

[श्र. राजनाथय्य]

श्री के० रघुरैया का इस्तीफा हो गया है तो फिर उनके बिहाफ पर क्या स्टेट मिनिस्टर या डिप्टी मिनिस्टर कोई कागज यहां रख सकने हैं।

THE DEPUTY CHAIRMAN: It is all in order. He has resigned but we do not know whether his resignation has been accepted or not. In any case his Deputy is there. There is no point of order.

The House stands adjourned till 2 P.M.

The House then adjourned for lunch at two minutes past one of the clock.

The House reassembled after lunch at two of the clock, the DEPUTY CHAIRMAN in the Chair.

#### THE CUSTOMS (AMENDMENT) BILL, 1969

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI): Madam, I beg to move:

"That the Bill further to amend the Customs Act, 1962, as passed by the Lok Sabha, be taken into consideration."

Madam, while moving this Customs Amendment Bill, 1969, I would like to explain some of the important provisions of this Bill. Hon. Members of this House and the other House were very much concerned about smuggling of goods into and out of the country and although we had the Customs Act and the necessary provisions there, sometimes difficulties were encountered in the department to establish that at the point of seizure unauthorised export was intended. Therefore, keeping these difficulties in view, we came forward with this Customs Amendment Bill in the last session of the Lok Sabha and the Bill was introduced there. But on account of the heavy legislative programme there, it could not be passed, with the result that Government

ultimately had to come forward with a Customs (Amendment) Ordinance, and in view of that, as the new session has started, we again come forward with this Bill.

Now, as far as the Customs (Amendment) Bill is concerned, it has got broadly two categories to deal with: one is with regard to the imported goods and the other relates to goods for export. In the case of imported goods, there is a provision that whatever goods are notified will come under the purview of this Act. Similarly, whatever goods are specified as far as export is concerned will also come under the purview of this Act. Now, it was a well known fact and it is also well known even now that as far as silver is concerned, it was being smuggled from the western coast and certain parts of Tamil Nadu and Pondicherry. Therefore, as far as export of goods is concerned, we specified silver bullion and silver coins under the purview of this Act. As far as imported articles are concerned, the goods notified are: watches; synthetic yarn and metallised yarn; fabrics, sarees and knitted wear; alcoholic liquors; cigarettes, cigars, manufactured tobacco, cigarette lighters and flints; fountain pens, ball-point pens, and propelling pencils; perfumes, cosmetics, adjustable safety razors and blades; playing cards, battery-operated toys; transistor radios; electric appliances, namely, shavers, hair-dryers; photographic cameras, flash-guns and colour films therefor.

So these are the notified goods and with regard to these notified and specified goods, this Act is to operate. Now, as far as these notified goods are concerned, it was common knowledge that previously these imported articles were being sold on pavements and by many petty shopkeepers although it was provided that sale of these imported articles was prohibited. And even when they were seized it was difficult to prove in certain cases. Therefore, now as far as these imported goods are concerned, nobody is allowed to sell them and wherever

they are to be kept, they have to give a declaration to the Government, and it is only for personal use or for matters of gift in somebody's personal custody that they are allowed free. Otherwise, the sale of these imported goods is prohibited and we can seize the goods, impose penalties and according to the Customs Act, also prosecute the persons concerned

Now, as far as silver is concerned, the area has been notified, and that is about 50 kilometres on the western coast and Pondicherry and Tamil Nadu wherefrom silver was being smuggled out. Now, of course, in the amended form we have taken power to extend this area to 100 kilometres. But as far as the present notification according to the Ordinances is concerned, it is 50 kilometres. In this limit, anybody, who has got possession of more than rupees 15,000 worth of silver has to declare it and has to show the place of storage. As far as movement of this silver is concerned, silver worth about Rs 1000 can move from one place to another place in the town, but if anything over and above this moves, it has to move along with a transport voucher. Silver worth more than Rs 15,000 has got to be declared, the place of storage and everything. Therefore, this is in order to tighten up the measures against the smuggling of silver. It is gratifying to note that after the promulgation of this Ordinance, seizures on this account went up and the situation is improving. I would not go to the extent of claiming that we have been able to stop this smuggling of silver completely. But certainly so far as this Ordinance goes, it has certainly improved the situation and it has tightened our anti-smuggling measures.

As far as the provisions of this Act are concerned, we have given facilities to the private users for their personal use of certain imported articles and certain gifts. But so far as the sale of these particular items is concerned they come under the purview of this Act. Therefore, this is an anti-smuggling measure and I am sure it would receive the wholehearted sup-

port of every section of this House.

Madam, I have nothing more to add at this juncture. It is only after I have some comments from Members and if there is any point which requires elucidation or clarification that I would again speak.

*The question was proposed.*

THE DEPUTY CHAIRMAN. The time allotted is 2½ hours. I think each Member should confine himself within 10 to 15 minutes. Mr. Misra.

SHRI S. S. MARISWAMY (Tamil Nadu). Madam, we have got two speakers here.

THE DEPUTY CHAIRMAN. I have got only one name.

SHRI S. S. MARISWAMY. Please include my name also.

SHRI LOKANATH MISRA (Orissa): Madam, I am amazed at the thickness of the skin of the Government so far as comments from the Opposition are concerned regarding the repeated Ordinances issued by them from time to time.

SHRI PITAMBER DAS (Uttar Pradesh). Call it hide, not skin.

SHRI LOKANATH MISRA. Madam, he wants me to call it "hide" instead of "skin", but I know they are still human beings. They have not yet gone down to the sub-human standard (*Interruption*). Therefore, Madam, I would begin with my comments on this repeated promulgation of Ordinances in spite of the warning given by the Opposition. The Minister while piloting this Bill in his opening remarks himself stated that the Bill was introduced on a certain date in the Lok Sabha and for want of time—the Lok Sabha had plenty of business—they did not take it up and they had ultimately to resort to the promulgation of the Ordinance. I would like you, Madam, kindly to look at the proceedings of the Lok Sabha where the former Speaker, Shri Mavlankar, gave a clear ruling that for want of time if a Bill could not be passed by any of the Houses of Parliament, never should an Ordinance be issued. That is supposed to be an

[Shri Lokanath Misra]

enroachment on the legislature if the executive does it. In spite of such a clear ruling of an outstanding Speaker like Shri Mavlankar—I am very sorry Shri Mavlankar's representative is not here in the House today to endorse whatever I say, but all the same I feel extremely unhappy about it—the Government is repeatedly resorting to the same sort of promulgation of Ordinances. If the House was not in session during the time they wanted to promulgate the Ordinance, they could have easily waited for the Budget Session when both the Houses would meet. What was the special hurry about it that they should have issued the Ordinance only seven days after the Houses adjourned and when they knew that summons had already been issued for the Budget Session of both the Houses? In this connection, Madam, I would like to ask: When was the necessity of this particular provision felt? The general *modus operandi* in the Ministry is that whenever they want to pass a Bill, it is sponsored by their department; then it is sent to the Law Ministry and once it is okayed by the Law Ministry, then it is brought forward to this House for being passed. At this stage I would like to know: Who were the officers that dealt with this particular Bill? How is it that they did not know at the time of drafting this Bill that there was a loophole which must be plugged? If they did not know it, how did the honourable Minister, Mr. Sethi, give them the responsibility of looking after the customs affairs? All the time they did not know there was a particular loophole in this Bill. They find it only when the Bill comes into operation. Can you depend upon people who have such rigid, narrow, outlook about things? Can you depend upon people who do not have a good perspective about the affairs of their own Ministry? With men of such limited outlook how can you expect that even after passing this Bill you can enforce it properly? Therefore, it is time that Mr. Sethi thought of a change in his Ministry,

wherever the loophole may be. It may be in the Secretariat itself, it may be in the Customs Department. I do not want to accuse any particular person. But can you depend upon people who cannot visualise, who do not have the foresight . . .

SHRI P. C. SETHI: I have recently changed myself.

SHRI LOKANATH MISRA: You have changed yourself. But it is time for you to find out who are the persons responsible for this oversight. If they can afford to have such an oversight when a Bill is being given to the Parliament for being passed, then, how bigger the oversights would be in the course of implementation in his Ministry? Who is responsible for this? Madam, I ask this because they ignore these things. They do not go into these things. They do not have the time to go into these things because they have so many things now developing in their party with which they are more obsessed. If you want to remain in the administration, then do it sincerely, honestly and truthfully. Therefore, this responsibility is on you now to find out who was responsible for this oversight and you must sack him, you must take him to task . . .

SHRI MULKA GOVINDA REDDY (Mysore): First you must sack the Minister.

SHRI LOKANATH MISRA: He has come newly. He was not there . . .

SHRI MULKA GOVINDA REDDY: This was sponsored by the Finance Minister who is still there as Finance Minister.

SHRI LOKANATH MISRA: So far as Mr. Sethi is concerned, he is a newcomer. He must be excused because he was not responsible for the promulgation of the Ordinance. Now, Madam, I take it for granted that Mr. Sethi gives us an assurance that he would look into it and that he would at least tell us who was responsible and what action has been taken against that particular person.

Then. Madam, I will come to the second point which Mr. Sethi said that there was smuggling so far as export is concerned.

SARDAR RAGHBIR SINGH PANJHAZARI (Punjab): Are you speaking on smuggling?

(Interruptions)

SHRI LOKANATH MISRA: The provisions are to prevent smuggling, Mr. Panjhzari. If you read the Bill you will find it. I hope you have read the Bill.

SHRI MULKA GOVINDA REDDY: He has not read the Bill.

SHRI M. P. BHARGAVA (Uttar Pradesh): He wanted to know whether you are speaking on your favourite subject.

SHRI MULKA GOVINDA REDDY: Thank you.

SHRI LOKANATH MISRA: I do not think Mr. Panjhzari's favourite subject is smuggling. If that is so, let me also speak on it.

(Interruptions)

Madam, I want to take up the point regarding silver smuggling so far as its export is concerned. Silver smuggling is resorted to because of the large difference in its price between India and abroad. Silver costs something like 240 d. outside while it is sold at only 44 d. here.

SHRI M. P. BHARGAVA: Is there some interchanging of figures? You said 240, I am asking if there is some interchanging of figures.

SHRI LOKANATH MISRA: Four twenty goes to the opposite side.

Now, Madam, it costs 144 d. in India. The Reserve Bank is the intermediary. The Reserve Bank purchases it at 140 d. and sells it abroad at 240 d. or 244 d., whatever it is, and the entire profit that is made goes to the State sector. Now, if there is such a large difference between the price abroad and the price here, naturally there would be some encouragement for smuggling. Why

is the price kept so low in India and why is it so high abroad? Why does not the Reserve Bank of India pay a little more to the sellers of silver in India if the trend in the market should go a little up? I think that would be the best discouragement given to smuggling. I am all in favour of the prevention of smuggling if that could be done. But the experience is that in spite of all our attempts, with the officers who have large-scale oversights about things, it has not been possible during the last 20 years. If Mr. Sethi with his dynamism and efficiency could plug in all the loopholes and prevent smuggling, I will be the first person to congratulate him on this score. But, Madam, these Ministers in our Central Cabinet are primarily responsible for inducing people to resort to smuggling.

श्री शीलभद्र याजी (बिहार): यह नई बात आप कह रहे हैं। बिल्कुल गलत है।

SHRI LOKANATH MISRA: I have my views. You meet them with your arguments. What is the purpose in shouting and howling? You must put in cogent arguments to counter mine. That is the way in which the Parliament should function.

SHRI S. S. MARISWAMY: The difficulty is he cannot understand.

SHRI LOKANATH MISRA: Why do I say all this? Now, the craze for foreign things is very great in India. Why do I accuse the Ministers? It is because any time a private member or an ordinary member in the Congress Party, in the ruling party, who may not have used a car at all in his life, who may not have possessed a car in his life, the day he becomes a Minister, he writes to the Commerce Minister or whoever is dealing with the STC—I do not know whoever it is—that he needs a foreign car. He must first write to the Minister in charge of those foreign cars left by the ambassadors here that he needs a foreign car. When people see that

[Shri Lokanath Misra]

the cars manufactured in this country are not used by our Ministers, whether he is an ascetic like Mr. Morarji Desai or others—I have seen him using foreign cars, you may call it an Indian car, I cannot help it, he might be using the Indian manufactured car sometimes but I have also seen him using foreign cars and I can trust my eyes much more than I can trust Mr. Mulka Govinda Reddy's or that of Mr. Bhargava....

SHRI B. K. KAUL (Rajasthan): You must be helping him to get it.

THE DEPUTY CHAIRMAN: You must be helping him to get, he says.

SHRI LOKANATH MISRA: The ex-Finance Minister of Rajasthan says that I helped him. How can I help him? He was the Finance Minister of Rajasthan at one time. Rajasthan has also some reputation as belonging to the border of smuggling. If Mr. Kaul has helped him I cannot say. He was the Finance Minister. If he helped him to bring through the borders, I cannot say anything but as a Member of the Opposition I have nothing to do with it. I see them driving them.

SHRI B. K. KAUL: Only friends like you on the opposite help him to get such cars.

SHRI LOKANATH MISRA: That is what we are meant for. Anything going wrong anywhere in the ruling party or in the country through the administration is to be indicated. That is my job. I take credit for doing that. The better I can do it the greater is the credit in the country.

SHRI B. K. KAUL: I am glad you have admitted this on the floor of this House.

SHRI M. P. BHARGAVA: I hope in Orissa there is no imported car now.

SHRI LOKANATH MISRA: No. Our Ministers do not use it. If your representative uses it I cannot say. It is very important that the Central

Ministers must take to our indigenous cars. Then alone the people in the country would get an incentive to use the indigenous things. If our Ministers use foreign radios, foreign tape recorders, foreign watches and foreign motor cars, what is the example they set in this country? Therefore people take it that probably the foreign goods are much better in their standards than the Indian goods.

श्री शीलभद्र याजी : यह ज्ञान की बात कर रहे हैं ।

श्री लोकनाथ मिश्र : अब तो माने ।

श्री शीलभद्र याजी : बात ठीक होगी तो सब मानेंगे ।

SHRI LOKANATH MISRA: मैं इसी लिए बोल रहा था कि पहले मुन लीजिये और सुनने के बाद बात समझ में आ जायेगी ।

I am happy that for once Mr. Yajee has come to my point of view.

श्री शीलभद्र याजी : जो समझ की बात होती है वह समझ में आ जाती है ।

SHRI LOKANATH MISRA: Therefore I urge upon the Government to make it a policy. Let the Prime Minister issue a circular to all the Ministries that no Minister should set a bad example to this country by using foreign cars or anything foreign so that at least that gives a lot of discouragement for anybody to become crazy about foreign things.

