

cerned, it is sent to the mint and the Reserve Bank and so far as other consumer items are concerned, they are sold through the co-operative marketing societies.

SEVERAL HON. MEMBER: *rose.*

MR. SPEAKER: We have had enough questions on this. Now, I go to the next question.

Shri Chandrappan.

**Smugglers Arrested under MISA/  
COFEPOSA**

\*62. SHRI C. K. CHANDRAPPAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any action under MISA/Conservation of Foreign Exchange and Prevention of Smuggling Activities Act against the smugglers after the termination of the last session of Parliament;

(b) if so, the salient features thereof;

(c) whether Government have decided to bring forward a comprehensive legislation to deal with the smuggling effectively;

(d) if so, the main features thereof; and

(e) what is the decision about the smugglers who are now kept in custody under MISA/Conservation of Foreign Exchange and Prevention of Smuggling Activities Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKERJEE:

(a) whether Government have Foreign Exchange and Prevention of Smuggling Activities Act, 1974, was brought into force on 19-12-74. The MISA Ordinance was allowed to lapse on the same day. Fresh orders of detention were issued in respect of such of the previous detainees and other persons against whom sufficient grounds existed for detention, 578

fresh detention orders have been issued upto 15-2-1975.

(c) and (d): The Government have under consideration legislative proposals covering a wide range to enable the enforcement machinery to deal with smugglers more effectively.

(e): At present there are no detainees in custody under MISA ordinance. In respect of those detained under Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, action in terms of sections 8 and 9 of the said Act is taken.

SHRI C. K. CHANDRAPPAN: There is a feeling in the country that the vigorous action taken by the Government against the smugglers has come to an end. In his answer the Minister says that no fresh arrests have been made of the smugglers. Does it mean that there is any change in the attitude of the Government or in the policy of the Government in dealing with smuggling as has been done in the past?

SHRI PRANAB KUMAR MUKHERJEE: There is no question of slackening and it is not a fact that no fresh person have been arrested under the new Act. As I said, upto 15-2-75, 578 fresh detention orders have been issued. On that date in December when the new Act came into operation the total number of people under detention were 503 and therefore about 75 fresh detention orders are there under this new Act. The number of raids which are continuing are almost of equal number which was there in the months of September or October but the total quantum of goods seized as a result of greater number of raids have come down because the quantum of the smuggled goods from outside have been reduced considerably and the reports which we received so far from those originating points like Dhubai and Hong Kong indicate that there has been distress sale and

banks are not advancing money for those particular goods which were being smuggled into this country, and it indicates that smuggling activities have been reduced in that respect. There is no indication that there is any slackness.

**SHRI C. K. CHANDRAPPAN:** The Minister stated that comprehensive legislation for tackling smuggling is under consideration. When we adopted Conservation of Foreign Exchange and Preventive of Smuggling Activities Bill, an assurance was given to this House that in six months another comprehensive legislation for dealing with smuggling would be brought about. 3 months have passed. Is the Government in a position to give any assurance that in this session itself the proposed legislation would be introduced so that smugglers would be brought to the open court for trial?

**SHRI PRANAB KUMAR MUKHERJEE:** At the time of that discussion in the House it had been pointed out by my senior colleague, when questions were asked as to what we should do with the smuggled goods, that we would have to look into the legal implications etc. and if necessary, a comprehensive legislation could be there to take care of the problems so far as confiscation is concerned and this could be considered. All these exercises are being done now. But it is not possible to indicate by what time this type of legislation could be brought about in the House.

**SHRI C. K. CHANDRAPPAN:** He did not answer my question. That is my complaint. The smugglers under custody would be released when the emergency is revoked, and this is what will happen if there is no comprehensive legislation and they are not brought before the court.

**MR. SPEAKER:** Mr. Chandrappan, you have just given a suggestion as to what will be the position if this thing happens.

**SHRI C. K. CHANDRAPPAN:** I would like to know from Government what would be their attitude.

**MR. SPEAKER:** He said that they are making an exercise over a certain legislation but he cannot say as to when he would come forward with that measure. But they are contemplating to bring forward that measure. Why do you put a further question on that when he has very categorically stated about it.

**SHRI R. S. PANDEY:** Sir, the hon. Minister just now said that the anti-smuggling activity which was started some months back was in full swing. But, with due respect, I beg to differ from that. The impression that is created in the country is that there is some slackness and sometimes there is some relaxation—may be, it may be true or may not be true. I would like to know from him precisely as to what measures are you going to take to stop this under-invoicing and over-invoicing that are going on in the country by big houses which result in drain in our foreign exchange. With this accumulation, they bring goods from the foreign country and this only helps the operating of the smuggling activities by bringing in goods from the foreign country. To stop that, what measures are you going to take precisely? I would like you to tell us how you will stop the over-invoicing and under-invoicing that is going on in the country. All the goods are brought here with the help of this kind of accumulated money.

My second question is this. Apart from Durga and Kali how many speed boats are you going to get from the foreign country with a view to chasing the smugglers in sea?

