

[Shri Ananda Pathak]

ning Commission was scheduled to visit the area for identifying the area where special financial assistance was immediately required. But nothing has yet been done. In the mean time, a serious damage and destruction of public properties worth several crores of rupees has taken place in the wake of agitation for separate State in Darjeeling Hills.

I urge upon the Government of India to look into these problems seriously and sanction required fund for the industrial development of North Bengal as well as for the restoration of lost public properties in Darjeeling.

12.19 hrs.

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

[English]

MR. DEPUTY-SPEAKER: We will now take up further consideration of the motion moved by Shri. Janardhana Poojary, on the 6th August, 1987.

Now, Dr. G. S. Rajhans to speak.

[Translation]

DR. G. S. RAJHANS (Jhanjharpur): Mr. Deputy Speaker, Sir, I would like to make a few points on this Bill. You have made a mention of vulnerable areas in the Bill. But, probably, the bureaucrats who have drafted the Bill do not know as to which are the vulnerable areas in the country from smuggling point of view. The Indo-Nepal border along Bihar and Uttar Pradesh is more vulnerable than the coastal areas. The people may not be knowing what happens there. No one can dare stop anyone from carrying on smuggling on the border of Bihar and Nepal after 6 p.m. Trucks loaded with Ganja,

Charas, Hasish pass through the border from Nepal upto Calcutta with the connivance of all the persons concerned. No one dares touch smugglers because they have deadly arms which are capable of killing a number of persons in just one minute. Every one has his share in the profit earned from smuggling, so no one is worried.

A number of questions have been asked in this regard. In reply to them, it has been said that the border of India and Nepal is too wide to check smuggling activities. But if one has the will, the smuggling of narcotics into the country can be checked completely. Smuggling takes place before the eyes of everyone and the Government says that it cannot be checked. This is a matter of great concern.

You go through the foreign newspapers in the Parliament library. They regard India as a heaven of narcotics. Narcotics are being smuggled into the country from two sides. On the one side, these are being smuggled from the border of Nepal where these are smuggled from Burma and Thailand. On the other side, these are being smuggled from the western border i.e. from Pakistan and Afghanistan. From India these are being smuggled to the markets of Europe and America.

Our colleagues had said the other day that smugglers do not remain sitting in coastal areas. They operate from Delhi and other places sitting in air conditioned rooms. No body knows the exact place from where they operate. If you carry out a survey, you will find a number of smugglers living in South Delhi. I have noticed that a person, who has nothing to eat five years ago, is at present living in a posh four-storeyed bungalow. No body dares talk about him. But the whispering in the locality is that he has constructed the bungalow by amassing money by dealing in narcotics. The people do not dare to say this in the open because they fear danger to their lives.

Narcotics can ruin the economy of the country. Once General Zia had said that he

did not need war to destroy India. He would get so much narcotics smuggled into India that it would get destroyed. It might have been said by the Pakistani leader in a lighter vein but it is a fact. At present, such thing is going on. This is spoiling our economy.

In our country, smuggled goods are being sold at different places. Previously, a person who was making trip to some foreign country used to be requested by his friends or relatives to bring some electronic goods from there but now the situation has changed. Now the people are not so much interested in getting electronic goods from the foreign country because electronic goods are available in the market of the country at cheaper rates. Smuggled goods are being sold openly and the Government is bringing forward this Bill.

We should learn from other countries. The economy of Latin American countries has been ruined due to availability of smuggled goods at very cheap rates. The costliest cloth of Japan and Korea is being sold at the border of Nepal at throw away prices. From there it is sent to different places. The textile industry of the country is going to face a great crisis in the next 4 to 5 years. Even today, it is not in a sound position. You can ask the textile industrialists how much damage the smuggled goods have done to them. The country is reeling under drought and the prospects of cotton production are not good. The prices of textile goods will increase. Smuggled goods will be available at cheaper rates and nobody would purchase textiles of this country. This problem is not as simple as you think. You have made provision for detention for two years instead of one year. It is beyond our imagination how much damage the smugglers are doing to the economy of the country. A time will come when you will not be able to take action against the smugglers even if you want to. Detention for one to two years is not sufficient. The conditions obtaining in jails are known to everyone. Everyone knows that smugglers get all the facilities in jails. Shobhraj got all the facilities in the jail. There are so many Shobhrajs in this country. There

is no meaning of detention if a person gets all the facilities in the jail. In other countries, smuggling attracts rigorous punishment but in our country a smuggler lives like a lord in the jail. I would suggest that the whole matter should be reconsidered and a comprehensive Bill be brought forward here in the next session. If you do not change the definition of vulnerable areas, smuggling will ruin the economy of the country.