The Tiwari Committee had made certain recommendations. They have been thrown in the air by the Ministry. I wish the Finance Ministry had paid greater attention to the recommendation of a Committee that they themselves appointed. If you appoint a Committee then you incur a certain amount of expenditure and the personnel of the Committee put in a lot of labour to do justice to their membership and to do something for the country but ultimately if you

w cold water on their recommendations nobody would get an initiative to do anything seriously or sincerely in the Committee. Therefore you should try to implement as far as possible the Tiwari Committee recommendations.

I would not take any more time, Madam.

SHRIMATI LALITHA (RAJAGOPALAN) (Tamil Nadu): Madam, I welcome at the outset the Customs (Amendment) Bill, 1969. In a vast country like ours whatever measures are taken by the Government to prevent smuggling in and out of the country, the result will look insignificant because of the vastness of the country but at the same time only measures will not prevent smuggling in and out of the country. It is the public conscience, public co-operation and the integrity of the officials who are concerned in the matter, unless these are there I do not think any Governmental measure can prevent this kind of smuggling. I would say that as far as smuggling is concerned, it has been rampant and only just now when we are discussing the Bill, there was a news item to-day that on 22nd March about Rs. 1.19 crores worth of gold was seized in Maharashtra and again in Patna about Rs. 4.14 lakhs worth of gold was seized by the Central Excise and Customs in 698 raids in the districts of Bihar during the months of January and February. Within two months they have raided and taken goods worth Rs. 4.14 lakhs. This itself shows that there is a big racket going on but what we find is, ample measures are being taken to see that as far as possible, the smuggling is checked, but I would like to ask for one or two clarifications in regard to this Bill. In clause 11(D) it says:

"Unless such goods are accompanied by,—

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(b) in the case of a person who has himself imported any goods,

any evidence showing clearance of such goods by the Customs Authorities;"

I want this to be taken with Clause 11(G) which says:

"in personal use of the person by whom they are owned, possessed or controlled."

Why I want these two to be taken together is that as far as Customs clearance is concerned, I am sorry to say that there are certain loopholes in that. For instance if somebody sails by ship and comes to Bombay and if he has ample things, his personal things which are to be cleared by the Customs, all he has to do is to say that it is according to the amount they gave. If he gave Rs. 200—he may have Rs. 1000 or Rs. 2000 worth of goods—he can easily get the clearance. If it is more, then the rate goes up to Rs. 500. This is the common practice in the dock. I am sure the Finance Ministry will look into this matter and see that something is done about it. I may give a personal instance about this. I went to Bombay to see my brother who came by ship and I was standing near the harbour and one person like a cooly came and asked me whether I would like to go on the ship and if I wanted, I had to give Rs. 10. I had got permission to go abroad and bring my brother but still was asked by that person to give Rs. 10 if I wanted to go on board. If for even going on board the ship one has to pay Rs. 10 you can imagine what will be the position for other things.

Then one more thing on which I want a clarification from the Hon. Finance Minister is this. In Chapter IVC, of Section 106 of the principal Act, under Power to inspect, it has been stated as follows:

"Any proper officer authorised in this behalf by the Collector of Customs may, for the purpose of ascertaining whether or not the requirements of this Act have been complied with, at any reasonable time, enter any place intimated

[Shrimati Lalitha (Rajagopalan)]  
under Chapter IVA or Chapter IVB, as the case may be, and inspect the goods kept or stored therein and require any person found therein, who is for the time being in charge thereof,...." etc.,

Here I want to know from the hon. Minister as to how many inspections had been held so far and how many cases of illegality has been detected?

Then I come to another thing. Just now the Minister said that this Bill has been confined only to the imported and exported goods illegally. I want to know what are the items. As far as export of goods is concerned, I want to bring to the notice of the Finance Minister that the procedure followed for the export of goods is that the imported raw materials getting customs clearance permits have to be processed in India and the finished products alone are exported.

Here I would like to tell the hon. Finance Minister that actually very good raw materials are imported. When we have made them into finished goods, these are not exported at all. So, malpractices are taking place here and only the inferior quality of goods is exported. I do not know how the Finance Minister is going to check this up. Raw material goods are exported as finished goods in order to earn foreign exchange. By this practice you know, that the reputation of our people is damaged abroad.

As far as Indo-Nepal trade is concerned, this question has been raised many number of times in this House as well as in the other House and there is no doubt that in the last few months smuggling from Nepal has become a common feature. A large quantity of foreign goods has been smuggled in not only nearly Nepal but also all over the places up to Kerala. I do not know what we are going to do about this. I am however satisfied with the reply given

by Shri Sethi in the Lok Sabha while replying to a question that they are taking measures to check this etc. When the Ordinance came into force on the 3rd January, 1969, smuggled goods worth Rs. 1.7 crores had been seized. This is not enough. I think we should have the cooperation of our neighbouring countries—friendly countries. Of course with the cooperation of the Nepal Government we have to do something about that. I feel that this matter should be taken up with the Nepal Government because our economy will be completely crippled if this is allowed to continue.

Then, Sir, I would like to ask the hon. Minister one question about the confiscated goods. These have been advertised in the papers that they are going to be auctioned. Sometimes we find the places being notified. There is also a move to send these confiscated goods to the Super Bazaars who are going to sell them. I just went to see what the confiscated goods were in the Super Bazaars. I found nothing excepting some batteries. Even these batteries are not so good as we find in our ordinary shops in Connaught Place. I feel that these confiscated goods should be sold only through consumer cooperative stores and in government official stores.

Another thing I would like to point out is this. As far as these confiscated goods are concerned—I do not say that all the inspection officials are like that—if there is a seizure of about 5,000 watches, only 2,000 watches go into the record while the other 3,000 watches are sold in the black market. This is a regular practice followed by these officials. Of course the Customs Officials are taking action in this regard. I only say here that this is particularly prevalent among the officials. I want the hon. Minister to take note of this and to see that the integrity of the officials is maintained.

In this connection, some time ago, I read a news item about the contraband gold seizure by policemen. But, they shared this seizure among themselves. Here I just want to quote one or two sentences.

"A top-level investigation has been instituted against certain railway police officials for allegedly distributing among themselves the 27 gold biscuits with foreign marking seized from one woman passenger a few days ago." The gold value is about Rs. 54,000. This clearly shows that there is an existence of corruption among the officials. I do not know what kind of action has been taken against these police officials. I hope that the Minister will enquire about this.

The Minister just now said that this Bill is meant for prevention of smuggling of gold and silver particularly. He also mentioned particularly about silver smuggling in the west coast, Pondicherry and Tamil Nadu where it is prevalent. He has specified the limit of the area of 50 kilometers or so and now that has been extended to even 100 kilometers. I want to know from the hon. Minister as to what has happened to smuggled goods that took place in between the period when the Bill has been introduced? What has happened to the silver which has gone underground? How are you going to detect it? Do you mean to say that the people who have got silver will be waiting to smuggle this out after the Ordinance is promulgated? Of course the hon. Minister himself is not satisfied with this as far as silver is concerned, he said that the situation has improved but it has not improved up to his satisfaction.

Here I want to say that I am very happy to note that something has been done in one direction. The Finance Ministry has really taken a very good move with regard to relaxation of 'P' forms. The decision in

this regard has recently been announced by the Finance Minister. He said that if the airfare or whatever it is, is paid by the person concerned who is living abroad, a person from here can go there. The real handicap for the people from here in travelling abroad is because of so many restrictions imposed about getting the 'P' forms. It is a herculean task to go to the Reserve Bank to get this 'P' form. I congratulate the Finance Ministry for taking this initiative in this regard.

In the end I would like to thank you once again for the time and opportunity given to me to speak. I wholeheartedly support this Bill.

श्री ना० कृ० शेजवलकर (मध्य प्रदेश) : माननीय उपसभापति महोदया, सर्व प्रथम मैं इस मंशोधन बिल का इस कारण विरोध करता हूँ कि जिस प्रकार से यह लाया गया है वह कोई अच्छी प्रथा नहीं है। जैसा कि आप को ज्ञात है 3 जनवरी 1969 को कस्टम्स अमेंडमेंट आर्डर के द्वारा जो प्राविधान इस बिल में किया गया है वह अमल में लाया गया जब कि वास्तव में कुछ ही दिन पूर्व दोनों सदनों की बैठक हो रही थी और उस के कुछ दिन बाद ही यह सदन भी जो आज चल रहा है, वह बैठने वाला था। तब इस प्रकार में आर्डिनंस के द्वारा विशेषाधिकारों का प्रयोग कर के इस प्रकार का कानून बनाना कोई न्यायसंगत बात नहीं है और न ही यह संसदीय प्रणाली के अनुरूप है। विशेषाधिकारों का प्रयोग बहुत ही समझाल कर होना चाहिये, इस संबंध में अनेक विद्वानों के मत हैं। इसी संसद में मावलंकर साहब जो स्पीकर थे उन की भी इस संबंध में रुलिंग है और ब्रिटिश पार्लियामेंट की अनेक रुलिंग हैं कि इस प्रकार के विशेषाधिकारों का प्रयोग नहीं होना चाहिये केवल इसलिये कि समय की उम में बचत होगी। टाइम फेक्टर के आधार पर इस प्रकार के आर्डिनंस लाना ठीक नहीं है। उस प्रकार की प्ररजेंसी अगर कोई होती कोई इस प्रकार की



[ श्री ना० कृ० शेजवलकर ]

आवश्यकता होती तो यह बात समझ में आ सकती थी कि इस प्रकार के आर्डिनेंस को अमल में लाया जाये ।

जहां तक इस संशोधन बिल का संबंध है इस को देखने से पता लगता है कि जो प्राविधान इस में किया गया है उस के अन्दर जो सुझाव हैं उस से मूलतः एक बात प्रकट होती है कि आजकल बाजार के अन्दर पूरे भारतवर्ष में हम देखते हैं कि विदेशी ट्रांजिस्टर्स, विदेशी घड़ियां, विदेशी फाउन्टेनपेन और अनेक छोटी छोटी चीजें, घरेलू चीजें, उदाहरण के लिये जैसे ब्लेड है, साबुन है और बदन पर लगाने के जो दूसरे सामान हैं वह सब चोरी छिपे यहां आते हैं सोने और चांदी के तस्कर व्यापार की तो बात ही क्या की जाय वह तो शायद इस आर्डिनेंस के आने के बाद कुछ बढ़ा ही होगा । एक ऐसी घटना बम्बई में उस के बाद हुई है जो अभी तक के इतिहास में नहीं हुई थी । एक व्यक्ति के पास डेढ़ करोड़ रुपये के मूल्य का सोना बरामद हुआ है इस आर्डिनेंस के आने के बाद । वैसे भी इस बिल को देखने से पता नहीं लगता कि जो बड़ी चीजें हैं सोना और चांदी और इन के अतिरिक्त जिसे हम व्हाइट मेटल कहते हैं—गस्टेनलेस स्टील उस के तस्कर व्यापार को रोकने के लिये इस संशोधन बिल में कोई विशेष व्यवस्था की गई है । केवल एक ही संशोधन इस ओर बढ़ता हुआ दिखाई देता है और वह है जिस के अन्दर कि सीमा 50 मील से बढ़ा कर 100 मील कर दी गयी है । बाकी और दूसरे संशोधनों में यह सुझाया गया है और यह प्रवास किया गया है कि जो व्यक्ति अपने पास विदेशी माल रखना चाहता है उस को डिस्करेज किया जाय उसे वह चोरी छिपे न रख पाए । किसी को भी अपने पास कोई वस्तु रखनी हो तो उस को इस के अन्दर डिक्लरेशन करना पड़े उस को बताना पड़े कि उस के पास क्या क्या विदेशी वस्तु है ।

इस दिशा में जो संशोधन किये गये हैं मैं यह समझ नहीं सका कि इन संशोधनों को इतनी जल्दी अमल में लाने की क्या आवश्यकता थी । दो या तीन महीने के अन्दर इस प्रकार के कदम उठाने की क्या आवश्यकता थी यह मैं समझ नहीं पा रहा हूं । इसलिये प्रथमतः मैं इस आधार पर कि यह जो दुरुपयोग विशेषाधिकार का किया गया है आर्डिनेंस ला कर इस का मैं विरोध करने यहां खड़ा हुआ हूँ ।

जहां तक मूल बिल की भावना है उस में दो मत नहीं हो सकते । और हर भारतीय की यह इच्छा है कि यहां पर विदेशी माल का तस्कर व्यापार न हो । यहां से चांदी जो कम कीमत की है वह बाहर जा कर ज्यादा कीमत में चोरी छिपे बिके यह कोई अच्छी बात नहीं है । इसी प्रकार यहां पर सोना बाहर से करोड़ों रुपये का आये और हमारे यहां की आर्थिक व्यवस्था और आर्थिक ढांचे को अस्त-व्यस्त कर दे यह चीज हम नहीं चाहते ।

दूसरी बात यह है कि भारतीय नागरिकों के अंदर इस प्रकार की इच्छा ही उत्पन्न न हो कि हम विदेशी माल अपने पास रखें । इस दिशा में इन संशोधनों के द्वारा मुझे यह कहते हुए जरा खेद है कि कोई प्रभावी कदम नहीं सुझाया गया है । चाहे तिवारी कमेटी की रिपोर्ट हो चाहे अन्य विचार जो इस सम्बन्ध में विद्वानों के द्वारा प्रकट किये गये हैं उन पर एक बार फिर दोबारा विचार, किया ही जाय तो साथ ही साथ मेरा यह निवेदन भी है कि मूलभूत दो बातों को वस्तु ध्यान में रखने की आवश्यकता है । सर्व प्रथम इस से अच्छी कोई बात ही नहीं हो सकती कि भारत का हर नागरिक यह समझे कि हमें विदेशी माल का प्रयोग नहीं करना चाहिये चाहे वह कितना ही अच्छा क्यों न हो । यह जो स्वदेशी की भावना है इस स्वदेशी की भावना को सबल करने के लिए आज हम क्या कर

रहे हैं। यह कहा जाय कि इस भावना को हम कानून के द्वारा अमल में ला सकेंगे तो ऐसी बात नहीं है। इस के लिये हम को एक वातावरण इस प्रकार का उत्पन्न करना पड़ेगा। स्वदेशी वस्तुओं का हम प्रयोग करें इस प्रकार की भावना हम सब को मिलकर उत्पन्न करनी होगी और तब इस प्रकार विदेशी वस्तुओं के प्रति जो हमारा लगाव है जो हमारा प्रेम है वह कम हो सकेगा।

