

LOK SABHA DEBATES

LOK SABHA

Friday, February 21 1975/Phalgun,
1896 (Sine)

The Lok Sabha met at Eleven of the
Clock

[MR SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Impact of Anti-Smuggling Drive on
Prices

*81 SHRI ANNASAHEB
GOTKHINDE

Will the Minister of FINANCE
be pleased to state

(a) whether a study is being carried
out regarding the effects of the mass
arrests of smugglers and its impact on
prices of commodities and consumer
goods

(b) if so the results thereof and

(c) the follow up measures pro-
posed to be taken in the matter?

THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE
(SHRI PRANAB KUMAR MUKHER-
JEE) (a) and (b) A watch is con-
tinuously kept on the impact of
various factors on prices. As a
result of the recent anti-smuggling
measures including preventive deten-
tion, the inflow of smuggled goods
has fallen considerably. Smuggled
goods such as liquors, cigarettes,
watches and textiles have become
scarce in the market and their prices
are reported to have gone up if they
are at all available for purchase.

The anti-smuggling measures
coupled with other anti-inflationary
steps taken by Government have
produced a wholesome effect on the
general price level which has shown
some decline.

(c) Apart from intensifying anti-
smuggling operations, other aspects

such as administrative and legislative
proposals are under examination.

SHRI ANNASAHEB GOTKHINDE.
I must confess, I am not at all satis-
fied by the answer given by the Min-
ister. I want to know whether there
is any comprehensive attempt to con-
trol the prices as such and the manner
in which the action against the econo-
mic offences in general, and the
smugglers in particular, was taken.
It will be continued and whether the ill-
gotten wealth of the smugglers will
be confiscated without paying any
compensation for the same?

SHRI PRANAB KUMAR MU-
KHERJEE. So far as the overall
economic situation is concerned anti-
smuggling operation is one of the
instruments through which the
economic distortion is prevented. It
is not the only one method.
That is why I indicated in my
main reply that this is one of the
methods. Other fiscal and administ-
rative measures have to be taken and
some of them have already been
taken. So far as anti-smuggling
operation is concerned, it is going on
in full swing. Preventive measures
are being taken and raids are going
on in various parts of the country.
Concerted attempts are being made
by the Enforcement Directorate to
check smuggling. So far as confis-
cation of smuggled property is
concerned as has been pointed out
on the floor of this and the other
House the legal implications are
under the examination of the
Government.

SHRI ANNASAHEB GOTKHINDE.
It is well known that these smuggling
operations are conducted behind the
scene. It is virtually a threat to the
national economy. I want to know
from the Government whether there
are any clues in their possession in
order to know how the smuggling
chains are being financed and to what

extent these arrests have smashed the Indian links of smugglers' gangs and restricted their activity. Secondly, I want to know whether a high-power committee has been set up by the Prime Minister to keep up the offensive against the smugglers and the achievements made by that committee. May I know whether that committee has made any suggestions regarding anti-smuggling operations?

SHRI PRANAB KUMAR MUKHERJEE So far as the present effect of the anti-smuggling operations is concerned, it has been possible to break the links of the operators. Some of the top smugglers are behind the bars. So far as the financing of the smuggling operations is concerned, there are various methods. Sometimes they are financed by the Indians working abroad. Sometimes they generate money through the smuggling operation itself. As a result of the anti-smuggling operations, as I have already indicated, there is a downward trend in the availability of smuggled goods in this country.

SHRI ANNSAHEB GOTKHINGE What about the setting up of a high-power committee by the Prime Minister?

SHRI PRANAB KUMAR MUKHERJEE There is no such high power committee by the Prime Minister. Some official committee is doing this exercise.

श्री मधु लिमये - दमण के वस्टरम क्लेक्टर श्री अनिल चापडा की रहस्यपूर्ण मृत्यु के बाद क्या उनके घर से जा दितला मे है, जहा वह ठहरे थे, और दमण के उनके घर से कोई कागज सीज किए गए है और क्या उनमे ऐसे कागज भी है जिन के पोलिटिकल कनेक्शन कर्नल केशव आफ स्मगलर्स एट दी लोअर लेवेल आफ ब्यूरोक्रेसी आदि की जानकारी दी गई है? क्या इस तरह की बहुत सारी मामूली सरकार को प्राप्त हुई है और हुई है तो क्या उसके ऊपर सरकार ने कोई कार्रवाई की है ?