During freedom struggle, people used to be exhorted not to use foreign goods because that would ruin the economy of the country. Does anyone say now to the people to use the goods of our country? Nobody says that one should not use the foreign goods. If we look at the world economy, we will find that every country of the world is following the policy of protectionism. They want to sell their goods to other country but would not like to purchase the goods of that country. This is an issue today between Japan and America who are allies. Japan wants to sell its goods to America but would not like to purchase the goods of that country. Not only America and Japan but all the European countries which are developed ones, are saying that they would not buy the goods of third world. Where would the countries of third world sell their goods? They are under heavy burden of international debts. This is a very complicated problem. We put our back saying that we are free from international debts whereas Latin America, African countries have become the victims of international debts. But this euphoria will not last long. A time will come in a few years when we would be burdened under foreign debts. The root of this problem is smuggling. You can stop this smuggling. Who does not know the role of narcotics smuggling in the increasing terrorist activities? This smuggling will ruin us and you would not be able to do anything.

The need of the hour is that you should strike at the very roots of smuggling. The first thing the hon. Minister should do is to check completely the sale of smuggled goods in Delhi by the next session. Only then will some concrete result come out. Presently,

[Dr. G.S. Rajhans]

smuggled goods are sold openly. Could not we check their sale?

I would like to suggest to the hon. Minister that a house to house survey should be conducted in posh colonies and the names of the persons who deal in smuggled goods should be published in the newspapers so that the people know the true picture of white collared people. There is lot of money in Delhi and more than half of the money has come from smuggled goods. You allow the people the facility of green channel but three-fourths of the goods are smuggled through this channel. You should discontinue this system without notice and start searching the suitcases of every passenger. Then you will find what goods are being brought from other countries. If you have the strong will, you can take cudgels with these godfathers. With these words, I concluded.

[English]

SHRI THAMPAN THOMAS (Mavelikara): Sir, the smuggling activities in our country are on the high side. The analysis made in this matter has revealed that there is a strong chain built up between the politicians, the bureaucrats and the smugglers, and Government should take strong steps to break this chain which has developed so strongly, the political nexus which has come up; other-wise, this problem cannot be tackled properly. The events which take place in the under-world and about which we read in the papers, the killings, the riots and all sorts of things, are somewhere or the other connected with such dealings by the people in high places. This Bill which has been presented here does not touch even the peripheries of the problem. And if Government wants to tackle the issue of preventing smuggling, then they will have to take strong steps against the high people, the people who are in big positions and who are abetting in these smuggling activities throughout the country. It is very well known, if the history of Bombay is taken, that the people who are known as smugglers, who are declared smugglers, are running political parties and

social organisations. It is known to us that they are running certain Parties and they are also running social and charitable organisations. This is a big network. In some way or the other, certain pockets have been developed for such people to exert their influence, and the machinery which is exercising law and order cannot go and break it. They have their own kingdom, especially in the coastal areas. The man behind it, the kingpin of the smuggling activities, will be somewhere else and he cannot be touched by anybody. He will be sheltered by the police, by the Government, by the politicians, and he will be having around himself a good picture of a social reformer, or a promoter of a hospital or a promoter of some society or something like that. Finally, the things which belong to him go to the grassroot level. If some survey or some study is made by the Government seriously, it can be seen that people in the jhuggis, the slum-dwellers and people who have no work, the unemployed people, are all used for the purpose of trafficking or selling the items which they smuggle. The Government is not taking action to prevent these activities. If the Government has any *bona fide* intention to put a stop to this, they should touch the big guys, the people who are really doing these things at the expense of the nation; the Government should catch those people. If you see how this COFEPOSA has been utilised from 1975 onwards till todate, you will find that the number of arrests made of such big guns or big guys is very less; four persons or so; somebody who may be carrying two sarees or three sarees or something like that or somebody who brings two gold biscuits or something like that is caught. Because Government have failed in these matters, these activities are increasing, including the activities of terrorists which have gone up in this country. It is very easy for people to smuggle ganja or other things with international connections. The Sobhraj case is well known. Has any study made by the Government, has some scientific approach been made on these things, how the international smugglers are involved in these matters? Unfortunately, this Government is keeping their eyes shut against such issues. There are various international organisations en-

gaged is smuggling, especially in the smuggling of Narcotics. In Malayasia, Government have come forward with severe punishments like death penalty for smuggling of Narcotics. In Thailand also, it is given like that. Of course, I am not in favour of death penalty for any crime including murder. I feel nobody has got that right. I am only submitting that serious steps should be taken to check such activities.

Whereas in India, its coastal areas, its interior areas have always been a place for the people who are having smuggling activities with national ramifications. Government could not touch anybody. It is a pity to note that the Swiss bank account now shows that there is an amount of Rs. 1, 300 crores deposited there by people of Indian origin. If this COFEPOSA was effectively used, there would not have been such accumulation of money there. I had recently an experience in Geneva where I had gone to attend the ILO Conference. One of the ILO officers was giving me a dinner in the evening. I told him that I have come here with Government money and it is a pittance for me. I had no money. If you give me dinner, I will have a dinner. Government's TA and DA are very limited. then he told me an incident. Somebody came for the first time 3 years back. He asked whether Indian rupee can be changed. Next time when he came here he brought a suit case of money and deposited in Swiss bank. He said "there is no problem. Swiss bank receives Indian rupee." This is the first information which I got in Geneva in this June, when I was there for ILO Conference. I wondered. Here to get 20 dollars from the airport when you go abroad, you have to pay that much money and all other coins. If the people have influence in those countries, they can keep Indian rupee. They can straightaway go to Swiss bank and pay Indian rupee. This was an information to me. Because according to foreign exchange regulations and other things, if you want to change the money, it is possible only when you have the permission from the Reserve Bank. In Switzerland Rs. 1,300 crores is deposited by Indians. And this is a proper time when the Hon. Minister Poojary wants an amendment or wants to make the laws

more stringent. May I ask what has happened for all these years?

