

[Dr. Ranen Sen]

particularly the All India Provident Fund Employees' Federation. Shri Samar Mukherjee mentioned one name and I am mentioning another name. As usual, there is multiplicity of trade unions in such organisations. Government will have to recognise one representative union. In this connection, I welcome the suggestion of Shri Mukherjee that the recognition of trade unions should be on a democratic basis. The only democratic method is the system of secret ballot.

In some of the trade unions there are outsiders holding the offices of President or other offices. I understand that Shri Vayalar Ravi is the President of one such union, even though he is an outsider. In both the railway federations the outsiders are Presidents: so also in Defence. Why should you allow outsiders to be office-bearers in these unions? This aspect should be considered.

Even though there are many loopholes and pitfalls in this Bill, which is not comprehensive, I still welcome it, taking it as a step forward. I hope before long a comprehensive Bill will be framed and brought here after consulting the trade unions so that it will satisfy the workers.

**SHRI S. R. DAMANI (Sholapur):** Sir, I support this Bill, which is based on the recommendations of the Dhebar Commission and the 116th Report of the Estimates Committee.

The provisions of the Bill seek to tighten the safeguards and to make the penalty more stringent against those who fail to deposit the amount collected from the workers towards their provident fund contribution. According to me, no leniency should be shown to such defaulters. The workers contribute this money out of their hard-earned wages and the employers are bound to deposit it with the Reserve Bank within the prescribed time. If there is any delay on their part in depositing this money they should be made to suffer for it.

It is a matter of regret that the arrears in the matter of deposit of provident fund contributions is increasing year after year. While in 1959-60 the amount of arrears was Rs. 3.65 crores, by the end of 31st March 1972 it has gone up to Rs. 20.65 crores. Although the amount of contribution to the provident fund has increased manifold the arrears is also mounting up, which is really alarming.

The working of the office of the Provident Commissioner requires some streamlining. Since their offices are located in different parts of the country, mostly near the industries, they generally know the parties who are likely to default. What arrangements are they making to collect the contributions from such defaulting parties on the pay day itself, preferably in cash? They are not doing anything in that direction.

**MR. DEPUTY SPEAKER:** He may continue when this Bill is taken up next time. We will now take up the Half-an-Hour discussion.

17.30 hrs.

#### HALF-AN-HOUR DISCUSSION

#### RELEASE PRICE OF STAINLESS STEEL SHEETS IMPORTED THROUGH M.M.T.C.

**SHRI JYOTIRMOY BOSU (Dimond Harbour):** Mr. Deputy-speaker, Sir, the import of stainless steel to India has acquired more stain than steel. The whole thing stinks and it is worse than the rag scandal that you have heard of.

From 1971-72, the Foreign Ministry gave enormous opportunities. To be exact, from 7.10.69, the import of stainless steel was far in excess and most of it went to the black market. The import entitlements were converted into stainless steel which had taken 200 to 300 per cent profit in the black-market. Although conversion to unspecified items is illegal, some licences are sold in the black market. There was a big rise in 1971-72, the year of grace of election, as compared to 1968-69. The collection of funds was necessary. The release prices

fixed in general were at the rate of Rs. 19 per kg. in 1971 and Rs. 27 per Kg. in 1972. But actually the release Price was fixed at the rate of Rs. 16 per Kg. by the Minister himself. The name of the Minister I will let you know later on.

The brother Minister has confessed in his reply on the floor of the House—I quote:

"That was before canalisation: the prices were the same. But after canalisation, the price structure was somewhat like this—Rs. 14,150 for the first category, Rs. 15,250 for the second category and Rs 28,000 for the third category."

I will come to the category a little later.

The government lost opportunities for earning crores of rupees. A friend of the then Minister, a man called Mr. Tulsian made crores of rupees mostly in the black market. The Ministry of Foreign Trade showed preference for car manufacturers, machine-tool manufacturers and chemical plants and got them stainless steel at the rate of Rs. 16 per Kg. But the hospital equipment makers had to pay Rs. 29 per Kg. in 1972.

Amongst the fortunate few were Kale Sheru and Swadeshi Iron and Steel. Of course, topping the list was Mr. Tulsian of Karnatak Exports because his licence was valued at Rs. 57.43 lakhs. He has followed the Patron Saint Minister to the Railway Ministry—God help the Railway Ministry—because he has got coal wagons superseding all other demands of requirements. He maintains, I am told, a Luxurious Airconditioned Entertainment house with all the pleasures in Delhi. I do not know if the Cadillac-pimp has been supplying raw flesh.