इस के साथ ही साथ एक व्यावहारिक बात भी है। यह हम जानते हैं कि सब लोग आदर्शवादी नहीं हो सकते इसलिये दूसरा उपाय भी करना होगा कि जो कि फाइनेंस डिपार्टमेंट से संबंधित नहीं है और जो कि हमारी पूरी सरकार की योजना से संबंधित है। इसका क्या कारण है कि आज हम छोटी मोटी घरेलू वस्तुयें भी ठीक तरह से नहीं बना पा रहे हैं जो कि विदेशी वस्तुओं से मकाबला कर सकें। एक साधारण से लेड को ही ले लीजिये। अभी भी लोगों की यह इच्छा होती है कि जो विदेशी ब्लेड हैं, जैसे जिलेट का ही ब्लेड है या सेविन-ओ-क्लाक के ब्लेड हैं उन को खरीदें क्योंकि उन की सुन्दर सी डिब्बिया होती है जो आटोमेटिकली खुल जाती है और उस को देख कर लोग आकर्षित होते हैं। और इस को इस्तेमाल करने के लिये आगे बढ़ते हैं और उसकी कीमत चार चार गुना भी देने के लिये तैयार हो जाते हैं। यह ब्लेड की बिल्कुल साधारण सी बात है। आज की दुनिया में जब कि लोग मनुष्य को चंद्रमा पर ले जाने की हद तक पहुंच गये हैं और हम भी भारत वर्ष में अणु के उपयोग में काफी आगे बढ़ गये हैं तो क्या बात है कि एक छोटे से ब्लेड को जिस प्रकार का बनाना चाहिये उस प्रकार का नहीं बना पाते।

इसका क्या कारण है यह मेरी समझ में नहीं आता। जब हमारे भारत वर्ष में विदेशी सहायता लेकर इतने बड़े बड़े स्टील के प्रोजेक्ट बनाये गये हैं तो हम अच्छा स्टेनलेस स्टील क्यों नहीं बना सकते। आज हम अपने प्रोजेक्ट्स में जो कच्चा माल बनाते हैं वह बाहर जाता है और फिर स्टेनलेस स्टील बन कर हमारे भारत वर्ष में वापस आ जाता है क्योंकि हम अच्छा स्टील बना नहीं पाते हैं।

इसी प्रकार हम देखते हैं कि पिछले समय में चर्चा हुई थी सदन में कि नेपाल से लाखों रुपये का डम प्रकार का स्टील आता है जो व्यापारिक समझौता है उसके आधार पर। यह भी पता लगा कि नेपाल के द्वारा बाहर की वस्तुयें आती हैं और उन पर नेपाल की सील लगी रहती है। इस ओर भी ध्यान देने का आवश्यकता है। इसी प्रकार एक नहीं अनेक चीजें हैं। हम देखते हैं कि अनेक लोग अब भी बाहर जाते हैं तो उन की यह इच्छा होती है कि वे अपने साथ कोई विदेशी वस्तु लायें। हमारे सदन के ही एक विद्वान महानुभाव ने बताया कि जब वे बाहर गये थे तो अदन में उन्होंने एक ट्रांजिस्टर लिया। जब हमारे सदन के सदस्यों को इस प्रकार का मोह होता है कि जब बाहर जायें तो घड़ी लायें या ट्रांजिस्टर लायें तो फिर सर्व-साधारण की बात ही क्या है। इसलिये क्यों नहीं हम इस ओर अपने कदम बढ़ाते हैं कि हम अच्छी वस्तुओं का यहां निर्माण कर सकें, लेकिन हम देखते हैं कि इस तरह हमारा कोई ध्यान नहीं है।

मोटारों का भी एक प्रश्न उपस्थित किया गया। यहां पर विदेशी मोटारों को लेने के लिये मंत्री महोदय लालायित रहते हैं और हम में से भी बहुत से ऐसे सदस्य हैं जो ऐसी इच्छा करते हैं कि हम को विदेशी कार मिले। उस को रोकने के लिये क्यों नहीं हम ऐसा

[श्री ना० कृ० शेजवलकर]

प्रयत्न करते हैं कि हमारे यहाँ भी अच्छी कारें बनें। आज हम यह देखते हैं कि बहुत से इंजन आटोमेटिक मशीनों से बन जाते हैं लेकिन हमारे यहाँ इंजन का ही प्रश्न नहीं है। फ्रिजेट कार में खरीदने के तीसरे दिन ही दरवाजों की रेंटलिंग शुरू हो जाती है। तो हमारी वस्तुओं का जो स्टैंडर्ड है उस की तरफ हम ध्यान क्यों नहीं देते हैं। इस सम्बन्ध में दोनों दिशाओं से जब तक प्रयास नहीं किया जायगा तब तक हमें सफलता नहीं मिलेगी। यह मरहम पट्टी का सवाल नहीं है। जब वास्तव में बीमारी पेट के अन्दर है तो जब तक पेट की बीमारी ठीक नहीं होगी, जब तक रक्त ठीक नहीं होगा तब तक इस प्रकार की छोटी छोटी घटनाओं को रोकने से इस समस्या का कोई सही हल नहीं निकलेगा। मेरा समय हो चुका है और मैं मंत्री महोदय का ध्यान इस ओर विशेष-कर दिलाना चाहता हूं कि क्या इस प्रकार का कोई कदम उठाने का वह प्रयास करेंगे। माननीय उपाध्यक्ष महोदया, आप ने मुझे समय दिया इस के लिये मैं आपका बहुत आभारी हूं।

**श्री गोडे मुराहरि :** मैडम डिप्टी चैयरमैन, जो आर्डिनेंस सदन की अनुपस्थिति में जारी किया गया था उसी को मंजूर रखते हुए इस बिल को हमारे सामने प्रस्तुत किया गया है। वैसे जो स्मगलिंग हो रही है उस को बन्द करने के लिये कई कोशिशें की गयीं लेकिन अभी तक हम सफल नहीं हो पाये। मैं यह भी कहना चाहूंगा कि जो आर्डिनेंस हाल में लागू किया गया था उस को लागू करने के बाद भी स्मगलिंग की वही स्थिति हिन्दुस्तान में जारी है जो पहले थी। और इस बिल को पास करने के बाद भी वही स्थिति रहेगी क्योंकि इस बिल में जो कुछ भी है उस आर्डिनेंस के जो प्राविजन हैं उन्हीं के मुताबिक है। इसलिए मेरा यह ख्याल है कि इस बिल को पास करने के बाद भी स्मगलिंग का जो मामला

चलता है हिन्दुस्तान में उसको हम बन्द नहीं कर पाएंगे। इसके बारे में सरकार को कुछ और सोचना चाहिए। बम्बई, मद्रास, कलकत्ता जैसे बड़े शहरों में आप जाएंगे तो आपको पेवमेन्ट पर ट्राजिस्टर मिल जाएंगे टे। कार्डेस मिल जाएंगे।

**श्री ना० कृ० शेजवलकर :** कलकत्ता में चाइना बाजार है, न्यू मार्केट है।

**श्री गोडे मुराहरि :** मद्रास में मुझे मालूम है एक बर्मा बाजार लगा हुआ है, बर्मा बाजार उसका नाम है। वहां पर मद्रास की सरकार ने बर्मा से जो रिफ्यूजी आए थे...

**SHRIMATI LALITHA (RAJAGOPALAN):** It is Tamil Nadu.

**SHRI GODEY MURAHARI:** I am talking of Madras city; she does not understand.

मद्रास शहर में यह बर्मा बाजार लगा हुआ है। कुछ साल पहले जो बर्मा से रिफ्यूजीज आए थे तामिलनाडु की सरकार ने उनको यह इजाजत दे दी थी कि उनके पास जो सामान था उसको बेच सकते थे और उसी के मुताबिक बर्मा बाजार लगा था। आज क्या होता है? बर्मा बाजार जैसे का तैसा लगा हुआ है, जो सामान लाए थे वह जैसे का तैसा सजा रहता है लेकिन अगर आप जायेंगे तो चाहें जितना माल मिल जाएगा जो बाहर से इम्पोर्ट किया हुआ है। स्मगलिंग गुड्स की वहां बिक्री होती है। इस तरह से खुले आम हिन्दुस्तान में स्मगलिंग माल की बिक्री हो रही है। मुझे लगता है कि इन सब चीजों को रोकने के लिए सरकार को और कोई कदम उठाना पड़ेगा, यह बिल इसमें सफल नहीं हो पाएगा।

जहां तक सोने और चांदी का सवाल है, कल की रिपोर्ट है कि कन्ट्राबैंड गोल्ड जो सीज किया गया है वह लाखों रुपये का सीज किया गया है, और यह आर्डिनेंस आने के

द हो रहा है। मुझे लगता है कि इसके बारे में सरकार को बुनियादी तौर से कुछ योजना चाहिए। इस सम्बन्ध में मैं यही कहना चाहता हूँ।

अभी नेपाल के साथ जो मन्धि हुई है ट्रेड एग्रीमेंट, जिसके बारे में यहाँ पर जिक्र हुआ है उसके बारे में कुछ तफ़्तीत से कहना चाहूँगा। हम लोगों ने नेपाल सरकार से यह एग्रीमेंट किया है कि नेपाल का बना हुआ जो भी माल हिन्दुस्तान आया उस पर कोई कस्टम्स ड्यूटी नहीं लगायेगी और हिन्दुस्तान से जो माल जाएगा उस पर भी नहीं लगायेगी लेकिन जो हमने यह एग्रीमेंट किया था उसमें यह निहित था कि जो माल नेपाल के राबेटी रयल में बनेगा उसी पर ही यह कस्टम्स ड्यूटी लागू नहीं होगी। आज क्या हो रहा है? जापान में बने हुए माल, चीन में बने हुए माल या किसी भी देश में बने हुए माल पर नेपाल में 'मेड इन नेपाल' की छाप लगा दी जाती है और विराट नगर से वह हिन्दुस्तान पहुँच जाता है, बाकी नेपाल से उसका कोई सम्बन्ध नहीं रहता। यह माल विराट नगर पहुँचता है जो हिन्दुस्तान की सरहद से दो-तीन मील है। वही विराट नगर में सब नेबलिंग वगैरह की जाती है और फिर वह हिन्दुस्तान को एक्सपोर्ट होता है। यह जो चीज हो रही है इसमें एक दिन में करीब 8 लाख रुपये का हिन्दुस्तान को नुकसान होता है। जितने दिन देर होगी 8 लाख रुपये के हिमांच से हिन्दुस्तान का ड्यूटी का और और चीजों का नुकसान हो रहा है। साथ-साथ फारेन एक्सचेंज का भी नुकसान होता है। खास तौर पर जब हिन्दुस्तान से जूट और माइका जैसी चीजों का जो एक्सपोर्ट होता है वह लोग वे चीजें हममें ज्यादा पैसों पर भी खरीदते हैं। हिन्दुस्तान की प्राइम—कम हो या ज्यादा हो—ज्यादा होने पर भी वे यह माल खरीद कर नेपाल ले जाते हैं और उसको हमारे जूट और माइका के मुकाबले में कम दाम पर बाहर बेचते हैं। इसमें उनको फायदा है। उनको जो इससे फारेन एक्सचेंज मिलता

है उसको लेकर वे वहाँ का माल खरीदते हैं जो हिन्दुस्तान में 300-400 प्रतिशत ज्यादा दाम का होता है। उसको खरीद कर 'मेड इन नेपाल' की छाप लगा कर हमको बेच देते हैं। इस तरह से हमारे देश को करीब 80 करोड़ रुपये का नुकसान होता है। इसलिए मैं चाहूँगा कि सरकार इसके बारे में कुछ बुनियादी तौर से सोचे। कई डेपूटी गवर्नर नेपाल को भेजे गए। एक ज्वाइंट मिशन गे गए कामर्स मिनिस्ट्री के श्री बी० डी० जयाल, वे सितम्बर, 1968 में गए, खाली हाथ लौट आए। वाद में श्री भगत माहव गए और उन्होंने जो कुछ भी वहाँ किया उसमें यही हुआ कि जो इन्वीगल ट्रेड चल रहा है उसको और मजबूती में चलने का एग्रीमेंट हो गया, उनका जो एग्रीमेंट हुआ उसमें जो भी चल रहा था वह लीगलाइज हो गया। मैं चाहूँगा कि हिन्दुस्तान का सरकार को कुछ अपना मन बना लेना चाहिए। हो सकता है कि हिन्दुस्तान की सरकार को डर हो कि नेपाल के साथ जो हमारा सम्बन्ध है वह बिगड़ सकता है, लेकिन इस तरह से अपने आपको बिगड़ कर नेपाल के साथ सम्बन्ध बना कर रखना मेरी समझ में नहीं आता। नेपाल की सरकार को भी समझना चाहिए कि नेपाल की सरकार को इसमें कोई फायदा नहीं है। नेपाल की सरकार सिर्फ 25 परसेंट ड्यूटी लगानी है जो वहाँ पर माल जाता है या निकलता है लेकिन जो नुकसान हमारा होता है वह 300-400 प्रतिशत का होता है। वहाँ पर जिन बिजनेसमैन को फायदा हो रहा है वे कहते हैं कि हिन्दुस्तान के हैं—बहुत कम नेपाली होंगे—जो अपना दफ्तर बनाए बैठे हैं हागकांग, सिंगापुर, कलकत्ता और विराट नगर में, और उनका सारा काम चल रहा है। नाइलान फेब्रिस, होजियरी, स्टेनलेस स्टील, सारा माल नेपाल से रि-एक्सपोर्ट करते हैं हिन्दुस्तान को। यह जो ब्लैकमार्केटिंग चल रही है उसको बन्द करना चाहिए और जो कस्टम्स ड्यूटी का नुकसान हो रहा है उस पर भी ध्यान देना चाहिए। इस सम्बन्ध

[Shri Godey Murahari.]

मैं हमारे जो साथी मधु लिमये हैं उन्होंने कई चिट्ठी प्रधान मंत्री को लिखी है और कामर्स मिनिस्टर को भी लिखी हैं। वे सारी चिट्ठियां मेरे पास हैं, मैं उनको कोट नहीं करना चाहूंगा, समय भी नहीं है, अगर आपकी इजाजत हो तो मैं उन्हें सभा के पटल पर रख देना चाहता हूँ।

उत्सभारति : कोट करिए ।  
But not very lengthy. You can give a summary of what in it.