SHRI PRANAB KUMAR MUKHERJEE So far as any specific question is concerned, I would require notice.

श्री मधु लिमये : क्या इस के लिए नोटिस की जरूरत है। दमण स्मगलर्स का झुंडा है।

दमण के वस्टरम क्लेक्टर की रहस्यपूर्ण मृत्यु होती है। उसके सारे कागज सीज किए जाते हैं। मैंने पूछा है कि क्या उस पर कार्रवाई हुई है

MR SPEAKER Will you please listen to me. In a general question you are asking for detail about a specific case. There are hundreds of such cases.

श्री मधु लिमये : क्या एटी स्मगलिंग झाड़व के लिए यह जरूरी नहीं है? क्या हंडरड्स आफ क्लेक्टरों सारे गये है? प्रश्न का उत्तर दिलवाइये ?

MR SPEAKER Please do not argue with me.

श्री मधु लिमये : आर्गुमेंट का क्या सवाल है? आई एम आन माई राइट्स। आर्गुमेंट का सवाल नहीं है।

MR SPEAKER I am not prepared to listen to him.

SHRI MADHU LIMAYE I am on my rights to ask this question.

MR SPEAKER He is so rude to the Chair. Please sit down.

SHRI MADHU LIMAYE You are rude to us every day.

एक आदमी मारा जाता है। उसके सारे कागजात सीज किए जाते हैं। तथ्यों को दबा रहे हैं। हरिभाई तांडेल तथा प्रेमा भाई तांडेल आदि को प्रोटेक्शन दे रहे हैं—(इटरपण)

MR. SPEAKER: Do not try to do it every day. Do not try to do this every day. Do not try to do this every day.

SHRI MADHU LIMAYE: You are protecting the Minister.

MR. SPEAKER: There is no question of protecting. Please do not try to do it every day.

श्री मधु लिमये : तयों को छिाया जा रहा है —

MR. SPEAKER: If you are interested in a specific case, you can give notice about that specific case and not ask for information in a general question. Please do not do it every day.

DR. MAHIPATRAY MEHTA: A huge quantity of gold has been recovered from the Jaipur palace. Was there any smuggled gold in it? If so what action will the Government take under the MISA against the people involved?

MR. SPEAKER: The main question is

“whether a study is being carried out regarding the effects of the mass arrests of smugglers and its impact on prices . . .”

So, I am not allowing questions on any specific cases under this. If you are interested in any individual question you can give notice. You can ask in a general way.

DR. MAHIPATRAY MEHTA: Here the people who give shelter to the smugglers and their smuggled goods. I want to know what action Government is going to take against smugglers and whether the gold that has been found is smuggled gold.

SHRI PRANAB KUMAR MUKHERJEE: The search is still going on. At this stage, it is not possible for me to give any detailed information.

DR. MAHIPATRAY MEHTA: Whether the gold that has been found is smuggled gold or not. That is what I want to know.

SHRI PRANAB KUMAR MUKHERJEE: I do not think that question is covered. So far as that particular case is concerned, I have read in the newspapers. We have no other detailed information.

श्री विभूति मिश्र : सरकार ने तस्करी के सम्बन्ध में रोक लगाई है और धर-पकड़ की है। नेपाल से स्टेनलेम स्टील, नाइलन का कपडा जापानी घडिया और फ़ाउन्टेन पेन वग़रह चीज़े यहा आती थी। इसके अतिरिक्त अफीम और गाजा भी आता था। मैं यह जानना चाहता हू कि तस्करी की रोक-थाम में भारत में बनने वाली इन चीज़ों की कीमतों पर क्या असर पडा है। मैंने यह एक स्पेसिफ़िक सवाल पूछा है। मंत्री महोदय इस का जवाब दे।

SHRI PRANAB KUMAR MUKHERJEE: I have already replied that. As a result of various measures taken by the Government including anti-smuggling operations, the prices have come down to some extent.

