

17.43 hrs.

STATUTORY RESOLUTION RE: DIS-
APPROVAL OF THE CONSERVATION
OF FOREIGN EXCHANGE AND PRE-
VENTION OF SMUGGLING ACTIVI-
TIES (AMENDMENT) ORDINANCE

[English]

SHRI RAM NAIK (Bombay North) :
I beg to move :

"That this House disapproves of the
Conservation of Foreign Exchange
and Prevention of Smuggling Activities
(Amendment) Ordinance, 1993 (Ordi-
nance No. 26 of 1993) promulgated
by the President on the 25th June,
1993."

[Translation]

Mr. Chairman, Sir, first of all I would
like to know where the hon. Minister of
Finance is. I am asking this because I
wanted to welcome him and I would have
been glad if he would have been present
here. I wanted to welcome him for...

[English]

MR. CHAIRMAN : For your informa-
tion, I would tell you that the hon. Finance
Minister has written to the Speaker that he
shall be grateful if his colleague, Mr. M. U.
Chandrashekhara Murthy, Minister of State
in the Ministry of Finance is permitted to
handle the legislative business, namely,
Conservation of Foreign Exchange and
Prevention of Smuggling Activities (Am-
endment) Bill, listed in his name at Sl.
No. 15 in the list of business as he will be
busy in Rajya Sabha.

[Translation]

SHRI RAM NAIK : Mr. Chairman. Sir.
I am thankful to you. But I wanted to
welcome the hon. Minister of Finance
because 5-6 days ago, the prestigious finan-
cial journal, Euro-Money has declared
Dr. Manmohan Singh as the best Finance
Minister of the year. We may have dif-

ferences in other matters, but he has been
given award and I wanted to congratulate
him for this. (Interruptions)

[English]

SHRI RAMESH CHENNITHALA (Kot-
tayam) : We will convey your feelings to
him. (Interruptions)

SHRI RAM NAIK : I have this feeling,
what I am submitting and what I am go-
ing to submit may kindly be conveyed.

Mr. Chairman. Sir, I rise to oppose the
ordinance which has been issued. At the
same time I would also like to express my
views with regard to the Bill.

I oppose the ordinance because I feel
that there was no need to issue it. The
Constitution provides us the facility to
issue ordinance. Whenever there is any
crisis, the ordinance is issued. The
President has been given the power to pro-
mulate it whenever required. The Govern-
ment has to formally request the President
to do so. This is what our Constitution
provides. However, it is being observed
that this provision is being misutilized.
It is a bad practice. Therefore though
the Finance Minister has been awarded.

[English]

but I feel that the Finance Minister has
become ordinance addict.

[Translation]

I would like to point out another aspect.
The Ordinance in discussion is No. 26.
Three more ordinances have been issued
thereafter. The Government issued 29
ordinances in total by the month of July
1993. I would like to ask whether there
was any need to issue ordinances in such
a large number? In its comparison, the
number of ordinances issued in 1992 was
21. Even seven months have not com-
pleted yet and 29 ordinances have already
been issued. Therefore, it is a wrong
practice. I would like the hon. Minister
of Finance to explain whether it was really
essential to issue the ordinance. I

would like to submit that a small amendment in Section 9 of this Ordinance proposes to extend the duration by three years from July 31, 1993 till 1996. It is evident that this is not a new ordinance. It is going to expire on July 31, 1993 and proposed to be extended for three more years. Could the Government not afford to bring the Bill during the Budget Session in March-April. Was it not possible to get the required Amendment passed at that time? This could have been easily done in the Budget session. But an ordinance is being issued without any rhyme and reason. This practice should be checked at the earliest possible. Therefore, I oppose the ordinance.

I would like to submit something about the salient features of the ordinance. As per its new policy the Government has been assuring for the last two years that steps would be taken to check smuggling and it is for this purpose that the Bill has been introduced. As per the measures proposed to be taken in this Bill, gold and silver can easily be brought from outside the country. The hon. Minister of Finance has been claiming repeatedly that this has helped controlling the smuggling in a big way. The hon. Minister of State may clarify the situation in this regard. I do not know whether the hon. Minister of Finance remembers or not, however, he had emphatically pointed out during the Budget discussion last year that the new policy adopted by the Government has done a great deal in checking the smuggling.

[English]

But now the Minister has stated in the Statement of Objects and Reasons of the Bill.

"However, the menace of smuggling has not abated in any way despite the import of 5 KGs of gold and 100 KGs of silver per passenger allowed by Government on payment of nominal customs duty in convertible foreign exchange."

