

की अवधि में मध्य रेलवे में बिना टिकट सफर करने वाले जितने यात्री पकड़े गये उनकी संख्या 2,89,777 थी।

(ख) 27,74,569 रुपये।

11.55 hrs.

CALLING ATTENTION TO MATTER  
OF URGENT PUBLIC IMPORTANCE

REPORTED INADEQUATE CUSTOMS CHECK AT  
TIRUCHIRAPALLI AIRPORT

SHRI JYOTIRMOY BOSU (Diamond Harbour) : I call the attention of the Minister of Finance to the following matter of urgent public importance and request that he may make a statement thereon :

'The reported inadequate customs arrangements at Tiruchirapalli thereby continuously encouraging large-scale smuggling from abroad.'

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI K. R. GANESH) : Mr. Speaker, Sir, It appears that a report in the *Statesman*, Delhi, dated the 15th May, 1972 has been the source of information for the calling attention notice. Under the heading "A Breach in Customs Wall" the paper has published a report from its Special representative in Singapore to the effect that inadequate customs arrangements at Trichy Airport are being exploited by gold and gem smugglers for smuggling gold and jade of Chinese origin through the airport there. According to the report couriers carrying these goods take a flight from Singapore to Colombo and then board the flight to Trichy. The report adds that over the past three to four weeks there has been a sudden spurt in the number of passengers taking this circuitous route.

The distance between Singapore and Trichy *via* Colombo is less than the distance *via* Madras. Further, the frequency of air services between Singapore to Trichy *via* Colombo is much more than *via* Madras. It cannot, therefore, be said that the route *via* Colombo is circuitous.

It is also not true that the customs arrangements at Trichy airport are inadequate. The passenger traffic at Trichy is very little as compared to the passenger traffic at Madras

and naturally, therefore, the staff posted is much less but is adequate enough to handle the traffic. While it is a fact that the Trichy airport is managed by Central Excise staff there are a number of Central Excise Officers with Customs experience available in the common cadre of the two Central Excise Collectorates in Tamil Nadu to draw upon. It may be added that barring the major Customs Houses at Bombay, Calcutta, Madras, Cochin, Goa and Visakhapatnam the Customs work at all other places is handled by Central Excise Officers, and over the years they have acquired enough experience in the type of customs work that is required to be handled at these places.

Even though officers of Central Excise Collectorate, Madurai, under whose jurisdiction Trichy airport falls, have made seizures of gold and precious stones of a value of Rs. 33 lakhs during the last one year, there have been no worthwhile seizures at Trichy airport and this is in spite of the fact that the officers are alert to check smuggling by passengers coming from Singapore.

12 hrs.

SHRI JYOTIRMOY BOSU : Sir, there are four flights up and down every day from Ceylon to Trichy. I am told there is prior customs information. That tallies with the statement of the Singapore correspondent Mr. B. M. Nayar's report. He has done a good job to serve the cause of the country.

It is very serious because the *Sunday Times* London, revealed last October that the financial racket was unearthed in Ceylon into which the Prime Minister of Ceylon herself was enquiring. They were dealing in smuggling and forged currency, smuggled gems, etc., worth around Rs. 180 crores a year. In one search in Ceylon, in one house, Indian rupees, currency notes and dollars were found, worth Rs. 40 crores. Today, about smuggling, the Finance Ministry has no data.

I will read out from a very recent PAC report which says ;

"The Committee feel alarmed about the magnitude of the problem of smuggling in the country; only a small percentage of what is coming into India is unearthed and therefore the problem is much more gigantic and much bigger than were able to tackle."

The Committee enquired whether any attempt has been made to find out the percentage of smuggled goods actually seized by the customs department. The Finance Secretary replied that "I am afraid, to this question at least. I cannot give any answer. If one knows what is being smuggled into India we would have known the percentage, but we do not know." The witness added, I agree with you, Sir, that the problem of smuggling is a major one." It was revealed many times that the value of smuggled goods into this country was more than Rs. 500 crores, and of course it is anybody's guess; and they say that gold alone will be worth Rs. 400 crores but the seizure is very negligible. The Committee say that they are concerned to find that while customs receipts were decreasing, expenditure on their collection continued to increase. The customs receipts have decreased from Rs. 585.37 crores in 1966-67 to Rs. 423.31 crores in 1969-70 while the expenditure on collection has increased from Rs. 5.48 crores to Rs. 7.83 crores. That shows the performance of the Government.