The IMF has conducted a study on the economic situation of this country. They have pointed out that the total blackmoney in this country is 76,000 crores of rupees. Government also appointed a Committee and that Committee gave its report when we were in the Parliament last time. Unofficially it shows, 35,000 crores of rupees as blackmoney, a major portion of which is generated through smuggling activity. Smuggling activities are there because of the nexus among politicians, bureaucrats and smugglers. Unless you break it once and for all and, in that process, catch big guys, nothing can happen. There is a system in my part of State which is called 'Pipe money'. That is said to be the money which if paid in foreign countries, three times of the value of that money will be paid to the relatives staying in this part. It comes through the pipe and not through the proper channel. These things are taking place and Government have not taken any steps to prevent such activities.

Therefore, a more stringent law by which this can be prevented will be appreciated. That is the necessity of the hour. I don't think by putting one year or two years, some small gangs in the prison, these things will be solved. I will suggest one thing. In this matter the best approach will be as has been done by the Kerala Government. I am proud of it. Those who live beyond means will be checked and those who live beyond means are answerable to some court.

Sir, if our politicians, bureaucrats, our men of high dignity in the society are screened and if they are found living beyond their means and if there is a law which permits them to be prosecuted, in that case there will be a fear in their mind.

I am proud to say that in Kerala something has happened in that matter. Recently even in the Assembly people commended the present Government's attitude towards the problem where there was transfer effected without paying money to politicians or

[Shri Thampan Thomas]

to bureaucrats when a change was made; where there was nobody rushing towards the Secretariat with recommendations—all these things have gone. Many persons, including the Private Secretary to the previous minister were arrested and charge-sheeted.

The main thing by which the Government approaches the problem is that, if somebody is living beyond means he will be subjected to answer, he will be arrested, put to jail and punished. If such an approach is made, I will welcome it all the more. I don't think this Bill helps to solve the problem.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Deputy Speaker: I rise to support the Conservation of Foreign Exchange and Prevention of Smuggling Activities Amendment Bill 1987. This is a very simple Bill with only two provisions. Although simple, it is quite significant. It is simple in the sense that there was a provision in the Act under Section 9 in which smugglers in the vulnerable areas could be put under detention for two years. Elsewhere in the country it is one year; but in these areas—which have been defined in the Act also—it is two years and that period was going to lapse on 31.7.1987. Therefore an ordinance was promulgated on 2nd July and this Bill is intended to repeal that ordinance and also give a further extension to this provision for another three years, i.e. upto 31st July 1990.

What is there to object to this provision? As far as I heard the Hon. Members from either side who have participated in this debate, all barring one, have supported this Bill. Only one member, Shri Amal Datta has point-blank opposed this Bill. The previous speaker also has been given support, a conditional support on one condition that this should be made more stringent because this falls short of the requirements of the situation. The previous speaker also that way has supported this Bill. Mr. Amal Datta is the sole member who has opposed this Bill. I wonder that, probably if the Government speaks something like "the sun rises in the

east", Mr. Amal Datta is a member of that category who says that the sun does not rise in the east. What is there to object?

Some members from the opposition are critical of the ordinance that was promulgated. They said as to why the Government did not wait since the Parliament was going to commence from 27th of July and what was the hurry for the Government to go in for an ordinance. As you know yourself, what was the business that we could transact in this House till 31st July? In that situation, under such circumstances, where was the guarantee? If there was no ordinance and the Government had waited for the Parliament to debate and pass this Bill, then what would have happened? This would have fallen flat. So the Government was absolutely justified in promulgating an ordinance and as per the provision of Section 9 (i) the period of detention of smugglers in the vulnerable areas has been extended upto two years.

Sir, the other amendment is a consequential one. Now, Goa has been made a full-fledged State. As such, Goa and Daman Diu have to find place separately.

As regards the significance of this Bill it is very significant because it has direct bearing on our economy. It is common knowledge that the smugglers are multiplying and intensifying their activities throughout the country. The smugglers pose a threat to our economy. In fact, there is no denying the fact that there is a parallel economy going on in the country by smugglers and black-market-eers. So this class needs to be dealt with very firmly. I agree with the previous speaker that the provisions of this Act are far short of the requirement of the situation. This needs to be handled very ruthlessly. About Rs. 1300 crores worth of smuggled goods in the shape of gold, textiles and drugs are being smuggled into this country. Every year again, as you know, a lot of money is deposited in foreign banks. If the money flows outside India untapped then can we talk of conservation of foreign exchange. But, Sir, there is some silver lining in the dark clouds. The Deputy Governor of Reserve Bank of

India was deputed to Switzerland and on his return he has submitted a report. The other day the Finance Minister, Shri Tiwari also made a statement on the Floor of the House that active consideration is going on to have direct rapport with the Swiss Government for detection of black-money. Therefore, many measures are being contemplated to detect black-money and to deal with these criminals very firmly.