This man got a jute export permit to the tune of 1 lakh bales. Out of a total sanctioned quantity of 3 lakhs bales he has never been in jute

trade—he got 1 lakh bales for himself from S. T. C. with a marginal Commission to be given to S.T.C. and the balance was for the entire trade. So kind was the Minister to Mr. Tulsian. In addition, there were about 300 small scale units and many of them were bogus. For 8 years, the utensil-makers were given no licence. They were wholly dependent on black market. The lended cost/purchase price was Rs 16 per Kg. in 1970-71. The sale price was around Rs. 36 to Rs. 40 per Kg. and the profit amounted to Rs. 15,000 per tonne. Crores of rupees were earned that way.

The principal finance came from the Foreign Trade Ministry for the elections and for the ruling party. If you look at the figures, in 1971-72, it was 15,801 tonnes valued at Rs. 10,86,11,000 and in 1972-73 it was 9,961 tonnes valued at Rs 746,30,000—it dropped because the elections were over. The Minister instead of dismissal, got a promotion. In one bye-election, I am told Rs. 90 lakhs were spent; in one Bihar topping, Rs 25 lakhs were spent and in Bihar, in each district, they were getting Rs 20,000. A Parliamentary probe is absolutely necessary. If the Minister has any shame, he should resign.

The Vigilance Officer of the Foreign Trade Ministry, one Mr. Darbari, who is now also the previous boss's Intelligence Chief brought four television sets in four trips abroad. Of course, his son has got about 150 shoddy spindles, although having no shed.

Prof D. P. Chattopadhyaya said:

"It is a sort of incentive to the third category of people for selling items which are difficult to sell in the World market."

I will come to that in a minute.

Prof. D. P. Chattopadhyaya had also said

"I have already said that there is a policy decision in pursuance of

[Prof. D. P. Chattopadhyaya]

which some barter deal parties were entitled to have some stainless steel from the direct importers. I have already said. But, on inquiry, we have found that this policy, in the process of implementation, is mis-used and Karanatak Exports has been mentioned in this context. About Karnatak Exports, if there is any question or any information, if they give a separate notice, I will certainly answer that question fully.'

I will come to that in no time.

The Kingpin of this is Mr. Tulsian.

Files are missing! This is a circular issued by the Government of India. Ministry of Commerce. Office of the Chief Controller of Imports and Exports—circular No. 1(2)73-O & M dated the 25th April, 1973:

"Subject: Loss of file.

"It has been reported by EPC-1 that their file No. 7(15)|EPC-I|70 of M/s. Karanatak Exports Ltd., linked with file No. 15(3)|EP. Cell—1|70, dealing with Parliament question, which was submitted to the former Minister of Foreign Trade on 24-11-1972 has not been received back in E.P. Division so far...."

These files have been removed and destroyed, to the best of my knowledge. (Interruptions)

On 9-5-1973 in the Rajya Sabha.... (Interruptions).

SHRI DARBARA SINGH (Hoshiarpur): It is character assassination.

SHRI JYOTIRMOY BOSU: I have mentioned no names. I have given notice under the rules. Mr. Deputy-Speaker, I have not mentioned any name.

On 9-5-1973, the former Minister of Foreign Trade, Shri L. N. Mishra, said in Rajya Sabha:

"However, on a matter of personal explanation. . ." (Interruptions).

AN HON. MEMBER: He is reading the proceedings of the other House.

SHRI B. P. MAURYA (Hapur): He is making wild allegations.

MR. DEPUTY-SPEAKER: Order, please.

SHRI K. LAKKAPPA (Tumkur): Sir, my point of order is..

MR. DEPUTY-SPEAKER: Order, please. There is no point of order. Is this the point of order that I am on my legs trying to intervene and regulate the proceedings of the House?

It is the practice in this House that we do not quote the proceedings of the other House. It is laid down in the rules. It is only in matters where a definite policy of the Government is stated that you can quote.

SHRI JYOTIRMOY BOSU: That is what I am doing

MR. DEPUTY-SPEAKER: You are quoting from the proceedings

SHRI JYOTIRMOY BOSU: I am quoting the policy.

MR. DEPUTY-SPEAKER: Whose statement is that? Is it the statement of the Minister?

SHRI JYOTIRMOY BOSU: Yes; of course.

SHRI K. LAKKAPPA: It is totally irrelevant.

MR. DEPUTY-SPEAKER: Mr. Jyotirmoy Bosu, I will listen to you. If it is from the statement of the Minister, I will allow you. If it is from the proceedings of the other House, I will not allow you.