श्री गोडे मुराहरी : उनकी चिट्ठी अगस्त, 1968 की है, यह उन्होंने श्रीमती गांधी को लिखी थी—

"As you are aware, our trade with Nepal is governed by a Treaty which was signed in 1960 and by the Memorandum of Understanding signed on 27th December, 1966. The main purpose of this Treaty was to make available commodities needed by the two sides on basis of mutuality. The Treaty also provided that all imports from and exports to Nepal would be exempted from 11 Customs Duties etc. Paragraphs 10, 11 and 12 of the Memorandum of Understanding and Annexure II thereto laid down that in order to qualify for exemptions from Customs Duty and other equivalent charges, the goods to be imported from Nepal must have been "based principally on Nepalese raw materials".

यह प्रिविजिशन थी उसमें—

"You will observe from the above that the Treaty was meant to facilitate trade in goods produced indigenously. . .

SHRI S. S. MARISWAMY: You can give the book to the Minister. He can read it leisurely.

SHRI GODEY MURAHARI: Actually the whole correspondence is with them.

SHRI P. C. SETHI: It is for your benefit; we all know it.

SHRI GODEY MURAHARI: Yes; it is only for the benefit of the Members. That is why I thought I could lay it on the Table of the House.

SHRIMATI LALITHA (RAJAGOPALAN): This book has been sent to all Members of Parliament. Everyone has got it.

SHRI GODEY MURAHARI: That is all right then. You can read the book and benefit out of it इसमें

आखिरी खत जो आया है उसमें दिनेश सिंह जी ने माना है कि इसमें बहुत सी बाधा-लियां हैं, इस सारे ट्रेड एग्रीमेंट को रिवाइज करना चाहिए। लेकिन इस बारे में अब तक कोई रिवीजन नहीं हुआ और उसका सिर्फ एक ही कारण हो सकता है कि मन में कोई डर है कि नेपाल और हिन्दुस्तान का जो सम्बन्ध है उसमें कुछ गड़बड़ी हो सकती है।

तो मैं यह कहना चाहूंगा कि कम से कम हिन्दुस्तान की सरकार को यह कह देना चाहिये कि जो गुड्स यहां से एक्सपोर्ट होगा या जो जहाँ वहां से इम्पोर्ट किया जायगा उसके बारे में पूरी तहकीकात की जायगी, उसके बारे में पूरा पता हिन्दुस्तान को रहना चाहिये कि कौन सा रा-मैटीरियल से कितने कास्ट पर और कहां बना है और उसके बाद ही हिन्दुस्तान उसको एक्सपोर्ट करने की इजाजत दे सकता है। एग्रीमेंट के अन्दर इस तरह का कोई नियम बनाया जाय और इस तरह की कोई एजेंसी बनाई जाय जिससे कि यह पता चल सके कि असली में नेपाल में ही बना हुआ गुड्स है या बाहर के माल के ऊपर लेबिलिंग कर के नेपाल से भेजा जा रहा है। यह पता लगाया जाय तो इस मामले का हल हो सकता है।

साथ ही साथ मैं यह भी कहना चाहूंगा कि जो कस्टम का ढांचा है उसमें भी बड़ी बांधली है ? कई कस्टम्स आफिसर्स हैं जो कि दूसरे बड़े बिजनेसमेन के साथ मिले हुये रहते हैं और उनके अन्तर्गत ऐसा भी होता है कि जब कामर्स मिनिस्ट्री की एक लिस्ट निकलती है कि फलों फलों माल पर इतनी इतनी ड्यूटी है और यह इम्पोर्ट किया जा सकता है तो अक्सर हमने देखा है कि जहां पर भी कोई मेशन स्पेयर पार्ट्स का होता है तो उस स्पेयर पार्ट्स के अन्दर कई चीजें इम्पोर्ट की जाती हैं, एक बिजनेसमेन जो कोई नई चीज विदेश में बनती है उसका कोई एक नाम ले लेता है और उसको भी इसके अन्तर्गत इंकलूड कर लेता है और कुछ कस्टम आफिशियल्स के साथ कुछ दोस्ती का नाता रहता है और कुछ पैसे का लेन देन भी होता है और कई करोड़ रुपये का माल उस आइटम के अन्तर्गत ले आता है जो कि लिस्ट में रहता है, जो कि इम्पोर्ट कंट्रोल की लिस्ट में रहता है, लेकिन असल में माल कोई और दूसरा ही होता है । तो इस तरह की जो बांधली होती है उसके बारे में भी सरकार को काफी सावधानी से काम करना चाहिये और यह जो करप्शन हो रहा है इसको भी बन्द करने की कोशिश होनी चाहिये .

अब, ये जो छोटे मोटे इम्पोर्टर हैं, जैसे कि कोई ट्रांजिस्टर लाया या साथ में पर्सनल यूज की कोई चीज लाया, तो उसके बारे में बहुत सतर्कता दिखाने हैं और कस्टम्स आफिशियल्स उसको बहुत तंग भी करते हैं, कभी कभी छोड़ भी देते हैं यह मैं जानता हूँ लेकिन जब उनके मन में किसी को तंग करने का आता है तो तंग भी करते हैं, परन्तु जो बड़े बड़े बिजनेसमेन हैं, जो इस तरह की बांधली करते हैं और करोड़ों रुपयों का माल कोई दूसरे नाम से यहां पर इम्पोर्ट कर लेते हैं, उनको नजरअन्दाज करते हैं और जानबूझ कर भी नजरअन्दाज करते हैं । तो इस चीज को बन्द करवाने की कोशिश हो ।

अब, जो माल बरामद होता है उसका जो सेल वाला प्रोसीजर है उसके बारे में मैं कहना चाहूंगा । पहले तो उसको कस्टम्स हाउसेज में बेवा जाता था और उस वक्त भी उसमें काफी बांधली होती थी, कस्टम्स आफिशियल्स अपने दोस्तों को चीजें दे देते थे और ग्राम पब्लिक को वह नहीं मिल पाती थी लेकिन अब जब से इन्होंने तय किया है कि कोप्रापरेटिव और सहकारी संस्थाओं के जरिये इसकी विक्री करेंगे तब से इसमें ज्यादा बांधली होने लगी है क्योंकि जो सहकारी सोसाइटी वगैरह है उसको माल नहीं मिल पाता है, कस्टम्स आफिशियल्स खुद ही वहां से माल को खत्म कर देते हैं और इसके पश्चात् नामिनली थोड़ा सा माल दे देते हैं और यही कहते हैं कि यही माल अब को बार मिला है । दूसरी बात यह है कि जो माल बरामद होता है उसको कस्टम्स के अन्दर रखने की जो अवधि है उसको भी का करना चाहिये क्योंकि छः महीने अगर आप किसी चीज को रख छोड़ेंगे तो छः महीने के अन्दर वह माल खराब भी हो जायगा और इतने दिन तक वह गोदाम में पड़ा रहेगा, उसका इस्तेमाल भी नहीं कर पायेंगे और तब उसको बेचने में फायदा भी नहीं होगा । इसलिये कम से कम समय के अन्दर जो माल बरामद होता है उसको डिसपोज आफ करने का इन्तजाम होना चाहिये ।

यही सब कह कर मैं चाहूंगा कि यह सारा जो स्मगलिंग वाला मामला है इस पर कुछ धुनियादी तौर पर ध्यान दें वरना इस तरह के बिल से कोई ज्यादा फायदा नहीं होने वाला है ।

SHRI N. PATRA (Orissa): Madam Deputy Chairman, I support the Customs (Amendment) Bill, 1969, which is in replacement of the Ordinance issued on the 3rd January, 1969.

THE VICE-CHAIRMAN, (SHRI M. P. BHARGAVA) in the Chair.

[Shri N. Patra]

Before the Ordinance was passed smuggling was rampant. It was going on throughout the length and breadth of the country. Before the passing of the Ordinance the cost of smuggled goods was less than Rs. 5 crores. Within weeks of passing of the Ordinance smuggled goods worth more than Rs. 20 crores have been detected. It is a great achievement. The Ordinance has been criticised on the floor of this House, but unless there was the Ordinance smuggled goods costing a huge amount, costing Rs. 20 crores, could not have been detected. Merely passing this piece of legislation will not do. We have a coast line, open coast-line. We have also open borders with Nepal on the Himalayan side. It is a big region. Therefore, the officers who are responsible for implementing this piece of legislation must feel themselves patriotic. Unless it is viewed from this perspective, nothing much can be done. Therefore, honest efforts should be made to see that the borders and the coast-line are effectively patrolled. It is found that the boats and other appliances which are supplied to the patrolling staff are out of date. Now, there is a demand for supplying the patrolling staff with the most powerful and up-to-date motor boats and, if need be, helicopters also. In this scientific age it is not beyond the capacity of the State to find appliances to detect smuggling. If whatever is detected amounts to Rs. 20 crores, it must be multiplied by five or ten. My feeling is that smuggling to the extent of more than Rs. 100 crores is going on. We have to stop this clandestine business of smuggling in this country, which has created a very bad effect on the indigenous industry. Whenever you pass through the city of Bombay or walk on the footpaths of Calcutta, you will find petty smugglers. They are not the real smugglers. They are very small fry, small people. The main brain, the master-mind behind the smuggling is not easily seen. He is a big man worth crores and crores of rupees. He is not to be seen. He is not on the surface. He is just holding the strings.

Just as we saw yesterday in the North Avenue Club, the puppets are shown on the stage and the man from behind pulls the strings. The puppets are being handled by a man who is not seen in the front. The man from behind makes the puppets dance as he likes. The puppets are acting at the behest of the man behind. Therefore, some efforts should be made to detect not only the small fry, but also the other man who is carrying on this business of selling fountain pens or transistor radio sets worth about a hundred rupees. The small man may get a commission of Rs. 10 at the most. It is a risky job also. Simply detecting that will not do. Now, a doubt is being created that the detective staff and the vigilance staff have some unholy alliance with these petty people. Periodically, once or twice a year, according to an agreed formula these people get themselves detected and caught. Then, it is reported and a case is made out by the staff that some detection has been made. Of course, nowadays detections to the tune of about Rs. 2 crores have also been made. Big things are also being detected, no doubt, after the promulgation of the Ordinance. Unless the officers who are taking this legislation for implementation implement this honestly, nothing can be done. Once these goods go into the hands of these officers, instead of selling them to the real user or the real purchaser, they are going into the hands of some specified agents. These agents try to sell them and they have their *modus operandi* of importing on their own behalf some goods. They mix them up. It becomes very difficult to identify which are smuggled goods and which are not smuggled goods. Therefore, instead of disposing of these smuggled goods through traders or agents, I may suggest that we have a network of co-operative marketing institutions in the name of Super Bazar throughout the country. It would be better if these smuggled goods are entrusted to this network of co-operatives so that they may go into the hands of the real users and the real users get the benefit. In this way a large number of people will also

get the benefit of purchasing them in the different corners of the country instead of going to a particular agent with whom these officers of the Government have direct contact, who would wink at his irregularities. This suggestion may be considered.

With these words, I support the Bill.

SHRI BALACHANDRA MENON (Kerala): Mr. Vice-Chairman, this Amendment Bill, I am afraid, may not go sufficiently far to help stop smuggling. Actually I do not know whether it is an attempt even to legalise the small man's smuggling. Such an attempt should not be made. I am not one of those who feel that the small man should be encouraged even to smuggled and somehow helped to get out from the clutches of the law. Nothing like that should be done. It is an international gang that is operating outside, and it has become something like a cartel doing it on a world-wide scale.

In India you have got sufficiently powerful gangs in every place. They have penetrated even into the villages. There is not a place where you do not get smuggled goods. It is not a question of some coastal area alone that has to be protected. Here you have spoken about one hundred metres and all that. Actually it is now everywhere. There is no place where you cannot get a Chinese pen. There is no place where you cannot get a Parker pen smuggled inside. This is what is happening, and beautiful watches are also coming in like that. So, how are we going to stop it? Here the Minister has stated that in the case of individuals they can have even silver worth Rs. 15,000. If that is so, I will have Rs. 14,000 and also 99 people in my gang. You cannot get at me. I can do that. Everyone who is a part of the gang will keep the amount which you have said an individual can keep and together they will make a sufficiently big force which will be able to smuggle a good deal of commodities

from our country and inside it also. So I would say that in the case of any smuggled goods, whether they are for the use of a private individual or not, if they are found to be smuggled goods, immediately they must be confiscated and action should be taken. No man has got a right to keep any smuggled goods. (Interruption) You can stop smuggling if you are very serious about it. It is often the small boats that do it in the harbours and in such areas. We must tell the merchants that for all these registered goods they are responsible. If a single boat is found to be smuggling things, then its licence will have to be cancelled. The merchants should not be allowed to have them. They will have to be taken over either by the co-operatives or by the Government, and we will have to see that in the case of important harbour areas we do not allow small boats to ply in such a way as to allow smuggling, because they go to the ships and they are able to get all the goods in and they smuggle these things inside. The same thing happens when the small boats go to the coastal areas. I do not speak of boats which are used for inland water, but in harbour areas somebody should be responsible. Who should be responsible? Should we allow every individual boat owner to do as he likes? He registers of course, but that is what is being done. Nobody seems to be responsible. You will have to make somebody responsible if they run the boats in important areas. Transshipment of goods will have to be conducted by the Government themselves, with the help of co-operatives or by themselves straight. Something like that will have to be done. In our country this has become a part of our life for these twenty years, and I think even earlier it might have been so. One thing is clear that in addition to blackmarketing and corruption, smuggling has become a part of our life. It has to be fought mercilessly. There is no question of any sympathy for any man in this case, small or big.



SHRI BRAHMANANDA PANDA, (Orissa) : Corruption has become our cult.

SHRI BALACHANDRA MENON : That is what I say. In the case of China it is warlordism. Corruption has become a part of our life. Our politics is that, our life is that, everything is that. If you call it smuggling, in the sphere of politics it is called defection. There is nothing else. Here you have to put up a big fight to have a real building up of a new nation. This is not being done. Therefore, I would suggest that you take it up seriously and not have such small amendments. There should be no mercy shown for anyone. In the case of silver why should a man keep silver? A silversmith will have to declare what he has got. Women should be allowed to have it. Why should others keep it? I do not understand why a man should keep silver. He can organise a good smuggling gang. It should not be done. That is why I say that an individual need not be allowed to keep gold, silver and all that.

AN HON. MEMBER : That is impersonal. ....

SHRI BALACHANDRA MENON : I do not do it. I can tell you that much. So I would request that in the case of all these smuggled goods, if anybody is found to be keeping them, strict action will have to be taken.

SHRI OM MEHTA (Jammu and Kashmir) : If men also start wearing gold ornaments, have you no objection?