So, far as gold is concerned, the price in international market is about Rs. 8.44 per gram where as in India it is anything above Rs. 20 per gram. In many newspapers of the world it had been revealed that the British financiers operated under the garb of operators from South Africa, Hong Kong, Macao and Dubai. We knew that the BOAC was caught while taking away about Rs. 40 lakhs worth of gold without showing it in the manifest and under pressure this Government had allowed the BOAC to go, it released the gold.

In India in Bombay one Mr. Poonji Shah alone in January 1966 took silver and in one deal alone he had transferred from his New York account to Dubai 9,236,944 dollars, which is equivalent to about Rs. 67.67 crores. (*Interruptions.*)

MR. SPEAKER : How is all this relevant to the call attention notice ?

SHRI JYOTIRMOY BOSU : Smugglers are a brotherhood in the world. They are financed by black money through under-invoicing and over-invoicing. Government have totally failed to handle the problem of black money, under invoicing and over-invoicing. The Wanchoo Committee's interim report had been shelved. The Kunal Committee....

MR. SPEAKER : Do all these come under the call attention motion ?

SHRI JYOTIRMOY BOSU : We want to know from the hon. Minister certain information. There are complaints that information money given by Government to informers are swallowed up by officials. The Committee asked whether the internal auditor reported any case in which these discrepancies were found and whether they were in order ?

MR. SPEAKER : Order, order.

SHRI JYOTIRMOY BOSU : I shall take one or two minutes.

MR. SPEAKER : Let him take any number of minutes. But he should try to be relevant to the call attention motion.

SHRI JYOTIRMOY BOSU : Trichy is not an isolated matter. It will be of interest to you.

MR. SPEAKER : I am not interested; I am interested only in seeing the relevancy of your speech to this motion.

SHRI JYOTIRMOY BOSU : Government gives a lot of money to the informers but that money has been swallowed by officials by setting up dummy candidates. There are serious charges and the Public Accounts Committee report refers to them.

May I ask the Hon. Minister how many passengers had landed in Trichy within a certain length of time this year compared to last year ? Have they received any prior information from sources in the Far east about smuggling that has been carried through Trichy and whether it is a fact that the smugglers have changed to Trichy for the purpose of smuggling.

SHRI K. R. GANESH : I am at a loss to understand as to what I should reply. My knowledge of the ramifications of smuggling underworld is limited, even though I am a Minister. Much of the information what he has given is very useful and we shall try to make use of it as much as possible.

The only relevant question the hon. Member has asked is about the number of passengers in a specified time. Hon. Member knows that there are six flights both ways between Colombo and Trichy, and no other international flight is there. Between 1st March to 15th March, passengers from Singapore via Colombo landing at Tiruchi was 67

[Shri K. R. Ganesh]

while the total number of passengers was 799. Between 16th March, to 30th March, the figures were 123 and 596 respectively. Between 1st April to 15th April, the figures were 95 and 720. Between 16th April to 30th April, the figures were 85 and 671. Between 1st May to 15th May, the figures were 57 and 715. These figures do not indicate that there has been a spurt of division of passengers from Madras to Tiruchi. (Interruption)

MR. SPEAKER : Sometimes you do good research work.

SHRI JYOTIRMOY ROSU : That puts me at a disadvantage, because I study.

PROF. MADHU DANDAVATE (Rajapur) : The issues we have raised through this calling attention notice are not so innocent as they appear to be. In fact, in our developing economy, the phenomenon of smuggling as well as blackmoney has almost built up a parallel world from which smugglers and blackmoney-holders have been operating. It is a fact that more than Rs. 400 crores worth of smuggled goods, particularly gold, have been coming into the country. The issue we have raised through this calling attention notice is : because of a particular route that is being adopted by smugglers, is there further contribution to the phenomenon of smuggling ?

