

I want a categorial assurance from the Railway Minister that the views of the Eastern Railway Committee on the running of the Martin Light Railways will be taken into consideration by the Railway Ministry and that the Martin Light Railways will be made to run immediately.

SHRI L. N. MISHRA: Sir, this very question was raised by the hon. Member, Shri Dinen Bhattacharyya also. I have stated, recommendation or no recommendation, we are not going to take over the Martin Light Railways (Interruptions) It is a junk. We have decided not to take over the Martin Light Railways, not to purchase locomotives or the rails, because they are of no use. An unnecessary investment will have to be made. We will have to pay to a private party for nothing. We are not going to purchase junks. We want broad gauge, and that is why we are going to give broad-gauge to the people. The people's interest is better served if we have broad-gauge.

MR CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1973-74 for the purposes of Railways, be taken into consideration."

The motion was adopted.

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

The question is:

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

The motion was adopted

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

SHRI L. N. MISHRA: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

17.33 hrs

HALF-AN-HOUR DISCUSSION

C.B.I. INQUIRY IN RAGS. SCANDAL

MR. CHAIRMAN: We now take up the Half-an-hour Discussion.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Mr. Chairman, Sir, in reply to the Rags Scandal debate on 11th December, 1972, Shri L. N. Mishra, the great and principal operator of the whole thing had said:

"I want to say what has been done in two years time, I do not want to set off it. But I must say that those two years of foreign Trade Ministry have been the years of achievement, progress....."

No person with any sense of self-respect, decency, uprightness, could have ever dared to say things like that.

We know that **. Shri L. N. Mishra has gone away, he is not here; nor is ** the Prime Minister of this country. Only a thin substitute, a neo-Minister, is there to reply against something.

On 16th November, 1972, the great Shri L. N. Mishra, second in command of the whole operation, had assured this House in reply to a Call Attention Motion dated 16th November, 1972—4½ months have elapsed—I quote:

"As the matter involves contraventions of the Customs, the Import

**Expunged as ordered by the Chair.

[Shri Jyotirmoy Bosu]

Trade Control, the Foreign Exchange Regulations, it has been decided to entrust the matter to C.B.I. for detailed investigations covering all the aspects of the problem, including possible complicity of the concerned officials."

Not about the Ministers, of course.

4½ months have passed. What is CBI, Sir? It is nothnig but a pocket edition of the people in power, and what can the CBI do when they have to go against the wished and the activities and misdeeds of their own masters? Therefore, this is nothing but a hoax. Still we want to know this. 4½ months have passed since the assurance was given on the floor of the House. This is the biggest cheat and fraud on the country that has taken place in the name of importation of raw materials for hosiery and shoddy industries. 4½ months have passed, but we have not heard a word about the CBI inquiry report. In spite of our knowing what the CBI is, we expected this Government to come forward with the report and 'ay it on the Table of the House. That would have allowed us to have a look at all the wonderful 'things which had taken place; we would have discovered how many ministers were involved, what was the role of the Prime Minister, what was the role of the Foreign Minister, what was the role of so-and-so Joint Secretary, what was the role of the Deputy Director of woollen textiles, etc., etc. But nothing has come out. It has revealed the worst type of political and administrative corruptions where many names have been dragged in including those of even the Prime Minister and the Foreign Trade Minister who was the principal operator behind this.

What did I say, Sir, on the 11th December? To give you an idea of the magnitude of the problem, this is what I said:

"While dealing with the rags scandal, I would like to say that this is one of the worst corruption, mal-

practice and scandal that has come out in recent times, and this government has no right to stay in power after all this has been revealed without any contradiction. In the name of importation of rags, they are importing quality woollen garments, nylons, polyester fibres, finest and new, from affluent countries. They came here as slightly defectively manufactured or out of fashion or shop soiled youth garments. The story about mutilation in customs is a myth. So, do not bother about it at all "

श्री कृष्ण चन्द्र पाण्डे (खलीलाबाद):
सभापति महोदय, मेरा प्वाइन्ट ऑफ़ ऑर्डर है। बड़ी खेद की बात है कि ये एक पुराने संसद सदस्य हैं लेकिन इस तरह के आरोप लगा रहे हैं... ऐसा नहीं होना चाहिए।..