SHRI BALACHANDRA MENON : Not in the port area, not in the harbour area, not in the areas which have been declared. When you see a man wearing gold ornaments, you have your own doubts. If they are new, you can immediately find out and say 'no'. It is for him to prove that he has been wearing gold ornaments. These are things which will have to be taken up seriously. Except in the case of women no mercy should be shown for those people who carry

any of these ornaments in the case of males. In the case of people who get smuggled goods, watches and all that, if they are new, they will have to tell us from where they got it. If immediate suspicion is there, it must be confiscated if they are not able to explain how they got it. No individual should be allowed to keep these things. It is in the name of some small men that gangs operate and we forget that. I want you to remember that. There is no small man here, it is the gangsters. I do not want to mention the names of those countries which are our neighbours. We have got a good deal of smuggling from all those areas. Our borders will have to be watched very carefully and we have to see to it that we do not allow smuggling. Otherwise, our economy will not be directed in the line in which he want to. This is what I want to say.

SHRI A. G. KULKARNI (Maharashtra) : Mr. Vice-Chairman, Sir, I thank you for giving me an opportunity to give my views on this very important Bill as the Customs (Amendment) Bill.

SHRI P. C. SETHI : Missed opportunity you got again.

SHRI A. G. KULKARNI : Yes. About the Bill proper, I support the introduction of the Bill. To my mind, this Bill falls very much short of expectations because in the original Customs Act the penalties for such offences are not deterrent enough to stop smuggling. In this country there is an inbuilt tendency developed recently because of the controls or whatever they are and because of a sheltered market enjoyed by the industries—that is, there is an inherent inducement for any unsocial trader or industrialist or whoever he may be, to get quick benefits from the difference in prices, and there the racket starts. I was really amused to hear Mr. Sethi just now saying that smuggling is coming down and down. But every day when you open the Times of India or some other paper from Bombay you see some racket in gold

being unearthed valued at two lakhs or twenty lakhs or thirty lakhs of rupees. It is said, this is a gift. All these things go on. I do not understand what is the relation between the claim of the Government that smuggling is coming down and the increase in the unearthing of such rackets and bringing forth so much of smuggled goods. To highlight to what height this has gone, we will have to understand how the entire racket is working. There must be very deterrent punishment; another amendment is required to this Act. Or we can even introduce a separate Bill as the Anti-Smuggling Bill because such punishments as Rs. 10,000 fine here and there and confiscation will not deter people. The punishment of the nature at deterrent as hanging should be introduced. Otherwise, it is not going to stop. As to why it is so important, let me argue. In this country we are importing roughly Rs. 300 to Rs. 400 crores—up to Rs. 600 crores—worth of imported raw materials either for industry or for any trade. There is at present here a sheltered market. I also read an article by an eminent economist, Prof. Shenoy; he has written there how blackmarketing and smuggling are interconnected. He has stated that Rs. 300 to Rs. 400 crores are generated every year in this country and that is due to the difference in the prices here and of the smuggled goods themselves, and thereby the economy is damaged. That is the great risk that we are running. I have not said light-heartedly that as drastic as hanging should be the punishment; I am saying it with great responsibility. These unsocial elements will not be deterred by such punishment of one year or two years or a fine of Rs. 10,000 or Rs. 50,000. That is not going to deter them from this action.

I have got to make another point. The present nylon yarn capacity in this country is less. It is reported that the stockists in this country of nylon yarn smuggle it from Japan and deposit it somewhere on the west

coast and it is so staggering that the market is falling...

SHRI S. S. MARISWAMY: Nepal.

SHRI A. G. KULKARNI: Nepal is another source. I am now in Bombay; I am coming from that side. I have got only 10 to 15 minutes. I will come to that later. The nylon yarn stock in this country is to such a large extent that it has affected the prices of indigenous nylon. It is not only that. There is another difficulty, as rightly pointed out by my colleague, Shrimati Lalitha Rajagopalan, about the confiscated goods and the process of storing the material. What I want to say is that the nylon yarn is disposed of in the market. There are so many things. I do not want to blame any Government officers for this. But the process of the Excise Department itself is so doubtful and so defective that it encourages further blackmarketing in nylon yarn disposed of.

In this connection, I would like to draw the attention of the House that the anti-smuggling measure does not only consist of declaring a belt of 30 miles of this coast or of that border. That is not going to solve the problem. The problem is an all-India problem and for this purpose, this Bill falls very much short of requirements, and a comprehensive Bill is required that wherever the goods are found they will have to be confiscated. Otherwise the economy is going down the drain. That is my claim.

I should not highlight more about the Indo-Nepal smuggling affair because I have already said about it in this House during the last session. What I am saying is this. One can understand the interest of Nepal in having what you call a right of passage to Calcutta. But the entire aspect of the Indo-Nepal Trade Agreement is frustrated because our border with Nepal is such a long border and no effective check can be made and this amendment to the Customs Act is also not going to help matters. I have demanded in the last session—and again I make a demand—that if you really want to check these things

[Shri A. G. Kulkarni]

effectively, you introduce a State trading agency to receive whatever goods come from Nepal. I have suggested last time that the State Trading agency should be authorised to receive whatever goods Nepal or Nepalese industrialists want to export to this country under the agreement itself and then those goods should be distributed here through the normal trade channels or co-operatives or the Super Bazars, whatever they are.

There is the third aspect to which I want to draw the attention of this House. I am coming from a place called Sangli in Maharashtra. It is a famous turmeric trading centre. Here are certain clauses about smuggling and export. During the last two years I have made a very serious effort to bring to the notice of the Prime Minister and the Commerce Minister about smuggling in turmeric, but nothing has happened to stop that smuggling. You know that turmeric is smuggled to Pakistan through Assam and through the Kutch boarder. These are the two centres through which turmeric is smuggled. The rates of turmeric in this country—you will be surprised to know—were round about Rs. 150 per quintal; they are now selling at Rs. 500 per quintal. Turmeric is an item which is very sparingly used in this country but it is used in Mohammadan countries, particularly in Pakistan and other areas, where it is used as spice in the cooking of non-meat, vegetarian food, etc. The turmeric being brought from Sangli and other Southern towns like Guntur, Anantapur, etc. in Andhra Pradesh, are sent by truck loads to Assam via Calcutta and then that is exported. When I made a complaint, only some eight days ago one man from the Enforcement Directorate came to me. He did not know what turmeric was. He was a very high senior officer. He asked me whether I had written to the Government. I asked him who he was. I did not know wherefrom he came. He said that a letter had been written to the

Prime Minister or the Commerce Minister, and he wanted to know what I meant by turmeric. Then I told him what it was. He said that he enquired in Assam and Calcutta but found nothing about it. I told him, "My dear friend, in your whole life you will not be able to find it because turmeric is exported under some guise, it is taken to Calcutta and Assam; for your purpose, you cannot locate it in Assam and Calcutta." He said that they checked up the railway bookings and they could not find extra bookings. I told him how anybody could steal before the eyes of the police and that there were certain other ways of doing that. I asked him to go to the producing centres and trade centres and find out there why the rates had increased, how much the turnover had increased and what was the quantity exported. The same thing we applied in the case of jute production in Nepal. The jute produced there was only 13,000 to 14,000 tonnes while the quantity exported was 25,000 tonnes. Naturally there must be other ways of procuring jute for export from that country.

So, Mr. Vice-Chairman, I want to draw the attention of the Government that their measure, the Customs (Amendment) Bill, to check the smuggling activity and illegitimate export is not going to help. This will be another measure to increase corruption. That is my claim. Therefore, if you are really serious at doing it, you should provide for deterrent measures.

Mr. Vice-Chairman, there is another small point which I want to make. Along with turmeric there is also groundnut oil being exported to China and Pakistan either through the Gujarat areas or through the Assam area. What is your department doing I do not understand. Well, we know all these things in the market circles, in places where we stay where groundnut is grown on a large scale, but your officers are not prepared to find out the source of smuggling and you are coming here to arm you with more powers when you cannot do

anything even under the existing rules. Therefore, I wanted to make out the case that these powers are too short. These powers are required to the extent that deterrent punishment must be given to an offender who is indulging in these activities. That is all that I wanted to say.

**SHRI K. CHANDRASEKHARAN** (Kerala) Mr Vice-Chairman, Sir, under article 123 of the Constitution the existence of circumstances for taking immediate legislative action is necessary before the President can ordinarily issue an ordinance. I do not know, Sir, what was the agency for the Government to legislate by way of an ordinance. Going through the provisions of this Bill I have not been able to place my hands on any particular provisions of the scheme about the necessity to legislate by way of an ordinance.

I think, Sir, I must join in the chorus of opposition that has been made from sections of this House in regard to the procedure adopted by the Government in issuing this ordinance.

Sir, this Bill was introduced in the Lok Sabha and has been passed by the Lok Sabha for replacing this ordinance. This has not gone to a Select Committee. The scrutiny and consideration that a Select Committee of Parliament would have made and the benefits arising therefrom are not made available to Members. I am particularly stressing this aspect because it was only in 1962 that the Sea Customs Act was replaced by the Customs Act and then within two years thereafter, in 1964 we had large-scale amendments to the Customs Act of 1962, and now again a number of amendments are being brought in regard to the various provisions and incorporation of various new provisions.

Sir, it is not possible within this short time to go in detail into the provisions of this Bill. But one thing I must state, Sir, before I go into certain general observations regarding this Bill as a whole and the parent Act and the working of the same.

There are two provisions in this legislation which attempt to define illegal import and illegal export. I do not know, Sir, why a definition has been attempted in this manner. What is legal has to be defined and what is prohibited has to be stated. But I believe, Sir, that these are already stated in the provisions of the Act or other laws in this regard. Therefore, an attempt to define illegal import and illegal export on the basis of legality that might or might not exist on the basis of the provisions of the parent enactment or on the basis of the provisions contained in other relevant enactments would be redundant and should not be made at all in this legislation. I fear, Sir, that this is going to bring in complications and difficulties so far as the Customs Department prosecuting cases in regard to violations is concerned. When a thing is defined as something illegal when a thing is stated as something prohibited it is for the smuggler, who is prosecuted, to defend himself and point out his fingers as to what he has done. It is not an act of smuggling which is illegal but an act which is legal, which is not prohibited by any of the provisions of the Act. By virtue of the fact that this illegal import and export is there now being brought into the provisions of this amending Bill, I should think, Sir, that a lot of unnecessary burden of proofs being brought so far as the officials of the Customs Department are concerned prosecuting cases in courts of law and this would give the benefit of doubt to a large extent to smugglers who are accused in courts of law and who are being prosecuted by the Customs Department.

One thing, Sir, I might state with regard to a provision in the parent enactment now that this amending Bill is before this House. It would have been possible, Sir, for a Select Committee, if it had been appointed, to go into the provisions of not only this Bill but also with authority to go into the provisions of the parent enactment itself. But I do not know how within this limited time it would

[Shri K. Chandrasekharan]

be possible at all to go through the entire provisions except making a suggestion here or a suggestion there.

I believe there is a provision in the main Customs Act that an appeal can be filed in respect of an order of confiscation or imposing of penalty by a Customs Collector and that the appeal can be filed before the Central Board of Revenue. But there is one provision which states that if the appeal has to be admitted and an interim stay application is to be considered there should be an application by way of an interim relief of stay of the penalty or stay of the confiscation ordered by the Customs Collector. If that is to be considered by the Central Board of Revenue not less than half the amount of penalty amount imposed by the Customs Collector should be deposited as security. I am aware that at least three High Courts in the country have struck down practically that provision which enables the Central Board of Revenue to demand from an appellant this security on the basis, Sir, that that provision, asking the appellant to produce such a large amount of security constitutes an encroachment on the right of appeal that has been guaranteed by the provisions of the Customs Act. It should have been possible for the Government to go into these matters, to keep pace with the decisions at least of the High Courts in this country, leave alone the other courts. After all, it is only the High Court and the Supreme Court that go into constitutional matters. At least three High Courts in the country have practically struck down such a provision. I believe, Sir, that it is necessary to re-examine that provision. Otherwise what happens is a large amount of unnecessary harassment to the ordinary litigants, because the Central Board of Revenue is bound by the decision only in that particular case, and they may say that in a different case that in view of the fact that the Government have not amend-

ed the Act, or for fear that some superiors might haul them up for not asking for security, they have to continue to ask for security.

The object of this enactment, as has been stated in the Statement of Objects and Reasons, is prevention of smuggling and the tightening of measures to detect smuggling. I may state, Sir, that smuggling by and large in this country can be successfully resisted not by any provisions of a Bill of this nature or by the provisions of the parent Act, but by taking remedial steps in various other direction, particularly in the direction of (1) producing better consumer goods in this country and (2)—the first may be difficult; the first may take time; but regarding the second, Sir, it will not take time; a decision of the Government of India, a policy decision on this account, would be enough—so, secondly, what the Government should do in the matter is to avoid all exports of such consumer goods which are of world standard and which are necessary for the consumer in this country. I take one small example, Sir. Let us take the case of watches. Why is it that every other man in this country is having the Swiss Sea King watch? They are very good watches and nobody will be able to explain to us as to how this watch is on his hand. He has purchased it, and it is on account of smuggling that all these watches have come into this country. But, I may tell you, Sir, and you would agree with me, that the watches produced by the H.M.T. in this country can stand comparison with any other watch in the world. The H.M.T. watches are the best in the world, I claim. I have compared it, Sir, with the so-called King of Watches, the Rolex Watch. That watch failed, but the H.M.T. did not fail. The H.M.T. watch ran on time. I believe, Sir, that it is time on the part of the Government of India to see that not one of these H.M.T. watches is exported so long as the watches are required for use in this country. Why is it that the H.M.T. is making export-quality wat-

ches and exporting those watches and making available a portion of those export-quality watches for the VIPs in this country? Why all this discrimination? Why all this export when there is a lot of smuggling in the case of watches? Therefore, I submit, Sir, that unless these two things are done, i.e. production of better goods and preservation of such goods that are manufactured in this country and can stand world trial, within this country itself, it will not be possible to prevent smuggling.

One or two things more and I shall stop if time...

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You go on. I will ring the bell when it is time.

SHRI K. CHANDRASEKHARAN: I am thankful, Sir.