**SHRI PRANAB KUMAR MUKHERJEE:** Sir, so far as the second part of his question is concerned, we are going to import 20 speed boats from Norway of which ten have already reached this country and the other ten are expected by the end of March or April this year.

So far as the first part of his question is concerned, I can tell the hon. Member that the Foreign Exchange Regulations Act is there. Under this Act, we can prevent the racketing in the foreign exchange. I am sure able to understand what he wants to know from me exactly by his question.

**SHRI PURUSHOTTAM KAKODKAR:** May I know from the hon. Minister how many of the smugglers have been punished actually out of 503 who have been arrested according to the Minister? Have they been punished at all? If so, how many of them have been punished so far?

**SHRI PRANAB KUMAR MUKHERJEE** The purpose of this Act is to prevent these people to go to the court and against whom they could not be prosecuted in a court according to normal laws. Therefore, the preventive measure is taken. It is only against those people who could not be brought to book by the application of normal laws.

So far as these people are concerned, they are the top smugglers of the country and they are behind the bar. This Act is meant to prevent them from indulging into the smuggling activities. So far as the other Acts, such as the Customs Act, Gold Control Act, etc. are concerned, these people can be brought to book and prosecuted in a court of law if they violate the provisions of these Acts

This exercise is being done in a routine way. So far as this particular Act is concerned, this meant to prevent the people from indulging in smuggling activities and who could not be brought to book by use of the ordinary laws of the country.

**SHRI SAMAR GUHA:** I would draw the attention of the Government to a monthly magazine published from Delhi—January, 1975 'Campus Reporter' in which it has been stated as follows. I quote:

"Two women lecturers and about fifty girls of Delhi were detained at the Patna Airport by the Customs men and smuggled Chinese goods worth about Rs. 30,000/- was seized from them, in October last. The alleged smugglers were returning from a tour of Nepal organised by a 'Student Travel Agency' of Delhi".

I again quote:

"A handsome Central Minister is stated to have been a patron of the Agency for some time"

I want to know from Government whether they have seen this report and if so, have they enquired into the matter? If they have not seen it, will they see this and go into the matter and take necessary action under the MISA?

**MR. SPEAKER:** Mr. Guha, how does this question arise out of this? For this you must give a specific notice.

**SHRI SAMAR GUHA:** Have they enquired into it? If not, will they enquire into it and take proper action according to the provisions of MISA?

**SHRI PRANAB KUMAR MUKHERJEE** I have not seen the report and, as such, I cannot tell off-hand.

**MR. SPEAKER:** He has taken note of it and will let you know.

**SHRI S. A. KADER:** Sir, the Minister has repeatedly said that smuggling has come down. From the market we could understand whether smuggling has come down or not. The price of a carton of 555 cigarettes when a drive against smuggling took place rose from Rs. 45/- to Rs. 80/-. Now, it has come down to Rs. 55/-. Does it mean smuggling has started again? What is the machinery available with the Government to indicate whether smuggling has come down or gone up?

**SHRI PRANAB GUMAR MUKHERJEE:** I have indicated some facts. The availability of smuggled goods has become scarce. The prices of smuggled goods have gone up by 40 to 60 per cent. Again the reports received from Dubai and other places show that there are distress sales. Thirdly, in spite of having the equal number of raids the total quantum of goods seized as a result of the raids has come down. These are the three indications which prove that smuggling has been reduced to some extent.

श्री इत्सर्हाक सभली स्पीकर माह्व स्मगलर्स की पकड़-धकड़ में हमारे यहाँ अवाम को राहत मिलनी और चीजों की कीमतें कुछ कम हुईं। इस के लिए यह बड़ी नाइन्साफी होगी प्रगर हम श्री के० आर० गणेश माह्रिब को मुबारकबाद न दें। एक चीज देखने में आती है—जिम के बारे में मुझे मवाल करना है—हम ने देखा है कि स्मगलर्स गिम्फार हुए लेकिन मोसा कानून के डिफेक्ट में फायदा उठा कर आज वे आजाद घूमते नजर आ रहे हैं और उमी तरह में उनका ब्यापार जारी है उमी तरह में सीता तान कर स्मगलर्स घूम रहे हैं। मैं सरकार से मालूम करना चाहता हूँ—इन दोनों चीजों को सामने रखते हुए कि स्मगलर्स को पकड़-धकड़ से जो हिन्दुस्तान को जनता को राहत पहुँची थी और मोसा कानून के डिफेक्ट जिम को बजह में वे फिर मोसा तान कर घूम रहे हैं क्या सरकार जन्द ही कोई ऐमा कानून लायेगी जिम में कि मोसा के डिफेक्ट दूर कर के उन स्मगलर्स को फिर जेल की मनाखों के पीछे भेजा जा सके ?