सभापति महोदय, वह जो चार्जेंज लगा रहे हैं, गवर्नमेंट की तरफ से मिनिस्टर साहब बैठे हुए हैं, वे उन का जबाब देंगे। लेकिन एक बात मैं जरूर कहूंगा कि जब आप किसी पर कोई चार्ज लगाते हैं तो बिना सूबूत के कोई चार्ज किसी पर नहीं लगाना चाहिए। अगर आप के पास सूबूत न हो तो जिस तरह से आप प्रिवलेज मोशन उठाते हैं, वे भी उसी तरह से आप के खिलाफ उठा दें, तब ? बप उठा दें

SHRI JYOTIRMOY BOSU: If they have got the guts and courage, let them bring a privilege motion.

SHRI PRABODH CHANDRA (Gurdaspur): On a point of order. It is the convention in all Parliaments, all over the world, not to say anything against the officials who are not in the House to defend themselves. He has brought in the whole department and all the officials. On the one hand, he says that he does not have any confidence in the CBI, and if the verdict comes....

MR. CHAIRMAN: Please sit down. There is no point of order here.

SHRI JYOTIRMOY BOSU: So, do not bother about it.

" So, do not bother about it at all . . .

It is strange that the three government agencies are controlling the STC There is the licensing agency of the Government that is Foreign Trade Ministry, the customs, or the Finance Ministry is deeply involved in the matter The present Foreign Trade Minister "

Not you Mr Chattopadhyaya, your predecessor

" master-minded the whole thing as the principal operator Behind his lies the approval of the fountain-head of all powers in the country "

MR CHAIRMAN I again warn the hon Member and also other hon Members that if this side or that side brings in any charge against any person without any substance or without any proof, he will place himself open to a privilege motion being brought against him

SHRI P K DEO (Kalahandi) We welcome it

SHRI K P UNNIKRISHNAN (Badagara) Is it permissible to use the word 'principal operator'?

SHRI JYOTIRMOY BOSU Now, I come to the quantit of rags that was cleared by the Customs in the years 1970-71

MR CHAIRMAN. The hon Member's time is up This is only a half-an-hour discussion.

SHRI JYOTIRMOY BOSU The quantity of rags that was cleared by the Customs during the years 1970, 1971 and 1972 (upto 31st October, 1972) was 62 lakh kg, 78 lakh kg and 206 lakh kg respectively About 16,600 bales have been seized by the

Customs authorities at various places as a result of raids conducted during August/September, 1972 That shows the volume of the malpractices and the business in the trade

About the effect on the local hosiery industry, in the Punjab, a lakh of workers in Punjab have been thrown out in the streets to starve and to fulfil the vow of *Garib: Hatao* More than hundred small hosiery units are closed On 7th August, 1972, a delegation of 200 persons met the Prime Minister, the fountain-head, and got the usual lip sympathetic assurance But nothing had happened

In early September, 1972, one Jahar Oswal went to the Minister (*Interruptions*) for clearance order of rags at Bombay They were advised to go to the Prime Minister (*Interruptions*)

The amount of money that was involved (*Interruptions*)

SHRI KRISHNA CHANDRA PANDEY On a point of order, Sir (*Interruptions*)

SHRI JYOTIRMOY BOSU Will you call the House to order, Sir?