During the last seven years since the Customs Act of 1962 came into force, we have taken stringent measures to see that smuggling is avoided by the provisions contained in the Customs Act of 1962. What happened in the meantime? One more aspect of the policy decision of the Government of India, i.e. devaluation, Sir. It was suggested before this House, before the country and before the world that the idea was to prevent smuggling—smuggling out of silver and smuggling in of gold. But what happened? Devaluation has not in any way stopped this smuggling or reduced this smuggling. But the citizens of this country have contributed in their own way for the increase of inflation in this country on account of the devaluation. Take, for example, the sovereigns. The price of sovereigns which went about in this country at the time of devaluation and for about 8 to 10 years previously, was of the order of Rs. 96 to Rs. 100. Immediately after devaluation it rose, and during the last four or five years, the price of sovereigns that go about in this country—in what way, I do not know—has been of the order of Rs. 136 to Rs. 140. And sovereigns are not less now in the country. If one compares the number of sovereigns that were in circulation before devaluation and which

are in circulation now, probably they are much more to-day than they were previously. I am sure the hon. Finance Minister would reply immediately by stating "Yes, that is one good effect of my devaluation. That is one good effect of the Government's policy regarding anti-smuggling. These sovereigns which were all hidden in the country have now come out." It is not so, Sir. There has not been so much hiding of sovereigns. Nobody can hide so much for such a length of time. Sovereigns have come from outside, particularly from a number of Arab countries, and these sovereigns are now in circulation. And the result is a rather difficult situation so far as the economy of this country is concerned. (*Time bell ring*) Yes, I am finishing. Only one or two points more.

SHRI MULKA GOVINDA REDDY: There are not many speakers. He may be allowed some more time.

SHRI K. CHANDRASEKHARAN: Before I close, I want to touch upon certain things that are happening inside and just outside our ports, particularly in and around the Cochin Port, where to some extent I personally know the situation there. Sir, in the Cochin Port, there are no berths available for a large number of ships. Quite a large number of ships which come there have got to be stationed 10 or 15 miles outside the Cochin Port and they get clearance for coming sometimes after 48 hours and sometimes after three days. And during all this period of waiting what happens? Practically, Sir, the ship is ransacked. Lots and lots of boats go to these ships and by the time the ship enters the Cochin harbour, half of its valuable goods are already on the streets of Ernakulam and Cochin. Some of these goods are smuggled goods and some of them are legitimately brought goods. I recently came across the experience of a friend of mine who came from the United States by air and sent all his luggage from the U.S.A. by ship. He had sent four packages and all of them were to be cleared by Customs. He is an hon-

[Shri K. Chandrasekharan,] ourable friend and there was no question of smuggling so far as he is concerned. But what happened? That particular ship, Sir, had to be berthed outside the Cochin harbour for three days. He was given all the packages but two boxes were completely empty. There was nothing in them. It is supposed, Sir, that when a ship is within the reach of the harbour a customs boat is to go and a customs official is to stand on the ship and guard that ship. I am not making any insinuations against any officer. That is not my approach at all and I never do it. But there is a large public talk that there is a racket in the Customs Collectorate in Cochin which is, in combination with the smugglers also to exhaust practically all the ships before the ships come and enter the Cochin Harbour to their berths. This is a very serious matter. And this again is causing a lot of concern and difficulty to the nation as a whole.

I end, Sir, with one more point. I want to make a reference to the seizure of gold from the BOAC plane at Delhi. The seizure has effected some months back and we have heard it from the newspapers that in appeal the seizure has been held as illegal and the gold has been ordered to be released. I do not know whether there is any case pending and whether there is anything still left for decision, so far as that matter is concerned. But may I tell the Government, Sir, that in the case of such big hauls it is a matter not merely of a departmental examination, it is a matter certainly concerning the Government as a whole. And the matter has got to be dealt with at the Governmental level and there are provisions for the same even in the Customs Act. I submit, Sir, that technically an offence has been committed. It may be that the carriage of that gold might have been in an ordinary manner, but the question is whether that gold was ever declared in India when the plane touched two airports in this country. That gold ought to have been declared; but that gold was never

declared. Technically an offence has been committed and we are concerned with technical offences also because these technical offences ultimately pave the way to the commission of more and more offences of that nature, particularly by foreigners. I submit, Sir, therefore, that the matter has to be taken very seriously by the Government and necessary corrective steps and action taken. Thank you.

SHRI S. S. MARISWAMY: Mr. Vice-Chairman, I am thankful to you for giving me this opportunity. I heard the honourable Minister's speech and also went through the Bill that has been presented to the House. It reminded me of a story. There is a saying in Tamil that a man when he swallowed a crowbar went to a doctor for medicine and that quack suggested to the patient to take a cup of ginger soup. In the same way, this Bill has come with the fond hope of the Ministry that it would stop smuggling. It will not only not stop smuggling, but I am afraid it would rather increase smuggling in this country. Why are our people crazy about foreign goods? My friend, the honourable Shri, Chandrasekharan, spoke about it and he gave a beautiful analysis of the situation prevailing. I am crazy about foreign transistors, foreign blades, this and that. Why? It is because I do not get good quality articles in India. So, what should be done is that you should encourage the industry here to produce such quality goods in India. And what is wrong with our industry? You do not allow private entrepreneurs to get into the industry and start business on a competitive basis. You want to have a controlled economy. That is the main reason why we are short of these quality goods in our country and the people are crazy about foreign goods. So, the accent should be on this, not on passing one Bill after another, making the entire nation a nation of criminals. Tomorrow if I am found with a packet of blades, I can be booked under this Bill and if somebody has got a transistor which he would have bought here without knowing the implications of the Bill,

he can also be hauled up. The approach should be to make India *swadeshminded*. For that you must be able to supply quality goods. And what is needed is our entire industrial policy must undergo a thorough change. That is number one.

Number two. This Ordinance was passed some time during our inter-session period. As a result of it, Mr. Vice-Chairman, nearly 500 to 600 families in Madras have been affected. There is a particular bazaar in Madras called "Burma Bazaar" about which you have heard. Our friend, Mr. Murahari, was kind enough to make a reference to it here. It is like the China Bazaar in Calcutta, we have a Burma Bazaar in Madras. In that bazaar about 500 Burmese repatriates are doing business. They are actually of Indian origin. But they went and settled in Burma for business from where they were driven back here. They are doing business for the last three and a half years. The local Government and the Corporation had allotted them a little space on the payment very near the Beach Station. They were doing business for the last three and a half years with the goods they had brought from Burma with the clearance of the local Customs Office. They also used to buy goods from those passengers who used to come to Madras from abroad and who were prepared to sell away their articles. These people used to buy goods from the foreigners also and sell them in Burma Bazaar. Apart from this there was no smuggling involved in that particular area. Now what has happened? Immediately after the issue of this Ordinance, all these shops were raided and whatever goods were there, they were taken away. And these five hundred people have been rendered jobless and foodless and have been reduced to the level of beggary. They have given a number of telegrams, a number of memoranda to the Governor and to some of the Members of Parliament also. As a matter of fact, on the day I received a telegram, I attached that telegram to a Calling Attention Notice and forwarded it to

our Secretariat; but unfortunately that was rejected. Now, the position is very grave. The situation is serious. 11,500 people, one fine morning are thrown out on the street, what will happen to their position? So, the Government before passing such Ordinances and bringing forward Bills to legalise them, should bestow some attention on the plight of these 500 people. They can give these people some loan to enable them to start some business and lead an honourable life in this country. They have been driven away from Burma for no fault of theirs but because we followed a foreign policy which is a weak-kneed foreign policy. It is because of this policy that wherever there are Indians, they are being ill-treated; they are sent home. And when they come here they are not allowed to start an industry. They are not allowed to start business. Whatever business they start, they are deprived of that also. This is the actual position and this aspect should have been gone into.

The third point is, I thought this Bill would have been a very comprehensive Bill closing all the lacunae that we find in the Customs Act. There are so many lacunae. I will give you one example here. If a person imports goods and the Customs Collector thinks it is wrong import, he gives a show-cause notice and the importer gives an explanation. And on that orders are passed after six months or a year allowing the clearance in favour of the importer. During the period of this one year or six months the goods are kept in the Port Trust's godown which charges demurrage. The rule is if there is such a case a clearance certificate will be given by the department but the importer gets only some relief, about 60 to 70 per cent of the demurrage charges. He is at no fault. His explanation has been accepted by the department. The department says he is not at fault. Yet, it charges 30 to 40 per cent of demurrage from him. This is a lacuna arising on every import in this country. Many repre-



[Shri S. S. Mariswamy]

sentations have been forwarded to the concerned department asking it to change the Customs Act in a suitable manner. But no action has been taken. Some silly fellow had taken 50 radios and 20 transistors from outside the country and you want to harass the nation by making such a hullabaloo about it. Smuggling would come to a stop only if our industrial policy is changed. Now you 4 P.M. want to have a controlled economy and a rigid policy with regard to all the permits, licences and quotas. What quality of goods can you expect? You get only 4th rate goods and the people's taste will never be controlled by any legislation brought in this House or the other House. Another lacuna is this. In a similar case as mentioned earlier the Collector passes an order confiscating the goods and levying a penalty if the person wants to take delivery of the goods. The importer does not pay the penalty and does not take delivery of the goods but files an appeal. The appeal may take 2-3 years. He wins the appeal. Meantime the goods are in Port Trust. Who is to pay the demurrage charges? How can the party pay when he is not at fault? This is another lacuna.

The third important point is this. An import firm or a person is suspected of an irregularity and this investigated by the police. It appears the import licences are not given to the importer during the period of investigation. It may be a factory producing essential goods or a person needing the raw materials for this production. The investigation may take several years. All these years what is the importer to do without the raw materials?

There are so many lacunae, like this. So if a Bill is to be brought before the House, it should be comprehensive covering all the lacunae. The present Bill is a half-hearted measure and is not going to solve the problem. Rather it would aggravate

the situation. With these words, I conclude

SHRI M. M. DHARIA: (Maharashtra): Mr. Vice-Chairman, I am really sorry that my friend Mr. Mariswamy should have advocated a free economy in this country because I feel that the basic reason for the present smuggling is that the import-export trade is in the hands of private parties. If the Government nationalises this trade, I have no doubt that nearly 70 to 80 per cent. of the smuggling that takes place in the country to-day will be immediately prevented.

SHRI S. S. MARISWAMY: It will be 100 per cent. more.

SHRI M. M. DHARIA: It will be 100 per cent. more if some Burma Bazaars are allowed in the cities of Madras and Bombay because I know that no sooner we come out of the Customs Office, within 100 yards you will find that in the footpaths in Bombay and Calcutta also they are just pooled with the smuggled goods. If such Bazaars are allowed, it will be 200 per cent. also.

SHRI S. S. MARISWAMY: My plea is not to allow the Bazar like this but to rehabilitate them or to give them help.

SHRI M. M. DHARIA: That is a different matter. I am prepared to take a humanitarian approach in that matter that in regard to those who are dealing in these goods, if the Government has prevented them from doing their business, they should not be thrown on the streets but that they would be provided with some alternative employment but I feel that the Government has taken the right step in stopping such methods of smuggling in the open streets. On the contrary I feel that the Government is not yet vigilant because a few days back I could see in Bombay and Calcutta that smuggling is rampant even on the footpaths and just out-

side the Customs office. Even the police and everybody sees it. Even the Customs Officers are aware of it and I do not know what they must be feeling. Perhaps they are shy about it. Is it because of the feeding they have got from them? I feel that smuggling is not only in the port areas. Our border particularly between China and India and particularly our trade with Nepal have also given a lot of ground for smuggling of articles. The other day I raised the point of stainless steel utensils. In Nepal today there are no factories manufacturing stainless steel utensils. They are manufactured in China but under the name that they are manufactured in Nepal they are just smuggled into this country under our very nose in the fair name of that agreement with Nepal. All these borders are also doing the same business including import and export of smuggled goods like rice, jute, sugar, etc. Similarly in the name of imports, there are under-invoicing and over-invoicing. It is again a different aspect but you can find it out. To-day we find that companies which imported machinery of particular capacity have been producing much beyond their capacity. How? It is because they have smuggled that machinery also but the Government is not aware of it. I would request the Minister to examine the refineries of Burmah-Shell and of ESSO at Bombay and he will find that the machinery capacity which was imported and which was shown to the Government was not proper. They have been increasing by double or treble the capacity of production because they have smuggled that in a nice way by evading all taxes to the Government.

Then these smugglers have created their own empire. We are aware that from Dubai gold worth Rs. 300 crores is pouring into this country every year. These are not my figures. These are many times, directly or indirectly, accepted also by the Government. I am aware that these smugglers come in steamer. Having their own helicopters they bring gold

in helicopters and on the sea shore they have their own spots. There the gold is thrown from helicopters. They have their agents below. They take the gold and it is again brought into some cities. As far as the Gold Control Order is concerned, unfortunately the Government should have taken some pragmatic view there because the small jewellers or ordinary family using gold up to 25 tolas should have been continued with that arrangement but about these dealers in gold and those who board gold, the Government should have taken a firm decision and said that no person should have more than 25 tolas, whether he is a king or queen or a capitalist or a middle-class man. At the moment one couple .

**SHRI BRAHAMANAND PANDA:** They now keep everything in the couple . . .

**SHRI M. M. DHARIA:** My friend is not aware that these kings, these ex-Rulers who are enjoying those privileges of import and export bring anything under the name of those privileges. They have smuggled gold into this country and perhaps that is the worst area where the smuggling is rampant, but the Government is helpless, because of the protection they have and the Government is not prepared to accept my Resolution for abolishing these privileges and Privy Purses. Of course it is also my Party but the Government is not taking steps. It is not these Bills which can prevent smuggling. The right approach shall have to be taken in this matter and from that point of view I was referring to the Gold Control Order that the Government should have come forward and said that no family, no couple will be allowed to have more than 25 tolas. All the gold must be deposited with the Government but the Government was not prepared to do that. Those who are having private ornaments have been allowed to use them and they again took undue advantage of the Gold Control Order and ultimately the

[Shri M. M. Dharia].

Government had to surrender before these people. If the Government had taken a pragmatic approach about this the goldsmiths would not have suffered. There would have been no agitation by them. The only sufferers would have been the hoarders but instead of taking steps against the hoarders, the goldsmiths suffered and naturally the Government had to surrender because of its wrong policy. Mr. Vice-Chairman, Sir, then again coming to the punishment, I would like to appeal to the Government that to-day the punishment is very meagre and so the offences should be separated—there should be ordinary offences and national offences. I feel, Sir, that smuggling should be treated as a national offence and it is not enough that the particular articles declared under this order or notification or this Act alone are the only items to be confiscated. The whole of the property of the smugglers should also be confiscated and there should be the heaviest punishment.

SHRI P. C. SETHI: If he has any.