**SHRI PRANAB KUMAR MUKHERJEE:** I have already mentioned in reply to the main question that MISA Ordinance does not exist today. It has been replaced by the new Act, namely, Conservation of Foreign Exchange and Prevention of smuggling activities. The raids and arrests are continuing. I have indicated the

figures from which it is clear that the Government has used it to take care of the problem of smuggling. Sir, it has been pointed out by my senior colleague that the effect on the prices cannot be ascribed only to the anti-smuggling activities. There are other factors as well.

**SHRI VASANT SATHE:** I would like to know whether it is a fact that the hon. Minister recently along with a Member of Parliament had dared to go into the den of smugglers in Bombay to personally find out the effect of his Ministry's activities on smuggling. If so, what were his investigations and findings? Secondly, I would also like him to inform us about the activities of the fishing boats. Most of the smuggling takes place through these fishing boats. Have you any account, in your own Ministry or in the Ministry of Shipping and Transport, about the number of these fishing boats, whether they are registered or not and so on? Have you any account of these fishing boats through which most of the smuggling takes place? Will you answer these two questions?

**SHRI PRANAB KUMAR MUKHERJEE:** Sir, so far as the second part is concerned, it is a fact that a number of sailing vessels including fishing boats are being utilised for transportation of the smuggled goods from high seas. Sir, if I remember correctly, the Director-General, Shipping, is entrusted with the job of maintaining an account of all the sailing vessels, its ownership, type of the craft and other particulars.

In regard to the second point, while I was in Bombay in connection with a meeting of the Select Committee on the Customs Tariff Bill I had been to certain places. I do not know whether they are smuggling dens. I went to certain places which were known to be places where smuggled goods were being sold. I found that some smuggled goods were visible and as a result of

that, I instructed the officers to raid those areas, and after that, in that month itself 12-15 raids took place and goods worth more than Rs 3 lakhs were seized from those places

#### Whole-Sale Price Index

\*63 SHRI JHARKHANDE RAI  
SHRI K MALLANNA

Will the Minister of FINANCE be pleased to state

(a) whether the wholesale price index rose by 46.4 per cent in last two years,

(b) whether the wholesale price index has begun to show a downward trend, and

(c) if so, the month-wise figures thereof?

THE MINISTER OF FINANCE (SHRI C SUBRAMANIAM) (a) The Wholesale Price Index (1961-62 = 100) has risen from 213.5 in January 1973 to 315.5 in January 1975 i.e. by 47.8 per cent

(b) and (c) The Wholesale Price Index started declining after September 1974 for which month it stood at 328.9. It was 324.8 in October, 320.6 in November and 317.2 in December 1974. It further fell to 315.5 in January 1975.

श्री झारखंडे राय अध्यक्ष जी माननीय मंत्री जी ने याक भावा म परिवहन की जो सूचना दी है उस का देखन हुए लगना है कि फुट कर के दामा म कई परिवहन नहीं हुआ है और यदि हुआ भी है तो न ही के बराबर है। इस बात का ध्यान म रखने हुए कि अब तक के मार प्रयास के फलस्वरूप काले घन की कोई रोकथाम नहीं की जा सकी और उस ने पूरे देश मे समानान्तर अर्थ व्यवस्था स्थापित कर रखी है तीन सालों मे सरकार ने जो प्रयास किये है महंगाई और धोक-दामो के बढ़ने को रोकने के लिए

उस स अब तक कोई सन्नाषजनक परिणाम पूरे देश के पैमाने पर नहीं हुए हैं अगर कहे कोई सफलता मिली है तो अस्थायी मिली है, क्षणिक मिली है इन सब बातों का देखन हुए—य्या मंत्री जी बतलायेगे कि क्या इन सब अनुभवों का राशनी म सरकार कोई कान्तिकारी उग्र प्रयास करन जा रही है जिन स देश क पैमाने पर तमाम उपभोक्ता वस्तुओं का दाम नियन्त्रित रखा जा सके जिस स ग्राम आदमी का जीवन सुखमय बनाया जा सके।

SHRI C SUBRAMANIAM Sir, it is true, whereas, the wholesale price started coming down even during the month of September, in October, the retail prices have shown a slight increase. But, since October, in November, December and January, retail prices have also started coming down and I would like to give the figures with regard to the consumer price index. The consumer price index has declined from 334 in September to 326 in December 1974, that is by 2.4 per cent as against a decline of 3.6 per cent in the wholesale price index. It always takes some time for the decline in the wholesale price to get reflected in the retail price because the goods would have already been purchased. But since October, it has started falling down and even now the price is showing a downward trend. I do agree that black money also operates for hoarding and therefore, price increases. That is why we have initiated various actions against smugglers, hoarders and also tax evaders.

श्री झारखंडे राय क्या मंत्री जी का ध्यान उन्हीं के दो महकारी मंत्री श्री पाई और श्री ग्युनाथ रेड्डी के उन वक्तव्यों की ओर आकर्षित हुआ है जिस मे श्री पाई ने कहा है कि हिन्दुस्तान के बड़े एकाधिकारी पूँजीपति अपने कारखानों मे उन की उत्पादन क्षमता से कम माल इसलिए पैदा कर र हैं ताकि