In the second para of his statement, the hon. minister has said something which really will be considered by the smugglers as some sort of a rational argument they can offer for the new activities they have undertaken. The minister has said :

"The distance between Singapore and Trichy via Colombo is less than the distance via Madras. Further, the frequency of air services between Singapore to Trichy via Colombo is much more than via Madras. It cannot, therefore, be said that the route via Colombo is circuitous."

But the traditional route that the passengers have been following in the past has always been via Madras. Now if some sort of new pattern is being developed, it is all right for the minister to offer a rational argument as to why this particular route is being preferred, but it is a fact that by taking this route via Trichy, the smugglers are able to smuggle more. The pure and simple logic is that at Madras airport, the customs arrangements are more stringent and probably at

Trichi the arrangements are not as stringent as at Madras. The reason probably is that at Trichy, the entire arrangement is handed over to the internal revenue officers. This is basically the responsibility of the customs officers. A number of international passengers are coming to Trichy. Therefore, full-fledged customs arrangements ought to be there. But actually the arrangements have been handed over to the internal revenue officers. Probably taking advantage of this particular fact that they cannot be as experienced as the regular customs officers, the smugglers trying to smuggle goods through this airport. That seems to be the plausible argument.

There is another very important aspect. Why is it that they are trying to come via Colombo? If you see the records for the last two or three years, you will find that a number of smuggling rackets have been discovered at Colombo. Only last year, the report of the activities of smugglers from Colombo had come up. These activities were conducted by those who were coming from Singapore to Colombo and from Colombo to India. This report revealed that this new spurt of activity in Colombo involved high officials, important politicians and prominent businessmen. So, if some smugglers prefer this route, it is not because it is less expensive or less circuitous but because they have discovered a new base of operations for smuggling. In the past, they have not been taking this route. All of a sudden, they have taken this route. Obviously this is the argument which is in their favour.

There is one more aspect that has to be dealt with, and that is regarding the new craze for gold. You must try to go to the root of this problem. You will find that there is a new craze for gold. One of the simple reasons for this is that, by and large, people have come to believe that the Government will not be able to arrest the continuous decline of the value of the Rupee and, therefore the craze for acquiring gold goes on. The smugglers take cognisance of this and that is why there is incentive to the smugglers to take to more and more smuggling of gold through the airport at Trichy. That is one of the arguments that has to be taken note of and I hope the Minister will be able to give some explanation.

Some committee was appointed to study the problem of smuggling in depth and also suggest measures by which the smuggling activity can be checked. I do not know whether

the Minister will be able to tell us, in the light of the recommendations that have been given by that committee, whether they are coming forward with new legislation to take more stringent action to check this activity of smuggling.

In this connection, I would like to know as to what are the concrete recommendations that have been made to check smuggling of gold and other articles. Are there sophisticated equipments like radar machinery which can very well match with the modern equipments possessed by the smugglers?

In the end, I would like to raise a question which is very significant in the broader context. With all this experience about smuggling, cases of pirates smuggling gold, cases of smuggling in which Colombo has become a major base when all these reports are coming in, why is it that the Government have not studied this problem in depth and come forward with concrete suggestions and also new legislation in regard to streamlining the machinery so that we can at least minimise the smuggling because I do not think we will be able to eradicate smuggling completely? Even sources close to the Government believe that the smuggling of gold at present is of the order of Rs. 400 crores a year. What concrete steps are you proposing, like rationalising the machinery at airports and other places, to see that smuggling is brought down to as small a degree as possible.

**SHRI K. R. GANESH:** The first point is that this Calling Attention Notice arose as a result of a report published in *The Statesman*. It is not as if from Trichy airport smuggled goods have been seized in large quantities as in the case of other major airports. They raised it only on the basis of this press report. Of course, I agree with the hon. Members when they feel concerned and want to focus the attention of the House on this matter. There have not been any seizures from the Trichy airport which indicate that there is this pattern of smuggling via Colombo or Singapore. I have already indicated that the passenger traffic does not indicate that there has been a spurt of passengers taking the Trichy route. But I agree that because Madras is a very strict customs centre and in recent weeks and months there have been very large seizures by Madras customs, it should not be ruled out that some of these individual smugglers might be using Trichy as their base. We are trying to look into this question. We have asked an officer of Revenue Intelligence

to go and study this question in Trichy to find out whether the staff there is adequate or not. I can assure the hon. Members that if the staff is not adequate we will strengthen the staff and remove any possibility of Trichy being used as a base by the smugglers on account of Madras having become a very strict centre.