श्री कृष्ण चन्द्र पाण्डे सभापति जी, मेरा व्यवस्था का प्रश्न है। माननीय सदस्य ने कहा है कि ** इन शब्दों को कार्यवाही से निकाला जाना चाहिए।

सभापति महोदय एक चीज है, आप इनके उपर जो बात कह रहे हैं उसके लिए मैंने आपको हिन्ट दिया है और इनको भी हिन्ट दिया है कि अगर वह कोई ऐसी बात कह रहे हैं जो बात सही नहीं है तो त्रिबलैक मोशन ले जाइये।

SHRI JYOTIRMOY BOSU: I am so glad with your ruling, Sir. Over 30 million kg came in actually. From the landing to the retail point, the increase is between 700 to 1,500 per cent; at least Rs. 600—700 million have been taken away as gross profits by those who have handled this thing. The operators are so powerful and so resourceful that they could obtain the support of the principal executive of the country.....*

MR. CHAIRMAN: The hon. Member should not refer to a member of the other House.

SHRI JYOTIRMOY BOSU: Now, Sir, here is a cutting of the *Economic Times* to which, I think, the hon. Members on the other side will not take objection.

"Prime Minister, Indra Gandhi, has issued a directive for the release of woollen rags lying at Bombay docks and other places for the last several months, it is learnt."

"The need for the Prime Minister's intervention is understood to have arisen because of the insistence of the CBI officials to withhold the release of these rags till the enquiry is completed."

"Import of these garments not only involved violation of foreign exchange, Customs and import regulations, it also involved enormous over-invoicing and under-invoicing."

Then it says:

"Meanwhile, 'rags' which in fact are serviceable garments are still being vended on Bombay footpaths, especially near the Cotton Exchange Building on Kalbadevi Road and the popular Chor Bazar."

Now, we know the Chor Bazar. We know who are the operators. (Interruptions).

"The rags imported are under Actual User's conditions. All the Ludhiana importers who have imported these rags, are not actual users. They have no machinery to use these goods. The major portion of the Shoddy Industry which uses these materials is situated at Bombay. There are in all about 22,000 to 23,000 spindles in the entire country of shoddy making, out of which about 12,000 are in Bombay alone. Bengal has about 2,000; Mirazapur about 1,000; U.P. about 1,400; Himachal Pradesh about 1,600; Ludhiana about 1,200 and Amritsar about 2,500."

In spite of that, the insistence to bring these garments to Ludhiana. Unless you want them to be sold as before, you will not allow them to come to Ludhiana. In Bombay the local cheap hosiery makers are in a severe crisis. Lakhs of people have been thrown out of employment. If mutilation has to be done it must be done at Bombay. On the one hand they talk about CBI enquiry and on the other they allow unscrupulous traders to connive with corrupt politicians and officials.

My letter dated 11th February, 1973 to Shri Debi Chattopadhyaya has remained un-replied. What did I want to ask: What was the policy laid down in 1967 in the above matter? What is the progress that he has made in the matter of take-over? Whether the Foreign Trade Ministry directed the STC by an executive order to retract or go slow over take-over? Whether organised sector and importers were given greater relaxation? What was actually the order? The reason for the same, and what is the position now?

*Not Recorded.

I want to know the terms of reference of the CBI enquiry; time-limit, if it has been given any; report covering prima facie findings, if any. So far what has the Government come to know out of the CBI enquiry?

I have already written two letters to Mr. Chavan about one Mr. Abrol that a CBI enquiry was instituted against him when he was working as Assistant Collector of Customs. I cannot trace any reply.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): The Finance Minister has replied to you in this regard.

SHRI JYOTIRMROY BOSU: Not till last night. I can see how these people get blisters on their body when we talk about corruption. Why do they want to get identified with corruption? I want a clear reply from the Minister because I have put clear questions.

SHRI S. M. BANERJEE (Kanpur): Mr. Chairman, Sir, I request the hon. Minister to let me know when the CBI report is likely to be submitted. I would also like to know whether the rags or the warm clothing in place of rags have been mutilated, because we were of the opinion that they should not be mutilated but sold to the poor people. I come from Kanpur where neither in pre-Independence nor in post-Independence those poor people got warm clothings. But they could buy this time I want these things to be sold and the poor people should not be deprived of these. Thirdly, what permanent arrangement is being made to see that such import of rags is not allowed or, if it is allowed, the Customs should also properly check? Lastly, my friend wanted these rags to be mutilated at Bombay instead of at

Ludhiana. I do not want these to be mutilated at all. If there is a scandal the Minister will have abuses, but if it is a fair deal he will have blessings of the poor people.

