

MR. CHAIRMAN : The question is :

"That clauses 2, 3, the Schedule, Clause 1, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

*Clauses 2, 3, the Schedule, Clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI S. KANDAPPAN : It is unanimous.

DR. RAM SUBHAG SINGH : Sir, I move :

"That the Bill be passed."

MR. CHAIRMAN : Motion moved :

"That the Bill be passed."

श्री अम्बुलगनी दार (गुडगांव) : चेंबरमैन साहब, यह मुनासिब नहीं है कि ज्यादा कुछ अब बढ़ा जाए। मैं एक बात की तरफ मिनिस्टर साहब का ध्यान दिलाना चाहता हूँ। यह दोनों एगवानों की इज्जत का सवाल है। यह ठीक है कि मिनिस्टर बड़े हैं, रेलवे बोर्ड के मंम्बर भी बड़े हैं और बड़े बड़े प्रफसर भी बड़े हैं। उनको एयर-कंडिशन में जाने दिया जाता है। मैं नहीं कहता हूँ कि उनको न जाने दिया जाए। लेकिन सबसे ज्यादा बा-इज्जत हाउस अगर कोई है और कोई दावा कर सकता है कि हम पचास करोड़ जनता के नुमाइन्दे हैं, तो ये दोनों हाउसिस हैं और हम मंम्बर हैं। अगर हम फस्ट क्लास में सफर करते हैं, तो मामूली प्रफसरों को जो हमारे अधिकारी हैं, कोई हक नहीं है कि वे एयर-कन्डीशन्ड में जायें। मैं उम्मीद करता हूँ कि गवर्नमेंट की तरफ से हमारी सैल्फ-रेस्पेक्ट, हमारी खुददारी, का खयाल रखा जायेगा और अगर नहीं रखा जायेगा, तो हम इसके खिलाफ बग़ावत करेंगे।

[श्री عبدالغنی ڈار (گرگالو): چیئر مین صاحب-یہ مناسب نہیں ہے کہ زیادتی کچھ اب کہا جائے۔ میں ایک بات کی طرف منسٹر صاحب کا دھیان دلانا چاہتا ہوں۔ یہ دونوں ایوانوں کی عزت کا سوال ہے۔ یہ ٹھیک ہے کہ منسٹر بڑے ہیں ریلوے بورڈ کے ممبر بھی بڑے ہیں اور بڑے افسر بھی بڑے ہیں۔ ان کو ایئر کنڈیشن میں جانے دیا جاتا ہے۔ میں نہیں کہتا ہوں کہ ان کو نہ جانے دیا جائے لیکن سب سے زیادتی باعزت ہاؤس اگر کوئی ہیں اور کوئی دعوے کر سکتا ہے کہ ہم پچاس کروڑ جتنا کے نمائندے ہیں تو یہ دونوں ہاؤس میں اور ہم ممبر ہیں۔ اگر ہم فرسٹ کلاس میں سفر کرتے ہیں تو معمولی افسروں کو جو ہمارے ادھیکاری ہیں کوئی حق نہیں ہے کہ وہ ایئر کنڈیشن میں جائیں۔ میں امید کرتا ہوں کہ گورنمنٹ کی طرف سے ہماری سیلٹ ریسپیکٹ ہماری خودداری کا خیال رکھا جائے گا اور اگر نہیں رکھا جائے گا تو ہم اس کے خلاف بغاوت کریں گے۔]

MR. CHAIRMAN : The question is :

"That the Bill be passed"

*The motion was adopted.*

15.35 hrs.

CUSTOMS (AMENDMENT) BILL-Contd.

MR. CHAIRMAN : We shall now take up Clause-by-Clause consideration of the Bill.

[Mr. Chairman]

There are amendments to be moved to clause 2.

*Clause 2--(Insertion of new Chapters IV A, IV B, and IV C)*

SHRI LOBO PRABHU (Uddipi) : I beg to move :--

Page 2, line 7,--

after "any" insert --  
"identifiable" (4)

Page 2, line 14,--

after "goods" insert--  
"of a market price exceeding rupees one thousand" (5)

Page 2, line 21,--

after "goods" insert--  
"of a market price exceeding rupees one thousand" (6)

Page 2,--

omit lines 35 to 39 (7)

Page 2,--

omit lines 46 to 50 (8)

Page 4,--

omit lines 1 to 7 (9)

Page 4, line 31,--

after "any" insert "identifiable"(10)

Page 5,--

omit lines 17 to 22. (11)