As regards black-money I would like to congratulate the Government and the Finance Ministry for having stepped up their anti-smuggling activities. In fact, every day when we open our morning newspaper we come across so many news items of seizure of gold, hashish, drugs, etc. Two important operations, namely, operation Rana and operation Burma Bazar were also carried out by the Enforcement Directorate of the Finance Ministry which have yielded results. I would like to give some figures also. In 1985 the seizures were of the order of Rs. 196 crores. In 1986 it rose up to Rs. 217 crores. Again in 1985 the persons kept in detention were 973 whereas the number was 1078 in 1986. Again in the West Coast, these goods worth Rs. 107.78 crores were seized. In the East Coast, it was worth Rs. 43.49 crores. That's why they put the West Coast rightly under the definition of "vulnerable area".

I would suggest to the Government that it is time for them to consider the whole country as one zone in this regard. Why do they differentiate between the East Coast and the West Coast or between a coastal State and non-coastal State when our experience is quite different? Smuggling is smuggling. An offence committed in one place is as severe as the offence committed in the other place. The route for smuggling particularly the drugs from Afghanistan is Pakistan-Amritsar-Delhi-U.P.-M.P.-Bombay-Cochin, etc., and from South-East Asia it is Burma-Nepal-Bihar-Delhi-Calcutta etc. For this purpose, the whole country should be treated vulnerable and punishment should be similar for the people involved in smuggling. India, hitherto a transit base for drugs from 'Golden Triangle' is fast becoming a

major consumption centre. Drugs flow into our country not only from Pakistan but also from Nepal and Sri Lanka. Much of the terrorism in the western region-this is very important, Sir-would be traced to the pedlars. Two events seem to be occurring simultaneously: internal instability in India and use of drugs as potent currency for terrorism. In fact, Sir, terrorism cannot be divorced from the ramifications of the drug trade. This trade is very very dangerous. Some of the security and police people engaged in checking smuggling are also in league with the smugglers.

Recently, there was a news-item. In Delhi, a Metropolitan Magistrate, one Mr. Subhash Wasson, has been dismissed from service for his proved involvement with the notorious hashish smugglers. It is magistrates, what to speak of police and the customs people. So, it needs to be handled drastically. Firm measures should be taken.

I would now invite the attention of the Hon'ble Minister to the statement of Objects & Reasons-placed here. A comparative analysis of the figures in regard to seizures of contraband goods collected in the highly vulnerable areas during the last three years had revealed that the menace of smuggling has not abated 'in any way' in the said areas. In such a situation, why are you not resorting to more stringent and drastic measures? I would request the Government through you, Sir, to give a deep thought to this very very serious menace. Smugglers are posing a threat to our economy. We have to get rid of their clutches. We have to get rid of the effect of parallel economy in our country as quickly as possible. For that, I would request the Hon'ble Minister to give a serious thought to it and also come before the House with a comprehensive legislation. Thank you, Sir.

SHRI K.R. NATARAJAN (Dindigul):
Mr. Deputy-Speaker, Sir, I rise to support the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill, 1987 on behalf of myself and on behalf of my party, AIADMK. Smuggling has to be condemned with all the force and all

[Shri K.R. Natarajan]

efforts should be made to put it down. There cannot be any two opinions in this regard.

But it has been seen that while the notorious smugglers go scot free, their servants and carriers are detained and punished. There should be some powerful agency to find out the notorious criminals and smugglers; they should not be allowed to go scot free; they should be detained and punished.

Preventive detention is repugnant to the rule of law. That was condemned by the Congress party during the British days. But it becomes necessary under certain circumstances and it should be imposed on the smugglers. Here, if preventive detention is not resorted to, then the regular investigative agencies may not be able to collect the required evidence in order to get the offenders convicted before the court.

Then, in this amending Bill vulnerable area has been defined. Areas like Indo-Nepal area, Indo-Pakistan area and Indo-Tibetan area and some other areas may also be added in this explanation.

Anyhow, this is a very good amendment and it should be used only against the real smugglers. With these words, I support the Bill.

[*Translation*]

SHRI U.H. PATEL(Bulsar): Mr. Deputy Speaker, Sir, I wholeheartedly welcome the conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill. The increasing smuggling activities are ruining the economy of the country. It would have been better if a more comprehensive Bill had been brought to check smuggling.

The officers who work honestly to check smuggling should be given greater rewards. At the same time, senior and efficient officials should be posted in the areas where large scale smuggling takes place. These officers should also be provided with modern

equipments.

It is my submission that all the property of a person apprehended during smuggling activities should be confiscated and if the culprits are kingpins they should be shot because they are big enemies of the country, they are destroying the economy of the country. There should be more stringent provisions and the smugglers be given exemplary punishment to deter others from indulging in smuggling activities.

With these words I support the Bill.

The Lok Sabha adjourned for lunch till Fourteen of the cCock.