**SHRI JYOTIRMOY BOSU:** This is 'Statement made by Shri L. N. Mishra, Minister for Railways, in Rajya Sabha on 8th May 1973'. I can lay it on the Table of the House.

"However, on a matter of personal explanation, I am forced to say that the ferro-silicon barter deal..." (Interruptions).

**MR. DEPUTY-SPEAKER:** Order, please. I am not able to hear him.

**SHRI JYOTIRMOY BOSU:** "...that the ferro-silicon barter deal in question was sanctioned to Karnatak Exports before I took over as Minister of Foreign Trade towards the end of June, 1970."

This is the policy statement made by the Minister; Tulsian's barter deal was his predecessor's doing. I fully agree there, Sir. This is true, but—there is a big 'But'; in Sanskrit there is a saying:

"अश्वत्थामा हतो नरो वा कुजरो वा"

Mr. Baliram Bhagat, who is sitting here, had set up a Committee headed by Shri K. B. Lall, Shri I. G. Patel and others. Tulsian's export of ferro manganese and import of stainless steel was a barter. Shri Baliram Bhagat approved the Committee's recommendation and approved the barter deal. Ferro-manganese, a by-product of Bhadrabati, was in surplus and the sale of that in the outside world was difficult. I want to ask the hon. Minister to tell us on what basis did he sanction the barter. What profit on cost did you allow? Is it over 10 per cent? Is it not a fact that there were three conditions rigid and specific: (1) the import to be made through MMTC, (2) to be sold to actual users only, (3) not in the free market, and (4) to be sold at negotiated prices to be settled between MMTC and the importing company to keep a watch that no undue profit was made.

Lalit Babu soon after he took over, dropped these three specific conditions. I will read out:

"The condition No. 4 is correctly quoted, but in condition No. 3, the following words viz.

'provided you enter into an agreement with them both in regard to quantity and price'

did not appear in the barter sanction."

This is what Prof. Chattopadhyaya said. There was complete freedom to Tulsian. Is this file lost—I want to know. It was removed when Lalit Babu went to the Railways. So, the Minister should reconstruct the file because the Lal Committee's report and minutes are available.

As per usual practice, stainless steel import is not allowed against barter. Why then this deviation and Tulsian was allowed to sell it outside DGTD listed actual users? Stainless steel is on the banned list for export houses in barter cases. The then Chief Controller of Exports and Imports, Mr. M. M. Sen has written on the file objecting to it, but he was overruled by the Minister, Shri Lalit Narayan Mishra. That was why Mr. Sen was not made Secretary of the Foreign Trade Ministry.

They bought import entitlements at three places, (1) from M/s. Maddi Venkatratnam and Co, Guntur—Rs. 34.02 lakhs, (2) M's Valia Brothers, Bombay—Rs. 26.45 lakhs, and (3) M's Chegu Krishnamurthy, Guntur—Rs. 11.88 lakhs. Now, what happens? This Maddi Venkatratnam & Co. was blacklisted till 31st March, 1973 but he applied through Mr. Tulsian, and Tulsian applied on 27th February, 1972 for purchase by Karnatak Exports House a friend of Mr. Lalit Narayan Mishra. The blacklisting period was reduced by one year and brought to 31st March, 1972 because the blacklisting would have troubled them.

I have got two notes which I shall read out to you.

"Recently before two months, one release order was issued to M/s. Karnataka bearing No. 1003517 dated

[Shri Jyotirmoy Bosu]

29-8-1972 for Rs. 34,02,383/- for stainless steel sheets, against the purchase of barter entitlement of M/s. Maddi Vankatratnam & Co. (P) Ltd., Chilakalurpet (Andhra). M/s. V. Maddi Venkatratnam was in blacklist upto 1973. They are exporters of tobacco."

I have given all the details. Then, the second one:

"The Foreign Trade Ministry has allotted more than 300 tonnes of stainless steel sheets to M/s. Swadeshi Iron Steel Works, Kanpur, against their export of structurals at Rs. 14200/- per metric tonne for actual-using.

M/s Kamani Engineering Works, Bombay have been allotted more than 200 tonnes for re-sale."

But these were all sold between Rs 32 000 to Rs. 37,000 per tonne in the open market. (Interruptions).

I would not like to cause blisters on the body of these people. What I was saying is that Shri Lalit Narayan Mishra was hand in glove with this Tulsian and Karnatak Exports where by the Government has lost crores of rupees and the consumers have been swindled... (Interruptions). This man has made crores of rupees. I am charging that this\*\* has made so much money that there should be a parliamentary probe. I want to say this, Mr. