there is not that close cooperation; with Burma there is so little trade that it has not been found necessary to have any machinery.

So far as the second part of the question is concerned, it is true that some may have fled to other countries, but, as I said, we keep track of them through our intelligence and the preventive machinery which we have, so that we do know about some of them who have gone into certain other countries like the Middle East Sheikdoms and so on and we have

some information as to what they are doing. There is nothing more that we can do on this.

**SHRI SHYAMNANDAN MISHRA:** If they are openly carrying out their activities from the neighbouring countries, could not some effective measures be taken?

**MR. SPEAKER:** Dr. Subramaniam Swamy.

**DR. SUBRAMANIAM SWAMY:** Sir, I would like you to take a slightly liberal view of my question, but it has relevance to this. I would like to point out to the Minister that he has missed out one country when he mentioned the names, namely, Maldives. I would like to say that the Minister must have, no doubt, seen reports in the press and certain important magazines about currency smuggling alleged to have been done by a Congress Member of Parliament, Shri Yashpal Kapoor, who is supposed to have taken large amounts of Indian currency to Maldives and Sri Lanka. Is the Finance Ministry investigating this report with a view to taking steps to see that this kind of currency smuggling is not indulged in in future and also to verify the veracity of the report?

**SHRI H. M. PATEL:** I must thank the hon. Member for pointing out that I have missed one country, the neighbouring Maldives.

So far as the second question is concerned, I will certainly take steps to see that currency smuggling is prevented as far as possible. The measures remain the same, whether it is a commodity or currency.

**DR. SUBRAMANIAM SWAMY:** I had asked if you have seen the report.

**SHRI H. M. PATEL:** I must say that I myself have not seen this particular report, but now that the hon. Member has drawn my attention to it, I shall have a check and pursue the matter further.

**SHRI SAUGATA ROY:** I am surprised that the hon. Minister is so blissfully unaware and ignorant of the extent of smuggling that takes place along the land routes. For his information I may mention that every year, during the jute season, thousands of bales of jute are smuggled into West Bengal through the Bangladesh border, thus depressing the jute prices. This year there is a possibility, in view of the jute shortage occurring in our country, of such jute smuggling taking place again.

Secondly, through our border with Nepal which has a direct connection with China, consumer durables from China and also Red Books of Mao are smuggled in large numbers. May I know what steps the hon. Minister is taking in order to prevent jute smuggling from Bangladesh in the coming months and also to prevent the smuggling of Red Books through Nepal?

**SHRI H. M. PATEL:** I am glad the Hon. Member thinks that he has much more knowledge about smuggling and whatever takes place than I have, and I congratulate him on it. But I would also like to tell him that we have figures, for instance, of seizures that take place along these borders. What I had told him was that, relatively speaking, far more smuggling takes place by sea so far as smuggling operations in this country are concerned and, along the land frontiers, it is less. For instance, up to April 1977, something like Rs. 12 lakhs worth of goods from Bangladesh had been seized. We go on the basis that we do manage to seize a certain proportion of whatever is attempted to be smuggled in, and that gives one an idea. So, land smuggling is certainly there but it is still of a relatively small proportion.

**SHRI VINODBHAI B. SHETH:** I come from a town which is a paradise for smuggling, namely Jamnagar district for smuggling, namely Jamnagar ...

**MR. SPEAKER:** That is why I called you!

**SHRI VINODBHAI B. SHETH:** Is the Government aware that there is collusion in regard to smuggling operations with Government officials, particularly of Customs, Excise and other such departments? (Interruption). There are some particular pockets along the coast where one has to pay a 'pagdi' to high officials. Will the Government look into this matter?

**SHRI H. M. PATEL:** I am grateful to the hon. Member for the information that he has given. We are aware that smuggling takes place along that coast.

As regards the other activities like connivance, collusion etc., I will certainly go into it.

#### Impact of Freezing of Prices on Price Index

\*293. **SHRIMATI PARVATHI KRISHNAN:** Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether some of the major Industrial Houses have decided to freeze the prices of their manufactured goods voluntarily; and

(b) if so, what impact has it made on the general price level?

**THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA):** (a) The decision on price freeze by some leading industrialists in Bombay was announced on 31 May, 1977. A similar announcement by industrialists in Calcutta was made on 3 June, 1977.

(b) While the wholesale price index for manufactured products (1970-71=100) remained more or less steady during the week ending 28 May, 1977 and week ending 11 June, 1977, the index rose by 0.4 per cent during the week ending 18 June, 1977 as compared with the index for the preceding week.