The Lok Sabha re-assembled after Lunch at six minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

CONSERVATION OF FOREIGN EXCHANGE AND PREVENTION OF SMUGGLING ACTIVITIES (AMENDMENT, BILL, -*CONTD.*

[*English*]

MR. DEPUTY SPEAKER: Shrimati Geeta Mukherjee.

SHRIMATI GEETA MUKHERJEE (Panskura): Sir, this Bill is not very comprehensive. The Act already provides for detention of a person upto two years. And this amendment is brought forward to continue the provisions of this section, for a further period of three years. This can be done even later on.

What is most interesting here is the Statement of Objects and Reasons. This statement of objects and reasons is really a mirror of the confusion that the present Government is undergoing at the moment. I, for myself, have never seen such a statement coming from the Government themselves. The reason given by the Government for extending the period is that "a comparative analysis of the figures in regard

to seizures of contraband goods effected in the said highly vulnerable areas during the last three years had revealed that the menace of smuggling has not abated in any way in the said areas" Please mark the words 'in any way'. But in the very statement of objects and reasons in the very next sentence it is stated, "The longer period of detention for a period of two years under this section has, however, proved to be a deterrent effect on these smugglers and this provision has also been effectively used in combating smuggling activities in these highly vulnerable areas." Have you ever seen such confusion? First it is said that during the last three years, smuggling did not come down in any way. And in the very next sentence it is stated that this provision has been effectively used. As I said just now, this is really a mirror to the grand confusion that the Government is in at the moment, with all those scandals pouring in.

I would like to know what really is the success of this COFEPOSA Act after it was brought in 1974. Not only are the smuggling activities on the increase, but big smugglers are seldom brought to book. This COFEPOSA Act was enacted ten years ago with such a great fanfare. But can the Minister give at least some substantial number of smuggling kingpin's name, who were arrested because of this Act? Is the situation such that the Government or the administration does not know who are the kingpins in smuggling? Some of the hon. members who spoke earlier mentioned many incidents and I have no time to repeat. But are you really in a position to convince us that this Act has helped you in curbing the smuggling activities? In my opinion it is of no help. I fully agree with my hon. friend Shri Amal Datta who said that this kind of preventive detention made the normal law and order machinery even less and less active. There is a very well formed and smooth link between the administrative machinery, the people in power, the smuggling ring and the election fund collecting racket. Therefore, I do not consider that this extension of two years period will be of any help, in any way in really countering smuggling activities. There are very many laws which are already existing. Who pre-

vents you to catch people by applying those laws? You are not putting any serious efforts to catch the smuggling kings. You are only catching those people who are carrying some contraband goods at the moment. If they are caught red handed, you catch them. Ordinary laws are there, under which you can punish them.

You said that this COFEPOSA has been brought to put down big people who are engaged in smuggling activities. That you never did. So, the intention of this COFEPOSA has been proved not bonafide. The smuggling activities have also proved that this COFEPOSA is not justified.

We are all really very much concerned about smuggling activities. The smuggling in narcotics is luring our younger generation. We are extremely worried about it. We also see that this kind of Bill-Preventive Detention or some such thing-is not going to improve the situation. There are enough legal provisions in your hands, in addition to this Preventive Detention Ac. If you cut out your links with the smuggling world and really catch the kingpins of smugglers, you can put them under rigorous imprisonment under your various laws. It was rightly said by Shri Rajhansji also, just now. For that we do not need this COFEPOSA.

Therefore, I do not think that a situation is justified for the extension of this Act. As a matter of principle, I cannot support this Preventive Detention Bill. I am sorry for that. For eradicating these activities-let alone its eradication-but even for putting down the smuggling activities, you have to use other weapons and you have to be much more determined in catching the kingpins, of smugglers, not the smugglers alone.

With these words, I am sorry, I am not in a position to support this Bill.

KUMARI MAMATA BANERJEE
(Jadavpur): You please allow me to speak for two minutes.

MR. DEPUTY SPEAKER: I have not received your name. You please sit down.

KUMARI MAMATA BANERJEE:
Madam, you please give me a few minutes to speak.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT):
Okay, You give her a few minutes.

MR. DEPUTY SPEAKER: Okay Kumari Mamata Banerjee.

[*Translation*]

KUMARI MAMATA BANERJEE: Sir, I wholeheartedly support the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill which has been brought forward by Shri Poojary. This measure is necessary to check smuggling and black money in the country. Although laws have been made to check smuggling activities, but the fact is that we have not been able to implement them properly.

Those who are accumulating black money and indulge in smuggling activities, can put the Government in trouble. These people have become so powerful that they can even run a parallel Government.

You have included the names of Gujarat, Kerala, Maharashtra, Tamil-Nadu, Goa, Daman and Diu in the Bill but you have not included in the list Indo-Bangladesh border, Indo-Pak border, Indo-Nepal border. Large quantities of Smuggling goods are brought into the country through these borders. We have to find out some method to check it.
(*Interruptions*)

The law is there for it. But we will have to see how far the law is working. The Government have the COFEPOSA and FERA with them. They have the law to book income tax evadors. But only the law will not do. We people should assist the Government in checking smuggling activities. This Bill has been brought to control the smuggled goods in the interest of country's economy. But there is one thing more. Customs Officers and smugglers are in connivance. I donot

say that all Customs Officers are honest or all Customs Officers are dishonest. It is also heard that a vicious circle is in operation. The unemployed youth, whose number is rising and who are frustrated, are being entrapped. They are being provided free board and lodging in countries like Bankok and Singapur and asked to bring some smuggled good on their return journey. They bribe the Customs Officers and get the goods released.

[*English*]

All Customs Officers are not dishonest, and all Customs Officers are not honest also.

[*Translation*]

I would like to say that the honest Customs Officers should be rewarded and dishonest punished. But, today, we find that in the banking sector people doing good work, detecting frauds are being punished. They do not get any reward. There is a lot of political involvement, you know it. Therefore, I would like to say that the Customs Officers who work honestly should be given incentive, they should be rewarded. The number of check posts in the country should also be increased. The Customs Officers and Administrative Officers posted at these check posts generally maintain good relations with the people indulging in smuggling activities and therefore, I support this Bill. You may make any amount of laws, but mere law making will not do. You must look into the implementation aspect of the law for the welfare and future progress of the country.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): Mr. Deputy Speaker, Sir: I am grateful to the hon. Members for having taken part in this debate, and giving very constructive suggestions. Some of the Members, particularly Mr. Vyas, Dr. Rajhans, Mr. Thampan Thomas, Mr. Panigrahi, Shrimati Geeta Mukherjee and Kumari Mamata Banerjee have given very good, constructive suggestions. At the same time, some of the Members

have also criticized the measure

It is not the case of the Government that Government was able to completely root out smuggling activities in the country. The point that has been made here is that we should be very firm, and stern action should be taken. Black-marketeers, smugglers and economic offenders have been running a parallel economy in the country, and they have become very powerful. So, we have to take action, particularly against the kingpins who are responsible for these clandestine activities. I fully agree with the hon. Members: here we have to take firm action. Whether Government was able to do it, and whether this measure is going to help authorities to take firm action against these smugglers, particularly the kingpins, is the question.

It has been stated that Government has completely failed. Whether the facts strengthen that contention, or whether this measure is going to fulfil its purpose, is what we have to see. In the year 1984, 2345 persons were arrested and 3065 people were arrested in 1985. In 1987, we have been able to arrest 1212 people upto June. In the year 1985, 2141 Persons were prosecuted. In the year 1986, 2587 people were prosecuted and 1483 people were prosecuted upto June, 1987.

In the year 1985, 805 people were convicted. In the year 1986, 871 people were convicted; in the year 1987 upto June 457 people were convicted.

760 people were detained in the year 1985; 812 people were detained in the year 1986; 441 people were detained upto June, 1987.

Another point has been made whether big people were apprehended and action has been taken against them. The contention that comes from the opposition member is that we have been able to catch only small people. The average value of per seizure in 1983 was Rs. 13951; now it has gone up to Rs. 49,695/- (*Interruptions*). There is some reason behind whatever we have stated. So

far as the contentions are concerned, we have taken action against big smugglers. All the names are not there. I will furnish these names to the hon. members who have taken part in this debate, because it is a big list and it is not a case that we have caught hold of only small people. It is your desire and also the desire of the government that we must go in for big people. A contention has been made by Shrimati Geeta Mukherjee and Shri Amal Datta that we should take firm action against the big people; an immediate action should be taken against them. Now this is a measure under COFEPOSA to take action against those big people who are behind these smuggling activities, who are trying to go away from the clutches of the law; and they do not show any link. In order to bring those people to book, we have to take action. Sometimes, these big smugglers are acting in such a way that they see that prosecution fails; even they are trying to win over witnesses. Now for taking immediate action, we should not wait for the normal law to take action against such people. Don't be under the impression that this is an action for prohibiting the action to be taken under the normal law; but apart from taking action under normal law, we are taking action under this law also to prevent, as a preventive measure, smuggling activities.

The hon. members mentioned that some deficiencies are there and that we should take firm action against these smugglers. We have given Powers to the State Governments.

The hon. member Shri Amal Datta and Shrimati Geeta Mukherjee have made a point stating that big people are not caught; there are deficiencies in the system, in the procedure. I would like to suggest to them that why can't their West Bengal Government detain big people? You can detain these smugglers. I am just asking. I will come to that. If you want, you can take action. If you feel that the Central Government is not effective, we are not preventing you from taking action. We say that you are very effective and if you feel that there is some deficiency, you can take action.

SHRI AMAL DATTA (Diamond Harbour): But this is under CEFEPASA.

SHRI JANARDHANA POOJARY: I have not interfered. I do not have the habit of interfering. I have the highest regard for you and you can raise this point at the end.

My point is very simple. If you feel that you are competent to deal with big smugglers, and they are a menace to the society, if you feel so, we have not prohibited you. You can definitely take action.

An hon. Member, Mr. Thampan Thomas has made a point. I agree with it. In Kerala recently, he mentioned that the Government has taken action. How, it has to be implemented, is a different matter. Still I appreciate that it is a good point. I will appreciate his suggestion. Whereas you say that you do not want to take action even when others are taking action., You do not want to spell out. Why do you not take action? Who prohibits you? After all, your intention is very good.