The hon. Member asked about the legal action that the government might be taking. It is proposed to amend the Sea Customs Act to make the punishment more deterrent. The report of the Law Commission has strengthened the hands of the government to make it more deterrent.

Then he referred to one committee. I think he was referring to the Kaul Committee on under-invoicing and over-invoicing. The recommendations of the Kaul Committee are being processed. Most of the recommendations have been processed. The majority of the recommendations have already been accepted and wherever legislation is necessary it will be brought forward.

Apart from all this, a comprehensive amendment of the Foreign Exchange Regulations Act is also being thought of.

**PROF. MADHU DANDAVATE:** I had said that as far as the Trichy airport is concerned, instead of the Customs officers managing the affairs of Customs, actually, the internal Revenue officials have been entrusted with this work.

**SHRI K. R. GANESH:** In my statement itself, I have said that except in the metropolitan custom ports like Calcutta, Madras, Bombay, Vizag and others, all others, custom areas are being manned by the Central Excise officers. They belong to a common cadre. They have the necessary equipment and the necessary expertise to do this work. Even then, we are going to send an officer to find out if there is any inadequacy and, if it is there, we will remove it.

**SHRI SAMAR GUHA (Contd):** I do not want to enter into the black world of smugglers as I find the Minister himself is afraid.

The issue involved is a small news that appeared in the *Statesman* yesterday. It is a very simple issue. The first question is whether the officers belonging to the Central Excise

[Shri Samar Guha]

Department are entitled to deal with the customs. That is the first issue. The second point is that a secondary port like Trichy has been allowed to deal with international air traffic. These are the two main issues.

The Minister could have given a very pointed reply instead of making a circuitous statement just to explain away that the route *via* Trichy is not circuitous than Madras,

Here, certain contradictory statements have been made. In the second paragraph of the statement, he has said—I quote :

“Further, the frequency of air services between Singapore and Trichy *via* Colombo is much more than *via* Madras.”

You have admitted it. Then, in the next paragraph, you say :

“The passenger traffic at Trichy is very little as compared to the passenger traffic at Madras and, naturally therefore, the staff posted is much less but is adequate enough to handle the traffic.”

In one paragraph, you have admitted that so far as the traffic between Singapore and Trichy is concerned, it is more than the traffic between Singapore and Madras. Then, in another paragraph, you say that as the traffic was not more, there was no Customs officer employed in the case of Trichy. What is the reason I want to know.

Then, to justify that the officers belonging to the Central Excise Department are entitled to tackle the same problems that are being dealt with by the Customs officers, the Minister said that in some other airports also the Central Excise Department officers are allowed to deal with customs. I want to know what are those airports where the Central Excise Department employees are allowed to function as Customs officers and whether, in those airports, the smuggling of gold, jewellery, valuable stones, has been noticed and, if so, whether such valuables have been seized and what is the amount involved of those seizures.

Lastly, I want to know one thing. It was our idea that only Bombay, Delhi, Madras and Calcutta were the four main airports which dealt with international traffic. But now from this reply, we come to know that there is even Trichy airport and, perhaps, there are some others. I do not know. I

want to know from the Government what are the secondary airports which deal with international traffic also and, if those secondary airports are allowed to deal with international air traffic, may I know whether in all those secondary airports, the customs functions are entrusted to the Central Excise Department employees ?

SHRI K. R. GANESH : Sir, let me first dispel the doubt of the hon. Member. The Central Excise staff is adequately equipped to deal with customs work. The Central Excise staff is adequately equipped to deal with the customs work because they belong to a common cadre and they have the necessary expertise. There is inter-change there. When I said that we would look into it, as far as Tiruchirappalli is concerned, we wanted to find out this. Smuggling is becoming a very sophisticated art. Therefore, to catch those people, it is necessary that prisons who are better experts than the experts are deployed. Knowing that in Madras Customs we have staff who have distinguished themselves in catching very big smuggling activities, we thought that it would be possible. There is nothing lost in getting this thing looked into afresh—whether Tiruchirappalli is becoming a big centre or whether any staff is necessary or not. But the Central Excise staff is adequately equipped to deal with Customs work.