SHRI N. K. SOMANI (Nagaur) : I beg to move :--

Page 4, lines 18 and 19,--

omit "not exceeding fifty kilometres in width from any coast or other border of India," (19)

Page 5, line 36,--

for "one thousand rupees"  
substitute "fifteen thousand rupees or the weight of which does not exceed twenty-five kilogrammes" (20)

Page 6,--

after line 36, insert--

"Provided that a provision of six per cent for melting or converting shall be allowed before applying this provision." (21)

Page 6,--

for lines 41 to 47, insert--

"person to whom such sale or transfer is made:" (22)

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

"Page 6,--

for lines 43 and 44 substitute--

"behalf to satisfy himself as to the identity of the purchaser or the transferee, as the case may be, and if after an inquiry made by a proper officer, it is found that the purchaser or the transferee, as the case may be, is not either readily traceable or is a fictitious person" (23)

15.39 hrs.

[SHRIMATI TARKESHWARI SINHA  
in the Chair]

SHRI LOBO PRABHU : Sir, my amendment is very simple. I have proposed that the articles to be specified should be identifiable. I was able to mention some of the items which have been notified already. They include very diverse and, I should say very common items of use, like, sarees, lighters, fountain pens, propelling pencils, safety razors, blades, battery-operated toys, playing cards, cameras, films, etc. I wish the Ministry--I do not say the Minister--had considered what would be the effect of prescribing these rules in respect of these common-user items. Any party who is in possession of them has to undergo all these different rules, firstly, the rule of notifying that he is in possession of those items; secondly, the rule of notifying the place where they are kept; thirdly, the rule of showing a transport voucher, when they are removed from one place to another; fourthly, the rule of notifying when there

is a change of place and, fifthly, the rule of maintaining accounts of them. Has the Minister considered how many people will be comprehended by these rules? I do not think that there is a single shop in Delhi, for instance, or anywhere which will escape having one or the other of these things.

Another point which I made yesterday and which I make again is about the items which are to be notified because they are foreign. This cannot be done because we have allowed many of our items to be foreign made and named and no party can distinguish one item from another. So, it is absolutely necessary that you restrict your self to the number of items which you would like to come under this. If you don't do that, if you don't allow any shopkeeper to know what items he can keep with safety as having been made in this country, you are going to introduce something which is incomprehensible. Every shopkeeper who has sense is bound to notify to you that he has sense because some of them may be imported, some of them may be smuggled. Have you thought about it, what marks you will tell him to look for? If you concede that you want to restrict yourself to a few items and not to this long list, then you should immediately proceed to reduce this list. By this, you will be doing one thing first, i. e., freeing the trade from the fear of breaking the law, and another thing that you would be doing is saving our public from the clutches of corruption. With so many items in that list, no one will be safe from officials who will come and victimise them. So, I feel—and I am quite sure the Minister realises this—that a big mistake has been made in notifying so many items and notifying them without the capacity to be identified.

My second amendment is also relevant under this Clause. When you want these items to be notified, there should be a monetary limit, a monetary minimum, of their value. Such a minimum has been provided for items which are smuggled out of the country. I would like the Minister to consider why a limit of Rs. 1,000/- should not be fixed before the law is attracted. If this limit is fixed, perhaps some of the

objections that every one will be bound to notify will be reduced. A limit of Rs. 1,000/- which I propose, therefore, is not inconsistent with the other provisions of the law, and it will facilitate the work on the part of the officials on one side and on the other it will at least ensure that many people who may come under this Act will no longer do so.

My third amendment is the same because it refers to the monetary limit being fixed in respect of page 2, line 21, I need not repeat the arguments because they are the same.

My fourth amendment is in respect of omitting lines 35 to 39, because these provisions are repetitive. In paragraph 3 it is provided that any person who is shifting a notified item will give information to the officials. In paragraph 4 it is provided that no one may keep any items in any place for more than seven days without giving notice. One or the other sub-para can stand because a delay of seven days cannot matter. If you have to have two reports for the same thing, you can imagine the amount of clerical work arising on both the sides. So, I suggest that one of these two sub-paras may stay without doing any substantial difference to your legislation. Similarly in respect of para 5 and 6 where it is provided that when goods are transferred a voucher should accompany. There is already a provision for the voucher under section 11F. Nothing can be sold without voucher being given. Now, that voucher would be available without a second voucher which is a transport voucher. I would like the Minister to concede this simple change, because, after all, this is a Bill to improve customs and not merely to increase the consumption of paper.

Then I come to another thing which could be deleted without any damage to the Act. This is on page 4, para 2. It is provided that goods should be accompanied by a memorandum. When there is provision already under section 11F a second provision that there should be a memorandum appears to me to be superfluous.