बी मूल चन्द डाला (पाली) : बन्वाई
 डाकस में कितना माल धोर रूका हुआ है और
 कब से रूका हुआ है । उसको कब रिलीज
 किया जाएगा ? डिपार्टमेंटल इन्क्वायरी
 और सी बी आई की इन्क्वायरी साथ साथ
 चल रही है या अलग अलग ? सी बी आई
 इन्क्वायरी में कितने लोगो की विटनीसिस
 ली जा चुकी हैं, कितने डाकुमेंटस सीज किए
 हैं ? उनकी फाइनल रिपोर्ट आपके पास कब
 तक आ जाएगी ? सी बी आई इन्क्वायरी
 में आपको यह मालूम हुआ है या नहीं कि
 कस्टमज आफिसर्स या एनफोर्समेंट इस्पेक्टर्स
 की भी मिलीभगत उनके साथ थी ? किसी
 अफसर को आपने डिपार्टमेंटल इन्क्वायरी
 में आब तक ससपेंड किया है या नहीं किया है ?
 इस स्कैंडल की मेन रिसपासिबिलिटी किस पर
 है यह मालूम हुआ है या नहीं ? इन्क्वायरी
 की कोई टाइम लिमिट भी मुकर्रर आपने
 की है ।

कितने और कौन कौन से डाकुमेंट आपने
 रिकवर किए है ?

THE MINISTER OF RAILWAYS (SHRI L. N. MISHRA): May I take two minutes on a point of personal explanation? I was not here—I was in a meeting of my party colleagues—when I was told that Shri Jyotirmoy Bosu mentioned my name and that of the Prime Minister and my colleague. * *

*Not Recorded.

You know the history of the rags by now very well. There was a long debate in this House. I had replied to the debate. I was then in charge of the Ministry of Foreign Trade which is now called Ministry of Commerce.

SHRI JYOTIRMOY BOSU: You said nothing.

SHRI L. N. MISHRA: I had explained the position. The decision to import rags was taken much before I came to the Ministry of Foreign Trade. But I must say one thing, that this inquiry or bringing the matter to the notice of the public was done at my initiative. First I took the initiative in June or July that such things were happening and the Customs should take steps. I wrote two letters to Shri Chavan, the Finance Minister. It was at my initiative that steps were taken against the importers of rags who were really smuggling it. (*Interruptions*).

Therefore, to say that some corruption was going on is all wrong. I took steps against these rag importers. Shri ** had nothing to do with it, much less the Prime Minister. It was the Prime Minister who wanted a CBI inquiry to be ordered. It was the Prime Minister who told me to take a very firm attitude in this. There is a lobby in this country, in the capital and in Ludhiana. People go to Ludhiana, they get satisfied and come here with some stories.

MR. CHAIRMAN: The Minister has also mentioned the name of **. That will not be recorded. Nor will it be recorded when I mentioned it, or when any one else mentions it.

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): I am really sad to find that Shri Jyotirmoy Bosu, a veteran hon. member, who promised to speak on the

rag scandal did not do so but spoke about something else. The sound and fury of his speech was adversely related to the substance and logic of the speech he made.

SHRI JYOTIRMOY BOSU: Do not be too big for your boots.

PROF. D. P. CHATTOPADHYAYA: I am sorry. I strongly repudiate the insinuation you made against the Prime Minister and my esteemed predecessor in the Ministry.

SHRI JYOTIRMOY BOSU: That is your first duty; otherwise, you won't survive.

PROF. D. P. CHATTOPADHYAYA: It is my duty, and I think in the Parliamentary system it is your duty also because she is the Leader of the House and you are a part of the House.

