

17.51 hrs.

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

[English]

MR. DEPUTY SPEAKER: Shri Balwant Singh Ramoowalia is not present. So, we take up Item No. 11.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): Sir, The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, provides for preventive detention of persons in certain cases for the purposes of conservation and augmentation of foreign exchange and for prevention of smuggling activities.

The Government has already announced their firm resolve to effectively deal with the smugglers and other economic offenders including the foreign exchange racketeers. While stringent measures continue to be taken under the normal laws, preventive detention of smugglers and foreign exchange racketeers may become necessary in certain types of cases with a view to immobilising their organised gangs from continuing their activities and to providing a deterrent to those who are habitual offenders. We have emphasised, time and again, to the State Governments who are also the detaining authorities under the COFEPOSA Act, that preventive detention should not be treated as an alternative or substitute for action under the normal law and that the enforcement authorities should reinforce their intelligence set-up in order to launch prosecutions against the smugglers and foreign exchange racketeers in the ordinary course of law.

The COFEPOSA Act, 1974, is thus one of the powerful weapons for disrupting organised activities of smugglers and foreign exchange racketeers, effectively putting out of commission also the king-pins,

the financiers and the masterminds and their links and associates who cannot be reached under the normal law for want of evidence strong enough to stand the rigours of the Evidence Act in a court of law. Detention of such persons under this Act also enables the investigators to complete their in-depth investigations of all possible ramifications so as to bring to book as large a number of persons involved as possible.

In particular, Section 9 of the Act deals with the detention of any person who is engaged in smuggling activities in areas highly vulnerable to smuggling. Such areas have been indicated in the Section itself. Under the provisions of this Section, detentions made for activities perpetrated in such areas can be up to a maximum period of 2 years, as against the ordinary period of one year otherwise, if a declaration is made under this Section. This Section, however, applies only in respect of detention orders made before the 31st of July, 1987, which has been extended for a further period of three years beyond 31st July, 1987 under the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Ordinance, 1987, promulgated by the President on the 2nd July, 1987. This Bill seeks to replace the Ordinance.

That the COFEPOSA Act and particularly its Section 9 have been effectively invoked and they have significantly supplemented the efforts of the anti-smuggling and enforcement wings of the Ministry of Finance find full corroboration from the following data. The smuggled goods for the year 1984 for the whole of country the seizure was 101.09 crores. For vulnerable areas, it was 92.53 crores of 101.09 crores. The percentage for the vulnerable area was 52%. In the year 1985, 195.63 crores was the seizure. Rs. 152.03 out of that was for vulnerable areas. In 1986 the seizure was again 216.99 crores of rupees. It has gone up from Rs. 101.09 crores in 1984 to Rs. 216.99 crores in 1986 and here for the vulnerable areas the contribution was Rs. 164.96 crores. In the year

[Shri Janardhana Poojary]

1987, upto June 1987, the seizure has gone upto Rs. 109.26 crores.

The COFEPOSA detention in the year 1984 was 710 persons and in the year 1986 the detention has gone upto 812 persons. Upto June 1987, we have detained so far 441 people.

The results of the action taken under the COFEPOSA Act, as tabulated above, also bring out that but for this Act and particularly Section 9, the scale of smuggling would have been much greater. Further, over 75% of the total seizures of contraband effected in the country are accounted for by the highly vulnerable areas. The detention for a period of two years in respect of the smuggling activities in, from or through the highly vulnerable areas acts as a strong deterrent. Hence the need for extending the provisions of Section 9 of the Act for a further period of three years.

With these words, I beg to move:

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

MR. DEPUTY SPEAKER: Motion moved:

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

Shri Girdhari Lal Vyas.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara):
Mr. Deputy Speaker, Sir, I rise to support the Conservation of Foreign Exchange and Prevention of Smuggling Activities (Amendment) Bill.

Smuggling activities have greatly increased in the border areas these days. It has become a major activity there. One of the main reasons behind it is that some vested interests are at work there and they are being given protection by local people there. Several drugs like heroin, smack etc. are being smuggled into the country through the border areas of Punjab, Rajasthan and Gujarat. It has been observed that smuggling of gold and silver is being carried on mainly in the South. Our youth is being badly affected by the use of these drugs. All your Border Security Force and other Police Force stationed at the border areas are in league with the smugglers. The smugglers may belong to Pakistan or any other country but your forces are all in collusion with them. It is for this reason that smuggling activities are increasing constantly. As per the recent newspaper report, heroin and hashish worth Rs. 50 to 60 crores were hauled in Jodhpur, Barmer and Jaisalmer districts of Rajasthan. Those who are responsible for checking it are themselves in collusion with the smugglers. These people should be dealt with sternly, otherwise they will prove quite dangerous for the country. You can yourself assess this situation.

A close look at the situation will reveal that the smugglers, whether in the border areas or in the big cities, are running a parallel Government of their own. They are also beyond police control. Whatever they want to do, they do it. The Police arrest one or two of them just to avoid getting a bad name. The people are also misled by them. Your security forces are not doing any work. It is able to apprehend only one or two insignificant members of the smuggling racket sometimes and on the basis of that they show that they are doing very good work. However, some genuine persons in the police force have made honest efforts to apprehend smuggling gangs and take action against them but such people are not allowed to stay on. After some three or four months, the smugglers complain against them and they are transferred elsewhere. And in this manner the smugglers are able to continue with their

unlawful activities. Therefore, the Government of India should make proper arrangements in this regard. In addition to the provisions made by the State Governments, the Central Government should make arrangements to curb such activities as it is proving quite dangerous for the country. Its ill-effects on our youths and students are not hidden from anybody.

[English]

MR. DEPUTY SPEAKER: The hon.

Member will continue his speech when we take up this item next. Now, the House stands adjourned to meet tomorrow at 11 A.M.

18.01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 7, 1987/Sravana 16, 1909 (Saka)