SHRI AMAL DATTA: I do not want to say anything.

SHRI JANARDHANA POOJARY: I do not say that you do not want any action to be taken. I just tell you, please do not criticise it is easy to criticise but difficult to take action. But here I request hon. Members from that side, that if you find that there are some actions to be taken to curb this smuggling activity, in the Indo-Bangla border area, I am requesting the Chief Minister of West Bengal also, to refer to this Act and take action. (*Interruptions*) Let us bring this menace to an end by taking proper action. (*Interruptions*) I am requesting Shri Amal Datta and Shrimati Geeta Mukherjee(*Interruptions*)

SHRI AMAL DATTA: You can tell me later.

SHRI JANARDHANA POOJARY: I will reply to you afterwards.

Sir, in this respect let us be frank, let us be very clear in our minds. Let us not have any

confusion. Let us say that the country wants serious action, stern action in this matter to root out the problem. Our hon. Members from this side, they have made it very clear that the sternest action should be taken. If it is required, you come up before the House with some amendment. We will support it. Some of the hon. Members from this side also have made this point. But only two members from West Bengal have criticised us. They criticise whatever we have to say. And when we say that there is already some increase in the figures, they say it is due to inflation.

SHRIMATI GEETA MUKHERJEE: That is true. That is the truth.

SHRI JANARDHANA POOJARY: Whenever you come with any concrete suggestion, with the highest regard to you, we will accept it and we will also take action on that. If some of the hon. Members have given some suggestions, I have already stated, that we will accept them. I have also said that I have already instructed our department to review them and also to take into consideration all those suggestions. We are going to examine the suggestions given by the hon. Members from this side and if it is required we will come with amendments also. This should be our intention and it is also everybody's intention. The main aim is to stop this menace and we have to root out these activities.

SHRI AMAL DATTA: What kind of smugglers have you in mind?

SHRI JANARDHANA POOJARY: I will tell you.

About the action to be taken some of the people have mentioned that some of the officers have colluded with these smugglers and some of the hon. Members have said, Shri Panigrahi and another hon. Member have particularly made a point, that whenever there is an efficient officer he should be rewarded and so far as inefficient corrupt officers are concerned, we should take stern action.

For the benefit of the hon. Members, I can tell that 17 Officers from the State and Public Undertakings were detailed under COFEPOSA and 15 Officers from the Customs & Excise were also detained under COFEPOSA. Our hon. Minister Shri P. Chidambaram has also taken action, through CBI, against those people who are living beyond their means. There also, we are not striking our responsibility. We are not going to spare any person.

Further, I may tell the hon. Members that if you got any information, you can pass on to us. We are not going to spare any person and on the contrary, we are going to give you twenty per cent of the seizure. If any person gives substantial information and if the seizure is to the extent of Rs. Ten crores.....

(Interruptions)

SHRI AMAL DATTA: He is asking the Members of Parliament to inform the Government.

MR. DEPUTY SPEAKER: He is saying, any person who has information can pass it on.

SHRI JANARDHANA POOJARY: I just tell you. If you do not want any reward, we do not give.

SHRI AMAL DATTA: If you say, any information you give, we will give you twenty per cent. What is this?

SHRI JANARDHANA POOJARY: I definitely tell you that it is the reward. It is a law.

MR. DEPUTY SPEAKER: Whether the Member is accepting the reward or not, it is left to the Member.

SHRI JANARDHANA POOJARY: Dat-taji. I tell you that when we want to raise some emoluments of the Members, you say, you do not want. But, everybody is taking. It is also that the country will be benefited. If they are giving some reliable information, reward is there and that procedure is there.

We have given rewards to the officers and even our Finance Ministers attended a function and gave the reward to the officers who have performed very well. Also the rewards have been given in cash to them.

Only one request to the hon. Members who have stated that there is money in the Swiss Bank to the tune of about Rs 1,300 crores. I do not know who has given this information. We do not have any objection. I have been hearing for the last six months regularly. Some of the hon. Members are making some points, even including the former Finance Minister. I am just giving you the challenge. If you have got any information Mr. Amal Datta and furnish to us and if we do not take any action, then you can criticise us. *(Interruptions)*

Without giving any information, do not go on criticising the Government. If you have got any names and any person's accounts in Swiss Bank, please tell us. We will take action. Do not go on criticising the Government. We are pursuing the matter. I give fifteen days time. Any Members from this House, including our opposition Members, including the leaders of the opposition any **other person can give the information.

MR. DEPUTY SPEAKER: I won't allow any names to go on record.

SHRI THAMPAN THOMAS (Mavelikara): The names of Win Chadha and Ajitab have been given.

(Interruptions)

SHRI JANARDHANA POOJARY: Mr. Thampan Thomas, I may tell you that I have received so many anonymous letters saying that some opposition Members are also not here—having accounts there. On the basis of anonymous letters, can I say that all the people are corrupt? You should be responsible. There should be prime facie case...*(Interruptions)*

SHRI THAMPAN THOMAS: You should make investigations. We accept the challenge.