He raised certain questions which have already been repeatedly answered by Mishraji. It is a matter of record that it is this Ministry which brought to the notice of the Finance Ministry that some unscrupulous business elements are indulging in this.

SHRI JYOTIRMOY BOSU: Under the patronage of the High Command.. (*interruptions*).

PROF. D. P. CHATTOPADHYAYA: It is at the instance of this Ministry that some actions have been taken.

SHRI SHYAMNANDAN MISHRA: (Begusarai): But after how many years of scandal in this Ministry?

18.00 hrs.

PROF. D. P. CHATTOPADHYAYA: No, no. Irregularities there were. As soon as irregularities were brought to the notice of the Ministry, appropriate actions were taken. And they

were taken expeditiously in the last four months. The CBI has gone into the matter in depth and also into the details. Some four cases have already been instituted and 12 preliminary enquiries have also been instituted in the course of the last four months. Different premises have been raided. Some documents have been seized, and due processes and steps are to be taken before something is taken before the court of law. So, it is a time-consuming process; not that the CBI has sat idly on the matter, nor that the Ministry has not done anything. But the pity of the whole thing is that this hon. Member is interested in seeing that it is referred to the CBI, but at the same time, he is casting aspersions on the CBI. (Interruption).

MR. CHAIRMAN: This is not the way. You have spoken, and they have heard you. Now, he is speaking; please listen.

PROF. D. P. CHATTOPADHYAYA: It is a very serious matter. For the hon. Member, it may be a forum for saying something against the party. (Interruptions). Mr. Bosu, kindly listen. The point is this. It is a very serious thing. Thousands of people's livelihood depends upon this industry 38,000 bales are there at the Bombay port. Now, the question is two-fold. One is, if they are where they are, the monsoon is setting in. If they are exposed as they are now, they will be destroyed, and the raw materials cannot reach the shoddy spinning units. The weavers will starve to death. The industry will be liquidated. Often, my friend Mr. Jyotirmoy Bosu sheds tears and wets the carpet of the Lok Sabha for these poor people. As we all know—

SHRI JYOTIRMOY BOSU: Come on now * * * (Interruptions).

MR. CHAIRMAN: No, this will not go on record. (Interruptions). This will not go on record. Mr. Bosu this is very unfair on your part.

SHRI JYOTIRMOY BOSU: He must answer my question. (Interruptions) You cannot cow me down.

AN. HON. MEMBER: Prove it.

MR. CHAIRMAN: I have removed the word. It is a very unbecoming remark. I have removed it from the record. (Interruptions).

श्री कृष्ण चन्द्र वाडे : सभापति महोदय,
यह बहुत ही गम्भीर बात है कि इस सदन में
एक मंत्री के प्रति ऐसे शब्दों का प्रयोग किया
जाये, जो संसदीय नहीं है, और हम सूक्ष्म
दर्शक की तरह उन को सुनते रहें। मैं चाहता
हूँ कि उन को सदन से बाहर निकाल दिया
जाये।

SHRI BHAGWAT JHA AZAD (Bhagalpur): On a point of order. We have certain privileges in the House. If some Member wants to abuse the privilege in this way and says such things against the young and brilliant Minister, we have to point out that it is unfortunate and it will not be possible for us to discuss matters such as the rag scandal or any other point. Therefore we want your ruling on this question, whether this remark by my hon. friend about such a young and brilliant Minister, who has done so well in his department, should go on record or should be expunged. I would prefer the hon. Member to express his sorrow for such a remark.

MR. CHAIRMAN: I have already said that the remark that Mr. Bosu has passed will not form part of the record. I have also said that it is

* * * Expunged as ordered by the Chair.

[Mr. Chairman]

very unbecoming of him to pass such remarks and it is not proper for any hon. Member of this Parliament to abuse the privilege of Parliament. (Interruptions). Members are senior enough. One should not cast aspersions against others. That is why I have said that it was unbecoming of him to pass such a remark, and I have removed it from the record.