[Shri Lobo Prabhu]

Then I come to the question of identifiable items in respect of things which are the objects of smuggling through exports. It is very vital that there should be some restriction even on these items. In this connection I had occasion yesterday to suggest to the Minister the importance of allowing export of silver of which we are estimated to possess Rs. 8,000 crores. Now, the Minister's reply was that it was not in the interest of the country to export silver. I would like to know from the Minister as to what use we are making of this silver. It is mostly in the hands of common people as security against any misfortune which befall them. Otherwise we do not require silver. We put it to no use; it is not even used in our currency. And, to that extent, this Rs. 8,000 crores is an absolute, barren item in our economy. On the other hand if you can export it at the current rate of 240 pence per ounce you could realise enough to liquidate your foreign debt of Rs. 6,000 crores. Even if you don't want to do that at once, because the foreign debt is something which could be repudiated at some future time, you could at least liquidate part of that debt which is heavy, like the Russian debt which is on a high rate of interest. So, the export of this silver on the one hand will save us from all the panicky measures which are being taken to increase our exports. For more important for us is that we keep our own sugar when prices are rising. Far more important it is for us that we do not part with cloth of which every year the quantity available for the common man is decreasing. And we could easily spare the silver instead of these things which are in common demand. If the Minister is thinking of silver as a kind of valuable asset in future international transactions there is another course which Government could take. Government could sell silver and buy gold.

The international price of gold is just as low as the international price of silver is high. By buying gold which is cheap and selling silver which is dear, we can effect transactions which will put the finances of this country in a condition they have never been before. Not that I am advocating

import of gold, because that is also a barren metal. But the advantage of importing gold is also that we will reduce its smuggling which, as the Minister is aware, is also a very serious problem.

I would, therefore, like the Minister to apply his mind and meet these arguments. Why should we stick to a barren metal like silver on the ground that it is in the interest of the country?

Lastly, I come to my amendment No.11 to omit lines 17-22 on page 5. This again is repetitive like the previous amendment to a preceding sub-clause,

There has been no precise consideration of the provisions of this Bill. It has been perhaps a matter of mass production of many clauses in the hope that somewhere somebody would be caught in the wide net which has been spread not for the good of the country but for the convenience of the officials. Legislation must be simple, direct and unrepentive.

I would press all these amendments to clause 2 for the careful consideration of the Minister because I feel that it is to the advantage of the Bill to incorporate them in it.

**SHRI K. NARAYANA RAO (Bobbili) :** I would like to make a few observations. Firstly, the desirability of an enactment like this is undoubted. Secondly, if the intention is to check smuggling, I am doubtful whether the Bill, as it is formulated would bring us the desired effect.

The reason is simple. There have been classes created by the Bill. Those who import goods validly and legally constitute one class and for such class of people, it is open to sell such goods openly. To ask such class of people who acquire such goods and to ask them again to submit statements of these things would be an avoidable harassment.

The other class of people are those who

illegally import and illegally acquire such goods. The people who purchase these smuggled goods will certainly not make a statement at all under this enactment. In one case, it is superfluous; in the other, they do not submit any statement at all because once they do, there will be a risk involved, Nobody is prepared to risk himself to such a position.

Therefore, I am not able to follow in what manner this Bill is going to check-smuggling, because smuggling will go on in spite of this Bill. Unless certain new measures are evolved and effective steps are taken, asking them to submit statements is not going to help achieve the objective. Not only does it not help, but it will cause unnecessary inconvenience to people.

Suppose I purchase a transistor. Why should I send a particular statement to the appointed officer about it? The dealer is there. He will say, I have sold this particular transistor to so and so and so. One copy of that should be sufficient. The buyer need not be put into any difficulty.

So far as the shopkeepers are concerned there are many difficulties in connection with maintenance of the records and entries. After all, they are authorised dealers in respect of imports. If they are authorised, they will certainly send this particular statement to the authorities. So my submission is that the smuggled goods will never see the light of day. The smuggled goods will never come unless through these measures. With these observations I welcome this Bill. In this regard this section requires a little modification.

SHRI N. K. SOMANI ( Nagaur ) : As for as clause 2 is concerned, I have moved four amendments which, according to me, are quite important. I will be precise and brief in view of the short time at my disposal.