[Translation]

In other words, you are admitting here that the smuggling is going on large scale, but the Government has been claiming throughout the year that the smuggling of gold and silver has been controlled. We do not know whether we should believe in your speeches or the objects and reason given above. As regards to this contradiction, I would like to submit that the hon. Minister should clarify the position when he given his reply.

Sir, now the Government claims to have taken effective measures as a result of which the smuggling is reducing. However, there are contradictions even in this regard. I have got a copy of the Annual Report—92-93 of the Ministry of Finance. I would like to read out the contradictions in it. It states that—

[English]

"The success of anti-smuggling efforts could be discerned from the fact that contraband goods worth Rs. 502.41 crore have been seized."

[Translation]

In other words, the measures taken with regard to smuggling have shown positive results.

[English]

"The value of contraband seized in 1990 and 1991 stood at Rs. 760 crore and Rs. 774 crore respectively. During 1992, the seizures were of the order of Rs. 502 crore."

[Translation]

In other words the contraband goods seized during 1992 were worth Rs. 502 crore and the Government consider it a success of the policy whereas the contraband goods seized during 1990-91 were worth Rs. 774 crore. It means that more contraband goods were seized during 1990-91 as compared to those in the current year. How can we conclude to have succeeded in our attempt? Similar situation

prevails with regard to narcotic drugs. The figures given with regard to it show that the narcotics seized during 1992 was of the order of Rs. 18 crore, seized during 1991 was worth Rs. 21 crore and in 1990 it was worth Rs. 25 crore. It reveals that the action being taken against smugglers is not effective. Has the drug trafficking stopped? Another ordinance has been introduced with a proposal to extend the duration with regard to narcotics, to which I would like to refer to afterwards. Why the measures being taken by the Government are not proving successful. Why the seizure of contraband goods has been reducing? Not only the narcotics seized is less, but there has been a considerable decline in the number of persons arrested in this regard. The number of persons arrested during 1990, 1991 and 1992 was 3300, 2300 and 1800 respectively. It means that from 1990 to 1992 the number of persons arrested was so less that the difference become 100 per cent. What the Government has been doing? Why do you need more powers? The Government must have powers—there is no doubt about it but how effectively the law is being implementing is evident from the figures given above. The hon. Minister of Finance receive international acclaim, but what is happening in his own country is of great importance. The hon. Minister should give clarification in this regard. I would like to know as to why the Government has been so inactive in taking action against smugglers and how the prevailing tendency is proposed to be checked.

One thing more needs to be pointed out. The section proposed to be amended refers to 'highly vulnerable areas'. Since I have proposed the amendment I would like to speak in detail about it. With regard to highly vulnerable areas it has been said :
[English]

Explanation 1 :

"in this sub-section, area highly, vulnerable to smuggling means the Indian Customs border contiguous to the States of Goa, Gujarat, Karnataka, Maharash-

tra, Tamil Nadu and Union Territories of Daman, Diu and Pondicherry."

[Translation]

I do not know whether the hon. Minister has got the copy of the Bill or not. But I would like to know what definition has been given of the vulnerable areas in the Bill on Narcotics Drugs? What is the difference between the smuggling of drugs and smuggling of other commodities? The hon. Minister might be aware that this Bill was first passed in 1974 while the Narcotics Drugs Bill was passed in 1988. In 1974 smuggling activities were more prevalent at the western coast and the commodities were smuggled from Abudhabi and Arab countries. However, with the passage of time the Government continued its efforts to abate this tendency there, as a result of which these activities have now been taking place at eastern coast also. That is why there is no mention of the States of eastern coast in the Bill passed in 1974. But Andhra Pradesh, Orissa, West Bengal etc. have been mentioned in the Narcotic Drugs Bill. Is smuggling not taking place in these three States? These states should also be included in the list of highly vulnerable areas.

Similarly, 50 km width areas of border States like Gujarat Jammu-Kashmir, Punjab and Rajasthan linked with Pakistan has been considered as highly vulnerable area. Whereas in Narcotic Drugs Bill this area has been extended to 100 km. Why there is so much difference. These factors have not been given due attention while drafting the Amendment Bill

[English]

MR. CHAIRMAN : The time is over. You can continue next time. The House stands adjourned to re-assemble on Thursday, the 12th August, 1993 at 11.00 a.m. 18.00 hrs.

The Lok Sabha then adjourned to meet at 11 a.m. on Thursday, August 12, 1993/Sravana 21, 1915 (Saka).