श्री बख्शार सिंह (होशियारपुर)

बैरमैन साहब, मे सार्जे करना चाहता हूँ कि यह ठीक है कि आपने रिमार्क को एक्सपेंज कर दिया है। लेकिन क्या सैम्बरों को यह बुझा हक होगा कि वे चाहें किसी को ** कहें और आप उन झलझल को एक्सपेंज करने तक ही महसूस रहें ?

MR. CHAIRMAN: Now, the hon. Minister.

PROF. D. P. CHATTOPADHYAYA: Obviously my friend was excited. I was not excited. What I said is on record. I said that he shed tears. I did not say crocodile tears. That would have been insulting. I did not say that. It is on record. I did not mean anything insulting. If I would have used that adjective before tears, it might have been insulting. So, I did not mean anything.

MR. CHAIRMAN: When we pass such derogatory remark against one another here, how are we better than bazar people? That I do not know.

PROF. D. P. CHATTOPADHYAYA: I bow to your suggestion.

SHRI S. M. BANERJEE: Perhaps you said in your wisdom.

MR. CHAIRMAN: All right, I withdraw that.

AN HON. MEMBER: This is for the first time that the Chairman says that he withdraws what he said.

SHRI JYOTIRMOY BOSU: Will you kindly expunge the remark made by the hon. Minister?

MR. CHAIRMAN: I shall look into the record.

PROF. D. P. CHATTOPADHYAYA: If you will kindly look into the records you will find that I only wanted to say that my hon. friend has concern for the weavers and it was in that context that I said that these weavers would be starved to death if these bales are not released.

The usual procedure for releasing these bales is very very time consuming. So, we are in a very difficult situation. This is much more than a debate and counter-debate of the logomachy we are indulging in. The point is that if we did not expeditiously release these bales before the on-set of the monsoon season, these weavers for whom the hon. Member has much concern, will be starved to death; the industry will be liquidated. So, we have to strive a strategy—the mode of operations—in terms of which the dishonest people on the one hand will be duly punished and at the same time, for no wrong done by the weavers, they should not be starved to death. So, this is the strategy and policy we are following and, in pursuance of that, we are suggesting that these people who will be found guilty on scrutiny by the Customs officials and the C.B.I. will be duly punished. We are releasing these bales, on scrutiny according to rules, to the people for whom they are intended. But, after due scrutiny, those who have been found guilty on the basis of evidence, are being penalised. Against them some cases have already been instituted. The details are with me. I can lay all these things before you. It is not that we are sitting idle. Four cases have already been instituted.

SHRI SHYAMNANDAN MISHRA: Against whom?

**Expunged as ordered by the Chair.

PROF. D. P. CHATTOPADHYAYA: Warrants have been obtained from the Additional Chief Presidency Magistrate of Bombay. On the authority of these warrants, simultaneous searches were conducted on 28 firms at Ludhiana, 2 at Panipat and 1 at Amritsar, and 41 residential premises were also searched. A number of documents in the shape of account books and other correspondences have been seized. Pending sanction of special staff for the purpose of this inquiry, which is required to be conducted all over the country which involves examination of voluminous documents and examination of hundreds of witnesses, the C.B.I. will have to mobilise officers from various units and form them into teams for different assignments.

Investigation of cases and complaints already passed on to the CBI is being pursued vigorously. It will be seen from what I have said and what is on record that the CBI have

already registered 12 preliminary enquiries and 4 cases from 18th January, 1973 to 14th March, 1973.

SHRI SHYAMNANDAN MISHRA
Against whom?

PROF. D. P. CHATTOPADHYAYA
It is a long list of names with me. If you allow me, Sir, I can lay them on the Table of the House.

SHRI SHYAMNANDAN MISHRA.
It may be laid on the Table of the House.

PROF. D. P. CHATTOPADHYAYA.
Of course. We have nothing to hide, nothing to conceal, because we are against corruption as much as the opposition.

15.16 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, March 22, 1973/Chaitra 1, 1895