As far as the 'specified area' is concerned the Government of India thinks that by notifying a specified area not exceeding 50 kilo metres from any coast of India, they would have contained the colossal smuggling activity that is going on across our borders. I have therefore moved my amendment because I am not able to understand as to what is going to happen to other centres like Delhi for instance which has

become one of the main centres of supply to Bombay on the one side and on the other side being the suction centres of silver from Punjab, Haryana, Rajasthan, Madhya Pradesh and UP and to Nepal on the other side. Therefore, unless the Government takes power to notify for the whole country or at least such sensitive areas which are known to be operated by the smugglers. I do not know how this problem is sought to be contained. Therefore, I have moved this amendment that this particular sentence 'not exceeding 50 kilo metres in width from any coast or border of India' should be deleted. If there are any difficulties in the matter of this deletion, I would appeal that they should increase this area to at least 100 kilo metres from any border or any coast of India and special provisions in terms of executive action as far as far Indo-Nepal border is concerned ought to be put into operation.

The second amendment seeks to remove some of the problems that are likely to occur. If you restrict the transport voucher that no transport voucher would be necessary provided the goods do not exceed Rs. 1000 only this to my mind, is a paltry sum of money and in terms of value of silver this will hardly be a few kilograms. Therefore, it will upset the entire small artisans and shop-keepers. I have, therefore, recommended that this should be increased to at least one pecti or one bar of 28 kg. I have, therefore, said that it should be Rs. 15000 or does not exceed 25 kg. so that small shopkeepers and people who are making ornaments can carry from one place to other the goods. They will not also have the unnecessary harrassment or travel to and from the shops and the officers concerned.

The third one puts a tremendous responsibility on the refiner or the dealer, It says that unless the contrary is proved, such goods to the extent that they are lesser than the stocks shown in the account, would automatically be deemed to have been illegally imported. This might be an important omission or oversight because in the process of refining there is bound to be a reduction of 6% in weight of the gold or silver. If you follow the 'Act in letter and spirit, this might put into trouble the refineries that are operating in the country.

[Shri N. K. Soman]

My last point is that you are putting unnecessary responsibility on the dealer or the refiner. If somebody comes to me and sells silver, all I am supposed to do is to take his name and address and try to find out as much as possible but if you put this entire responsibility on the shop-keeper or the refiner, he is to take all other reasonable steps as may be specified by rules to ensure that the purchaser or the transferee is not a fictitious person. This is impossible of achievement. I would, therefore, like to draw the attention of the Ministry concerned to the amendments I have moved.

16 hrs.

CONSTITUTION (AMENDMENT) BILL\*  
(Amendment of article 280)

MR. CHAIRMAN : We shall now take up Private Member's Business.

श्री शिवचन्द्र भाः (मधुवनी) : समापति महोदया, आपके द्वारा मैं सदन से दरखास्त करता हूँ कि मुझे इजाजत दे, ताकि मैं संविधान की धारा 280 में सशोधन करने वाले विधेयक को पेश कर सकूँ।

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

श्री शिव चन्द्र भाः : मैं अपने विधेयक को पेश करता हूँ।

16.01 hrs.

PUBLICATION OF POLITICAL PARTY  
ACCOUNTS BILL-Contd.

by Shri Shri Chand Goyal

MR. CHAIRMAN : The House will now take up the Publication of Political

Party Accounts Bill moved by Shri Shri Chand Goyal on 7 March 1969. The time allotted was two hours but we have taken 2 hours and 21 minutes. The hon. Law Minister may continue his reply.

THE MINISTER OF LAW AND SOCIAL WELFARE (SHRI GOVINDA MENON) : When I began my speech last time, the House was adjourned. But I had intervened in between to say that it is in the proposal of my Ministry to bring a comprehensive amendment to the Representation of the People Act. I am afraid that my statement was misunderstood as I found from the speeches that were made later on. They thought that I was having a proposal to have a comprehensive Bill regarding all matters taken up by Mr. Goyal's Bill. All that is proposed by me is to have a comprehensive amendment of the Representation of the People Act of 1951. The Chief Election Commissioner thinks that it should be worthwhile to have reference to the amounts spent by political parties also in the matter of elections. That is being considered.

This Bill takes in some other matter also. For example, clause 3 says that every recognised political party shall keep a separate and correct account of all receipts and expenditure pertaining to party work and cause to be published annually a statement of such accounts by such date and in such manner as may be prescribed in this behalf. The account shall contain such particulars as may be prescribed. I want to make it clear that the amendment to the Representation of the People Act will not take in this matter because this is with respect to annual accounts of a political party with which the Election Commission is not concerned. The next clause reads : "If the election Commission is satisfied that the political party has failed to publish its accounts... I fear that it would be beyond this House to entrust this duty to the Election Commission. The reason is this. It is a body contemplated by the Constitution and articles 324.