I have already indicated that, except in metropolitan airports where customs staff is there, in other airports the Central Excise staff is handling the work.

For the information of the hon. Member I would submit that the Madras Collectorate was bifurcated into Madras and Madurai; there are now two collectorates instead of one. The Madurai Collectorate was formed because smuggling activity in the west coast of India and also in the east coast had increased and as a result they had integrated the anti-smuggling operation. It was necessary to have separate collectorates. That is why the Madurai Collectorate was formed. Therefore, action on the mechanics of organisation necessary to deal with this menace has been taken. But the fact remains that certain other new elements of smuggling might have come. We will look into that.

SHRI SAMAR GUHA : In your statement you have said that there are other airports also . . .

SHRI K. R. GANESH : I have no information about other minor ports.

SHRI SAMAR GUHA : I wanted to know about the other airports.

MR. SPEAKER : Do not get up every time. All your points have been replied.

SHRI SAMAR GUHA : The statement says that there are other airports also. I wanted to know which are the other airports.

SHRI K. R. GANESH : May I name some of the airports which I can remember ?

MR. SPEAKER : You can take him to those places.

SHRI K. R. GANESH : Amritsar, Patna, Varanasi . . .

SHRI SAMAR GUHA : This is not a matter to be taken so lightly.

SHRI K. R. GANESH ; I am not taking it lightly.

MR. SPEAKER : No body is taking you lightly.

SHRI SAMAR GUHA : I am not in the habit of taking things very lightly. I think over the points seriously and I come fully prepared. I do not impromptu ask questions. *(Interruption)* Members have honour and dignity . . . *(Interruption)*

MR. SPEAKER : Do not be too sensitive. *(Interruption)*

SHRI SAMAR GUHA : They have stated in this statement that there are other small ports where the Excise Department officials are handling the international air traffic. If it is so, these are secondary ports which are open to the smugglers. I wanted to know whether in other secondary airports the smuggling is going on.

SHRI K. R. GANESH : I can name the airports. Amritsar and Patna. Patna is a very sensitive airport—there is no harm in saying that—being very near Indo-Nepal border. There is Varanasi. All these airports are there.

SHRI S. M. BANERJEE (Kanpur) : Not Kanpur ?

SHRI K. R. GANESH : May I submit

that a passenger might break his journey in one of the airports and by breaking journey, he might try to get out of the smuggling activities that go on. That can happen. Regarding the basic question the hon Member asked, the Central Excise staff is adequately equipped and has the necessary expertise to deal with such cases of smuggling.

SHRI S. M. BANERJEE : Why do you allow the planes to land ? Sir, Mr. Khadiikar is there. Will you please ask him to make a statement ?

MR. SPEAKER : You see the agenda to know which are the Ministers who are to make statements.

SHRI JYOTIRMOY BOSU : Prof Chattopadhyaya is here, Sir. Will he say something on the Willingdon Hospital incident ?

12.33 hrs.

RE : DISCUSSION ON ILL-TREATMENT OF HARIJANS, ADIVASIS, Etc.

MR. SPEAKER : Prof. Dandavate.

PROF MADHU DANDAVATE (Rajapur) : Sir, I rise to raise a very important issue and quite a disturbing issue regarding the atrocities that are inflicted on the Harijans in a village in the District of Poonia in Maharashtra.

Unfortunately, social as well as political issues are related to these atrocities that are committed. For the forthcoming Zila Parishad elections. Mr. Eknath Kamble was the Republican Party's Candidate. The Republican candidate's name was announced but the local Congressmen tried to persuade him to withdraw his candidature. He refused to withdraw. As a result of that, on 4th of May, a meeting of the villagers was held in a temple and a decision was taken that there should be a social and economic boycott of the entire Harijan community of that village. *(Interruptions)* Not only that, at the same meeting it was decided that if any Bagaitdar or landlord keeps any Harijan as an agricultural labourer, he would be fined Rs. 100 and as a result of that, all the landlords gave notices to their Harijan employes saying 'You cannot act as an agricultural labourer' on our fields'.

Sir, there were atrocities committed also