श्री विभूति मिश्र : अध्यक्ष महोदय, यह प्रश्न इस बारे में है कि तस्करी की रोक थाम का प्रोइमिज़ पर क्या असर पडा है आप यंत्रों महोदय से मेरे प्रश्न का जवाब दिलाये। अगर वह आज जवाब देने की स्थिति में नहीं है तो वह बाद में पता लगा कर जवाब दे।

MR. SPEAKER: He is asking about the general prices, whether they have come down or not. He has given a few instances.

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): There are two aspects. One is with regard to the prices of smuggled goods which are gold in the country and the other is the situation with regard to the general prices of various goods produced within the country which are legally sold here. As far as the

smuggled goods are concerned, they are becoming scarce because of anti-smuggling operations. My colleague has already said that those prices have gone up. But with regard to the general prices in the country as a whole, because of anti-smuggling operations and also other measures which we have taken, the anti-inflationary measures, the general prices have started coming down and still going down.

SHRI BIBHUTI MISHRA: My question was as to what effect has been on the prices of stainless steel, watches, fountain pens, nylon goods, etc. which are smuggled from Nepal.

MR. SPEAKER: Shri Vajpayee.

SHRI ATAL BIHARI VAJPAYEE: The smugglers have been detained under the emergency provisions and they have been debarred from approaching the courts. What will happen to the smugglers when the emergency will be revoked? Or, is it the intention of the Government to continue the emergency for ever?

DR. KAILAS: It is an unrelated question.

SHRI JAGANNATHRAO JOSHI: It forms part of the follow-up action.

अध्यक्ष महोदय : मिनिस्टर साहब इन सब बातों का जवाब कैसे देंगे ? खैर आप उन से पूछिये । मैं नहीं रोकता ।

श्री अटल बिहारी वाजपेयी : मैंने प्रश्न पूछ लिया है । आप उन को जवाब देने दीजिए ।

MR. SPEAKER: You are asking a question much beyond his capacity to answer.

SHRI C. SUBRAMANIAM: Even I will not be in a position to say when the emergency is going to end. This is a question which should be put to somebody else. But, as long as the emergency lasts, we will take advantage of it against the smugglers. But if the hon. Member wants to ease

the situation for the smugglers, that is quite a different question.

SHRI ATAL BIHARI VAJPAYEE: This is highly objectionable. He says, 'If the hon. Member wants to ease the situation for the smugglers'. The smugglers are politically in league with the members of the ruling Party. Let the smugglers be tried in an open court. . . . (*Interruptions*). I wanted to know whether no action can be taken against the smugglers under the normal law and do they require emergency provisions for it?

MR. SPEAKER: Why are you unnecessarily introducing such remarks?

SHRI ATAL BIHARI VAJPAYEE: I put the question indirectly.

MR. SPEAKER: You always do it.

SHRI ATAL BIHARI VAJPAYEE: And he impuses motives.

SHRI C. SUBRAMANIAM: I did not say, 'You are'.

MR. SPEAKER: I never doubt your innocence.

श्री दरबारा सिंह : सरकार ने करोड़ों नहीं अरबों रुपये का जो सोना और दूसर माल पकड़ा है अगर सरकार ने उस को कनफिस्कट नहीं करना है तो भी पता लगन चाहिए । उस माल की क्या प्रोजीशन है क्या वह उन तस्करों को वापिस दे दिया जायेगा या सरकार उस को कनफिस्कट करेगा ? अगर उसको कनफिस्कट करना है तो वह कब कनफिस्कट किया जायेगा ? इस बारे में जो लीगल हिचिज हैं उन को कब दूर किया जायेगा और जो लूटहोल्डर हैं उन को कब बन्द किया जायेगा ?

SHRI PRANAB KUMAR MUKHERJEE: So far as the smuggled goods are concerned, they are straightway confiscated. So far as the gold is con-

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

SEVERAL HON. MEMBER: *rose.*

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

Shri Chandrappan.

**Smugglers Arrested under MISA/
COFEPOSA**

*62. SHRI C. K. CHANDRAPPAN:

Will the Minister of FINANCE be pleased to state:

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

(b) if so, the salient features thereof;

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

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

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

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

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

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

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

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

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

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