SHRI M. M. DHARIA: There are many instances. I can point out that some families from Bombay are dealing in jewellery. And you have confiscated gold and jewellery worth Rs. 10 lakhs or 20 lakhs from these jewellers even though they are having properties worth crores of rupees. You have not touched their properties at all. The approach of the Government is not basic and that is why it is not in a position to check this smuggling.

So, this punishment should be heavier—there should be the maximum punishment and at the same time the whole of their property should be confiscated. And let there be this sort of feeling in this country that there is a deterrent punishment being given.

Coming to the aspect of production, I agree with my friends that the production in this country shall have to be raised because, ultimately, there should be all these new developments because of science and technology. Unfortunately, today, we have been giving licences after licences but there is no quality control at all. Look at the cars and look at so many articles that are being manufactured in the private sector. My friend made a reference to our H.M.T. watch. But what are the articles being produced in the private sector? And what is the quality or the mechanism for controlling the quality? They are allowed to import so many things and raw materials for their business and industry. But, then, there is no control over the quality. Nor is there any tariff so far as the articles that are produced by them are concerned. So, I would like again to insist in this House that a lot of incentives should be given. Care should also be taken to see that for those things that are manufactured in this country, they should be in a position to compete in the whole world. One important thing to stop the smuggling is this. We cannot forget the feelings of *swadeshi*. What has happened to Lokmanya Tilak and Mahatma Gandhi who were our great leaders? It was they who created the feeling of *swadeshi*. In the private sector there was a feeling of self-respect and dignity in our country. What has happened to that feeling of *swadeshi* to-day?

I am really sorry to see that our Ministers or persons in dignity do take pride in having the imported crockeries. Why? Why should they have these imported crockeries? Why should they even have these imported clothes? There are society ladies who have been going on to such parties and they are proud of their wearing the Japanese nylon sarees.

AN HON. MEMBER: Even radio-grams.

SHRI M. M. DHARIA: And there are even so many things. I do not know whether they are smuggled goods. They do take pride on that. They even wear imported sarees even though our Indian goods manufactured here are equally good. Why should they wear the imported clothes? There was a time when in this country there was a disrespect and hatred for such things. The time has come now in this country when we have our manufacture of cloth—that may not be up to that standard—and till we reach that standard, we shall not care for wearing the imported cloth, we should wear the cloth that is manufactured in our country. What has happened to the feeling when these powers will be given to these officials by the Government?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): But what about the foreign collaboration and technical know-how?

SHRI M. M. DHARIA: I am coming to that. Powers are given to the officials. Has the Government cared to see that in this society, to-day, there are persons who are having the highest integrity and highest standards who should also be taken into confidence? The Government is just dependent on its own bureaucratic officials. You know how the bureaucrats are functioning.

Mr. Vice-Chairman, it was your own motion and we had made a demand in this House for a Commission of Inquiry into the affairs of the Birlas. There was a problem of over-invoicing and under-invoicing. One of the allegations made by Shri Chandra Shekhar was this. Unfortunately, Government has turned down the demand. Of course we have not left this demand. We shall go on insisting on the Government till our demand for the appointment of a Commission of Inquiry is met. If this is done, it would have been possible for that Commission of Inquiry to go into all the aspects of smuggling. What are the various sources through

which the smuggling takes place and how can it be avoided? They would also find out as to how these powers are being misused by officials. All these things would have been found out by the Commission of Inquiry and they could have suggested several ways and means. Some of our Communist friends also joined with us in demanding that kind of Inquiry Commission. May I bring it to their notice or to the notice of Governments of Kerala and West Bengal that this Commissions of Inquiry Act of 1952 is not only for the Government of India alone? It empowers the State Governments also to appoint their own Commissions of Inquiry. May I request, through you, Sir, the Governments of West Bengal and Kerala to appoint Commissions of Inquiry to go into the affairs of the Birlas or into the affairs of others who are indulging in such things? Nobody is going to prevent them. Otherwise why should my Communist friends level that criticism against us when they are not prepared to act in the same way in their own States? Otherwise this will have no meaning.

Sir, I find that there was a question on the Hindustan Automobiles firm and all that. If this Commission of Inquiry is appointed there, several things would have come out. So, I would like to make a demand that if they were to be called progressive States, they should not lag behind. But it so happens that in the Government of India we always feel shy.

SHRI M. V. BHADRAM (Andhra Pradesh): This they cannot do.

SHRI M. M. DHARIA: Here we would go on insisting on this demand. On the contrary there is a motion here and we shall see that this is properly pursued. We shall not lag behind in doing that.

SHRI G. R. PATIL (Maharashtra): The West Bengal Government has invited the Birlas to establish industries there and they are also giving them all facilities.

SHRI M. M. DHARIA: I am hitting on that point. I want to know whether they are really progressive or whether they are really reactionaries. I want to throw a challenge whether they are progressive.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Let us confine ourselves here to Customs alone.

SHRI M. M. DHARIA: Fortunately, my friend, Shri Chandrasekharan made a reference to Cochin which is in Kerala. And references are there also to Calcutta which is in West Bengal. If these two Governments decide, they can go a long way in this respect. That is why I would like to request through them—I am sure they will not expose themselves by not appointing such a sort of Inquiry Commission—to have such Inquiry Commissions. My last submission to the hon. Minister is this. This is a disease—a very serious disease. Such sort of measures cannot cure the disease. This requires an operation and that operation shall have to be done with determination and courage. Is the Government prepared to do that? Is the Government prepared to take into its possession all these import and export trades which will give the Government a revenue worth Rs 250 to 300 crores? If this is done, the Government need not tax the poor farmers.

The hon. Finance Minister said that he had to tax these poor farmers because there were no resources for our Plan beyond Rs. 100 crores. If the Plan is to be carried out, he requires more resources. He could have Rs 300 crores straightway after this import and export trade is taken over. This can stop the smuggling but at the same time relief can also be given to the farmers. But, instead of giving relief to the poor people, protection is being given to those who do not require that at all. That basic thinking is lacking in us. Otherwise, our approach, with all good intentions, will not serve any purpose.

SHRI G. A. APPAN (Tamil Nadu): Mr. Vice-Chairman, Sir, I have gone through this Bill but, as you know Sir, the more the number of Bills, enactments, rules, regulations and all the rest come to be passed, the more all these things are passed the more the violations and the graver are the contraventions of them. Regarding this Bill to prevent smuggling of goods, to detect them and to confiscate them wherever the contraventions have been noticed, wherever people were not able to report, wherever they were not able to intimate the illegality of imported goods in their possession to the proper officer, to intimate their possession of the notified goods, I am only very sorry to have to say that this is putting the cart before the horse. And why is there any illegal import at all? It is because people want good things, things better than what are available in the country, for the money that they spend. Supposing we are able to get good things in our own country, why should anyone at all want to buy or get or steal or smuggle things from other countries? And there is the risk of being caught red-handed and put to shame and disgrace. Now here the question is that the quality is very important for the consumers or users of all these goods and services. Take for instance the small gramophones, transistors, radios and other things. We have to pay, say 400 or 500 or 600 rupees for the articles that is locally available. Now for the same article it is enough if you pay about 150 or 200 rupees in other countries. The quality also, in addition to the comparatively lower price, is so good and far better. So we either smuggle it ourselves or we begin to purchase the smuggled goods. Now I know for certain that the more the Customs rules, regulations, enactments and so on are passed and they are enforced, the more the corruption that comes into play and the greater is the magnitude of the corruption, and the smuggling all the more. Now, when we go and purchase smuggled goods, we know definitely that one

day we will be caught and we will be put to trouble. In spite of that we go in for a smuggled article, pay some money and get it. Why? It is because of the quality. People smuggle goods and sell them with all the attendant risk—because they know that they are selling good things, that there are people to buy these things and in the process they are able to make better profits. If our country could produce similar things of similar quality for the same amount of money, do you mean to say that there will be any need for smuggling goods or any need for all these enactments to prevent the smuggling? In that case there will not be any need at all for all this. The fundamental industrial policy of our country has to be radically changed, before giving permission for starting the industries, you should ascertain the quality and the standard of the product which the particular industry will be going to turn out, and also the cost structure of the product, the demand for the product in our country and the productive capacity of our country in respect of that product. Another reason for smuggling is that we are not able to meet the full demand of our needs by local production. This also will have to be noted. And what is the penalty for the people who are detected? I entirely agree with my friends, Mr Chandrasekharan, Mr Mariswamy and Mr Dharia that the penalty for such smuggling should be heavier and act as such a deterrent that it will not tempt other people to enter into these violations any more. It should be very very deterrent and it should teach a moral lesson to other people who may have any temptation in this regard. I am told that in some other countries social offences are treated with great contempt and dissatisfaction in the public eye. We have seen a number of smuggling cases that are reported in the Press. Though some people, some good officers, some very nice officers have detected a number of smuggling cases and they have amass-

ed a large amount of wealth to equip our State exchequers and the Central exchequer, in spite of that, there are some people who would like to own these smuggled goods to make a fortune of their own, if necessary even by greasing the palms of the detecting officers who take to corruption, and when some people are caught red-handed in the act of smuggling, they are able to get away with it by greasing the palms of the corrupt detecting officers, thus giving scope for anti-social elements of corruption in the Customs administration, and what not. Rather than pass these regulations it is but meet and proper that our Government should try to produce the best product of all consumer goods to meet the satisfaction of our people, of course within the limits of our resources but at the same rate or price for which it is available in other countries. Take for instance the Burma Bazar in Madras. There many people had brought some things along with them, had brought some of their own *samans* and opened them up for sale, or had purchased some of the *samans* just for selling them and getting a return. That way they were trying to do an honest living there. But somehow, under the pretext of national interests or national expediency they have been driven out. And when we wanted to raise the question here as a matter of urgent importance, it was not allowed. When the people were eking out their livelihood by honest means, when they were doing some honest business there, why should other people prevent them from so doing? It is because there also some other people want something from them: they can earn some money by threatening them with action under the Customs law or some other law. Now, Sir, if corruption is there, if corruption is rampant, it is on account of these rules, regulations, enactments or laws, too many in number, which cannot be satisfactorily implemented but which, on the other hand, will only go to swell the pockets of some cor-

[Shri M. M. Dharia]

rupt people or increase the income of some people.

With this, Mr. Vice-Chairman, Sir, I appeal to the Government not to press this but to leave it at this level, because of this fact also. Now, Sir, in the matter of appeals, you know they have to pay a huge amount. Also they have to wait for a long time—as my friend, Mr. Mariswamy put it. The demurrage accumulates there; who is to pay it? It should be the Customs authorities who have been responsible for these vicious or malicious acts to gain their own ends and satisfy their whims and fancies and frenzies and not the poor victims. So authorities should be made to pay the demurrage, etc. If they are asked to pay it once or twice, they will hesitate to do such irregular things to please their whims and fancies. Therefore, Mr. Vice-Chairman, Sir, quite apart from the high fees for appeal and all other things the penalty imposed for smuggling cases should also be reduced to the barest minimum.

Thank you, Sir.

SHRI P. C. SETHI: Mr. Vice-Chairman, Sir, a few hon. Members, Mr. Chandrasekharan, Mr. Lokanath Misra and Mr. Shejwalkar have questioned the validity of introduction of the Ordinance with regard to this Bill.

SHRI PITAMBER DAS: Not validity; propriety.

THE VICE-CHAIRMAN (SHRI M P BHARGAVA): That is right.

SHRI P C SETHI: Sir, it is a well known fact that this Bill was introduced in the Lok Sabha on 3rd December, 1968. The provisions of the Bill with regard to these specified goods, that is to say, silver and silver coin, and with regard to the imported goods which were to be notified, were known, and people were required to submit according to this Bill declarations within seven days. But this Bill could not be passed in that

Session on account of the heavy legislative programme in the Lok Sabha. Therefore, Sir, after the provisions became known to the people, there was ample likelihood of all these smuggled goods being hidden somewhere and at the same time more mischief done in the case of silver. Therefore, Sir, in order to avoid that eventuality, there was no other alternative but to have an Ordinance introduced, and that was the only reason for which this Ordinance was brought in. As far as the Ordinance is concerned, Sir, there was nothing wrong, and it was only to prevent smuggling. Of course as far as the basic tenet of whether the Government can frequently go in for Ordinances, is concerned, that is a different matter, but, as far as this particular aspect was concerned, there was no other way but to have the Ordinance. Now having said this with regard to the Ordinance, I would now come to this Bill. This Bill has not been properly taken by certain hon. Members. This Bill clearly deals with two aspects. One is with regard to notified goods which is applicable to the imported articles which I have mentioned when I introduced the Bill. The second is with regard to specified goods which deals with the smuggling of silver and coins. And it is only with regard to the specified goods that this limit of 50 kms. has now been enhanced to 100 kms. by an amendment in the Lok Sabha. And this limit of 100 kms. is only in that area wherefrom silver was being smuggled but wherever the Government in future might feel the necessity for introducing or extending this area further, the Government could certainly notify it but at the moment the object of this Bill is to check the smuggling of silver and silver coins in this area wherefrom the mischief is being done.

As far as imported articles which come under notified articles are concerned, they could be checked anywhere throughout the country, even on the Indo-Nepalese border or on the Indo-Pakistan border or in any

part of the country, in any city, town or village. In any place if such imported articles are found in quantities more than what can be possessed for personal consumption they could be confiscated and penalties imposed and even prosecutions launched. These are the two clear things in this Bill with regard to smuggling of silver out of the country and with regard to smuggling of imported articles.

The hon. Mr. Misra enquired from what particular period of time it was noticed by the Government that silver smuggling was increasing. The statement of goods seized goes to show that in the year 1965 silver worth Rs. 11 lakhs was seized, in the year 1966 it was 76 lakhs of rupees and it was very clear to us that the smuggling of silver was increasing. And suddenly in the year 1967 the figure went up to Rs. 253 lakhs and in the year 1968 it went up to Rs. 401 lakhs. This goes to indicate that the smuggling out of silver which had started on a miniature scale was mounting up and therefore Government felt the necessity of introducing this measure in order to check this smuggling of silver. So there is no question of inefficiency of the officers. As soon as it was noticed by the Government that silver smuggling was on the increase, this Bill was introduced in Parliament.