SHRI JANARDHANA POOJARY: I am just requesting you that, after all, we are political people, today you are there, tomorrow you may be here, let us not give an impression in the country that all politicians are corrupt. We have got here the hon. veteran Member. Can anybody say that he is corrupt? Here there is another hon. Member. Can anybody say that he is corrupt? Let us not paint all the people with the same brush. I am just requesting you not to go on criticising. By this process, we are just belittling our own politicians and our own system. Do not do that. Let us take action against the black sheep, if there is any and whosoever he may be. Let us be very firm. Instead of saying all the time that Rs. 1300 crores or Rs. 5000 crores are there, let us sit together and find it out. I am making one more appeal. You kindly join the parliamentary committee....(*Interruptions*)

MR. DEPUTY-SPEAKER: Mr. Amal Datta, let him finish first, then you can say whatever you want to say.

SHRI AMAL DATTA: Has he got any power to find out whether any particular person x,y,z has got money in the Swiss banks? If he says so, then we can supply him the names. But let him say clearly and unequivocally here that he has got the power to find it out. The Government has taken a contrary position. If the Government has got the power, let him say so.

SHRI JANARDHANA POOJARY: The hon. Member has made a very pertinent point. He is a lawyer. I also belong to the same profession. He has stated that there is no power with the Government to get information from the Swiss banks. That is why, he does not want to give the names. (*Interruptions*) He is a responsible Member of Parliament. He says that if the power is given and if there is any method to find it out, he will be in a position to give the information. That is his case. I fully agree with him.

SHRI AMAL DATTA: I said that I would give the names.

SHRI JANARDHANA POOJARY: I fully agree with you. Now, what is the position? So far as the Government also is concerned, it is not easy to get the information. Nobody is in a position to get the information from the Swiss banks

SHRI THAMPAN THOMAS: There should be political will.

SHRI JANARDHANA POOJARY: I agree with you that the political will should be there. For that you, myself and everybody should sit together and find out how to get the information. Government is also trying to get it. For that purpose, Government also should have the power. Because of the Law of Secrecy that is prevailing there, they are not providing us information. So here also we are trying to find out some measures as to how to get over that law and get the information about the secret accounts. For that purpose, I am just requesting you, Mr. Amal Datta, to sit together. Let us be in that committee. You also join that committee. Shri Amal Datta, Shrimati Geeta Mukherjee, Prof. Madhu Dandavate are not small persons.

SHRI AMAL DATTA: How to find out? You must identify the machinery.

SHRI JANARDHANA POOJARY: How to find out, that is the question. That question has to be answered by the parliamentary committee. Let us sit together and find out the names of persons, whether from this side or that side or any side and then take action. That is the only request I am making. Let us work together. Let us take action against all economic offenders. Government will not spare any person. Government is committed to it. So far as the economic offenders are concerned, we will not spare any person. Prime Minister will not spare any person whether he is from this side, including Poojary. If Poojary is involved, he will not be spared by our hon. Prime Minister. That is why I am requesting you also that if Poojary is involved, you don't spare him also. With this request I am concluding this debate.

SHRI AMAL DATTA: Sir, when he writes to the film actors and actresses, only one person replies and he says that his entire expenditure was borne by *

MR. DEPUTY SPEAKER: No Don't bring the names. I am not allowing this to go on record. The question is:

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

The motion was adopted.

MR. DEPUTY SPEAKER: The House will now take up clause by clause consideration of the Bill.

MR. DEPUTY SPEAKER: Clauses 2 and 3. The question is:

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

MR. DEPUTY SPEAKER: The question is:

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

The motion was adopted.

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

MR. DEPUTY SPEAKER: The Minister may now move that the Bill be passed.

SHRI JANARDHANA POOJARY: Sir, I beg to move:

"That the Bill be passed."

Sir, with due respect to our hon. Member, I do not name any person... (*Interruptions*)

MR. DEPUTY SPEAKER: I cannot allow the names to go on record. I have already told this.

SHRI JANARDHANA POOJARY: If there is any *prima facie* evidence against any person, whether A or B or C, action will be taken against that person and no body will be spared.

MR. DEPUTY SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.

MR. DEPUTY SPEAKER: Now we will go to the next item-items No. 10 and 11 to be discussed together.

14.44 hrs.

STATUTORY RESOLUTION RE: DISAPPROVAL OF NATIONAL SECURITY (AMENDMENT) ODINANCE, 1987 AND NATIONAL SECURITY (AMENDMENT) BILL

[*English*]

MR. DEPUTY SPEAKER: Shri Basudeb Acharia-absent. Shri Somnath Chatterjee-absent.

SHRI AMAL DATTA (Diamond Harbour): Yes, I am here.

MR. DEPUTY SPEAKER: I called Mr. Chatterjee. I think you are not Mr. Chatterjee. You are telling other names but you are forgetting your own name. That is the problem I am finding now. I called Shri Somnath Chatterjee and you are saying, "I am here". What does it mean?

SHRI G. M. BANATWALLA (Ponnani): He is giving other names when he does not know his own name, Sir.