I am thankful to Mrs Rajagopalan for having welcomed this Bill. She said that there are certain lacunae in 11D and 11G. That is not correct. In the Bill as it stands there are no lacunae and all the provisions are there in order to meet particular situations. Mrs Rajagopalan, Mr. Godey Murahari, Mr. Kulkarni and Mr. Dharia specially mentioned about our problem on the Indo-Nepalese border. As far as the Indo-Nepalese border is concerned we are governed by the Indo-Nepalese Treaty which has been concluded in 1960. According to this Treaty goods originating in either country can freely move in the other country. Anything which originates in Nepal can come to India and anything

which originates in India can go to Nepal. A view was taken by hon. Members that this particular clause does not include anything manufactured out of imported raw material. But it has been interpreted that it includes even those articles which are manufactured out of imported raw materials. In view of this it was found difficult to stop such material which was being manufactured either in Nepal or in India. At the same time we were conscious of the fact that certain articles, especially, stainless steel and nylon fabrics were coming into our country in a much bigger way. Therefore an official team was sent to Nepal and it was then decided that in view of this situation a certain understanding must be reached with regard to such articles and ultimately in November 1968 His Majesty's Government of Nepal agreed to take the following steps:

His Majesty's Government of Nepal will regulate the export of these two sensitive products with a view to limiting them in quantum and value to the level of 1967-68.

It was also agreed that the Government of Nepal will take steps to restrict allocation of foreign exchange from all sources to the manufacturers of these products to the level of 1967-68.

The effectiveness of these steps will be revised at the next meeting of the Inter-Governmental Joint Committee with a view to dealing with persisting difficulties, if any.

These decisions were taken and a policy agreement was arrived at but the details are still to be worked out as to the quantum of imports which we had with regard to these two items, namely, stainless steel and nylon fabrics in 1967-68. Now our officials are negotiating with the Nepalese Government and I am quite sure that they would come to some understanding.



SHRI S. S. MARISWAMY: They are not the only items smuggled. The complaint is that mica is being taken there and sold to outsiders at a fabulous rate, and we are thus losing foreign exchange.

SHRI P. C. SETHI: Mica is an Indian product and anything which originates in either country can go to the other country.

SHRI S. S. MARISWAMY: But it is not being sold; it is being smuggled.

SHRI P. C. SETHI: According to the treaty the only prohibition is about jute goods and tent. Other articles which are manufactured in either country are freely allowed. Of course that is a point which one has to examine but under the Treaty as it stands there is no remedial action with regard to this.

We are also worried about the notified articles which are manufactured in Nepal. The point is whether we can regulate the imported articles which are notified even if they come from Nepal. I am happy to announce that this question was examined in the Legal and Treaties Division of the Ministry of External Affairs and that Division has now opined that so long as the application of the provisions does not restrict the free flow of goods from Nepal subject to mutually agreed quota limits that may be imposed on imports from Nepal we can apply the provisions to notified goods even if they are manufactured in Nepal and imported into India. Now suitable instructions are being issued to the Collectors in this regard. This has been done only recently, just one or two days back and in view of this we can ask Indian dealers dealing in such articles which are manufactured in Nepal to declare them and apply the provisions under this Bill even in respect of such articles.

Here I would also like to quote the figures of the goods seized on the Indo-Nepalese border. In 1966 for example the total value of the goods seized on the Indo-Nepalese border

was Rs. 3,21,000; in 1967 it was Rs. 5,87,651; in 1968 it was Rs. 5,73,129. Therefore it goes to show that measures have been taken even on the Indo-Nepalese border. We are strengthening our mobile units; we are having more check-posts in order to check smuggling on the Indo-Nepalese border and all possible efforts are being made. I could understand the anxiety of hon. Members both in this House and the other House, but the Government is aware of the fact. I would, at the same time, like to specify and clarify what I said in the other House that our relations with Nepal are very friendly. That being so we would not like to take any steps unilaterally. We would like to take steps with the consent, help and assistance of the Nepalese Government. All possible efforts are being made in this direction. I am sure with their co-operation and assistance we would be able to do something tangible in this regard. We have before us certain valuable suggestions from a few hon. Members. We are working them out. For example, it was suggested that we should stamp the goods coming from there. Now, that is being examined. The suggestion has come from the hon. Members, Mr. Dharia and Mr. Kulkarni, that all trade with Nepal should be through the State Trading Corporation. This point was examined, but His Majesty's Government of Nepal at the moment is not agreeable to this idea. Unless we mutually agree to some formula, it would be difficult to introduce it unilaterally. All the same we are having hopes. We are still negotiating with them on many such points which are controversial and I am sure that with their help and assistance we would be able to arrive at some positive conclusions.

Mr. Godey Muraharj even went to the extent of saying that this Bill is not going to solve the problem of smuggling. I have never claimed that this will completely stop smuggling. But this is a step in the right direction to stop smuggling. The results which have been achieved after the promulgation of the Ordinance

are every encouraging and that goes to show that the Ordinance has had a successful effect. Now, Sir, this kind of argument that if there are thefts, we should have no law for catching thieves, or if there are murders, we should have no law for catching those who are responsible for the murders, is not correct. Similarly, if there is smuggling, it is a see-saw battle between the Government and the smugglers. We introduce certain laws and we initiate certain measures. They try to find out certain other measures to defeat them. So, this see-saw battle goes on. The Government cannot lose heart. They have to take certain measures in that direction. I can only say that this is a step in the right direction. It has achieved certain results and I am quite sure that given a good trial this Bill would be able to check smuggling to a considerable extent.

I am thankful to the hon Member, Mr Patra, for having supported this Bill. He said that there is need for streamlining the administration and for improving the mobile units. If necessary, he wanted the deployment of helicopters and other things. Certainly we are moving in that direction. We are trying now to have hovercraft in the coastal areas especially to intercept the launches which are being used by smugglers. We are also having more mobile units. We are trying to give them the most modern instruments and all telecommunication facilities, so that they could intercept the smugglers and the launches. I am thankful to Mr Patra for his suggestions. The Government is also moving in that direction.

Mr Menon asked why this limit of Rs 15,000 has been allowed? Now, Sir, as far as silver is concerned, it is being smuggled out either in 30 kg or 32 kg bars and the price of each bar is about Rs 17,000. That is why a limit of Rs 15,000 has been kept, so that the poor artisans or poor silversmiths who are dealing in these articles, those persons who are dealing in silverwares are not harassed. Un-

less these persons are having silver bars valued at more than Rs 15,000, they will not come under this. The value of each bar is about Rs. 17,000. That is why a limit of Rs 15,000 has been kept, so that anybody who is dealing in silver or silverware is not harassed. At the same time, if anybody is dealing in silver bars, where the bar is worth more than Rs 17,000, he comes within the purview of this Bill. He has to make a declaration about the storage. He has to take a transit voucher for its movement. As far as the movement of silver is concerned, except silverwares, if silver coins or silver bars or silver rods are taken out worth more than Rs 1,000 then it has to be accompanied by a transport voucher. That is why it has been provided here that he has to declare if he is keeping silver bars which cost more than Rs 15,000. As far as the movement of silver is concerned, even if it is valued at more than Rs 1,000 he has to carry a transport voucher and if he is moving it outside the city, then he has to carry countersigned voucher. If he is moving it after a particular period of time, say, after 8 p.m., then this voucher has to be countersigned by the customs officer concerned. Then only he can move it. All possible measures have been provided in order to intercept the smuggler. The limit of Rs 15,000 has been put because we want to intercept only those persons who are engaged in smuggling. We do not want to harass the petty dealers. That is why we have introduced this measure. Otherwise, there was no particular necessity to introduce it.

Now, Sir, the hon Mr Kulkarni said something about penalty. The hon Mr Dharia also repeated the same argument. As far as penalties are concerned, according to the Customs Act, nothing is mentioned in this particular amendment. They are already there in the Customs Act. In the Customs Act there are sections 111, 112, 113 and 114 which deal with these crimes. Under section 111, all imported articles can be confiscated. Under section 112 the monetary

[Shri P. C. Sethi]

penalties are five times the value of the imported article which has been seized. These penalties are there. Sections 113 and 114 deal with specified goods. That means silver and silver coins. They can be confiscated and penalties can be imposed, if they are caught, ranging between one and five times. Then, section 135 deals with imprisonment, which ranges from two years and five years. If the hon. House in its wisdom or hon. Members in their wisdom consider that the present penalties which are provided in the Customs Act are not sufficient and even for smuggling a watch or a fountain-pen we should provide for the death penalty, that is a different matter. Then, for murder it is section 302 and for smuggling a fountain-pen also it is the death penalty, but that is a different matter. According to us the present penalties are sufficient and in case the House feels and hon. Members desire that the present penalties should be made more stringent, that the term of imprisonment should be enhanced from five to ten years, Government can consider the suggestion, but at the moment we feel that the present penal provisions are sufficient to deal with the situation. In case Government feel that there is necessity to change these provisions, we would certainly come forward to the House with the amendments.

SHRI PITAMBER DAS: Did anybody actually suggest death?

SHRI P. C. SETHI: It was said here that there should be the penalty of death. Then, the hon. Mr.ulkarni said something about the illegal export of groundnut oil and turmeric. I have not come across the letters which the hon. Member has written either to the Prime Minister or to the Department. I would certainly look into the matter and if there is anything that should be done, we would like to do it.

Then, the hon. Mr. Chandrasekharan said that even at this stage the Bill could go to a Select Committee. Now, if we decide to go to a Select

Committee at this stage, it will defeat the very purpose of this Bill. It is already there in the form of an Ordinance. We have come to this hon. House only because the Ordinance is expiring. If that be not the case we would not have come before this hon. House in such a great hurry. The Bill itself is going to do a lot of good. It is going to help in the stringent measures that we are adopting for catching smugglers. Therefore, I would tell the hon. Member that this particular suggestion is not feasible at this late stage. Some questions were raised by Mr. Mariswamy and others about the Burma Bazaar, and the hon. Member Mr. Dharja also said something about the pavement selling of these articles. Our experience is that after the promulgation of this Ordinance there have been more than 4000 declarations which have come to us. There have been more than 1400 seizures; just in this short period imported articles worth Rs. 1.8 crores have been seized. This goes to show that the previous practice of selling such imported articles on the pavements or in petty bazaars is lessening day by day. I do not claim to say that it is not there. It might be there on account of certain collusion somewhere. I do not claim that there are no instances of this type, but at the same time these figures go to show that the tendency is on the decline, and our officers are catching more and more articles of this nature. That is why we have been able to catch Rs. 1.8 crores worth of goods, and there have been 1400 seizures. They are of all varieties: watches, synthetic and metallised yarn, fabrics of synthetic yarn, alcoholic liquors, cigarettes, cigars, manufactured tobacco, perfumes, cosmetics, safety razors and blades, transistors, electric appliances, photographic goods, silver, etc.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): What is the silver figure?

SHRI P. C. SETHI: The silver figure is about Rs. 4 crores.

Sir, as far as the Burma Bazaar is concerned, at one period of time when these Burmese refugees came, they were allowed to come with their personal belongings, and it was allowed that they could sell some of those articles in the bazaar, whatever belongings they had. They had certain imported articles, but they cannot be made permanent licencees to sell the imported articles. Whatever they had they might have sold within a couple of days. It is not as if they had a big stock and they should be allowed to go on selling the imported articles only because they are refugees. I do not say that Government should not find out other ways and means to rehabilitate them, but at the same time we cannot allow them to deal in smuggled goods. One section of the House desires that these Burmese refugees should be treated leniently. The other sections of the House desires that we should punish them heavily. We have allowed them to do that as long as it was possible. Now, Sir, we are treating them as far as the imported articles are concerned just like other citizens. I may assure the hon. Members that, whether it is Burma Bazaar or China Bazaar or any pavement sellers, nobody would escape the provisions of this Act and they would certainly be dealt with as any other ordinary citizens.

SHRI S. S. MARISWAMY: May I take it that the hon. Minister is prepared to help in their rehabilitation?

SHRI P. C. SETHI: That is not my subject, but I would certainly like them to be helped.

SHRI P. C. MITRA (Bihar): For their rehabilitation should they be allowed to smuggle?

SHRI S. S. MARISWAMY: They are ready to close down their bazaar. What they want is, being repatriates from Burma, some help from the Government to start some business of their own.

SHRI P. C. SETHI: As far as I know certain rehabilitation grants

are being given to the State Government. If the State Government approaches the Central Government with regard to rehabilitation grants, we should certainly examine that and go to the utmost length we can ....

SHRI S. S. MARISWAMY: I believe they have sent a memorandum to the State Government. I would like to know what has happened to the memorandum.

SHRI P. C. SETHI: I require notice for that.

The hon. Member, Mr. Dharia, said something about export and import to be nationalised. That is another policy matter. I would not claim that even if export and import are nationalised, there will be no smuggling. Even in the Communist countries where export and import are completely nationalised there is smuggling. The smuggling is there not because they come only through private channels. For example, it has been said that the silver price is higher outside and lower here. That is not a fact. The silver price as it stands today is lower in the U.S. market, it is lower in the London market, as compared to our price. Otherwise silver could have been exported on Government account. It is not the official rate of exchange which comes into play. It is the unofficial rate of exchange which comes into play. Hence this smuggling. They get a higher price for gold which they bring here. They get a higher price for silver, unofficial price, which is being smuggled. Therefore, even if the entire trade is nationalised of either of these articles, smuggling as a menace is likely to continue. Therefore, that is a different policy matter into which I would not go at the present moment. I can only say that as far as smuggling is concerned, it is an international problem. We have to deal with it as such and all possible measures have to be taken to stop smuggling. I would only make this comment that this particular Bill which we have brought before the House deals with these things.

[Shri P. C. Sethi]

Certain hon. Members and lastly Mr. Appan have said that we should have a feeling of 'swadeshi' and the craze for imported articles should go. Certainly to the extent we could develop a feeling of that type it is going to help us. Even if the quality of our manufactured articles is not high—for example, there was a period of time when we used to shave with imported blades. Now they are not available and one has to shave with the indigenous blades.

SHRI T. V. ANANDAN (Tamil Nadu): Imported blades are available ....

SHRI P. C. SETHI: We are using Indian blades. That is only an example that I am giving. Even if the quality is not so good, we have to use them, and at the same time we have to improve the quality of our indigenous manufactured goods. That is certainly going to help us in the long run.

With these words I commend the Bill. All that I had to say with regard to this I have said. I expect that the hon. Members will support it.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

"That the Bill further to amend the Customs Act, 1962, as passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): We shall now take up clause by clause consideration of the Bill.

*Clauses 2 to 7 were added to the Bill.*

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

SHRI P. C. SETHI: Sir, I move:

"That the Bill be passed."

*The question was put and the motion was adopted.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The House stands adjourned till 11 A.M. on Friday, the 28th.

The House then adjourned at fifty-nine minutes past four of the clock till eleven of the clock on Friday, the 28th March, 1969.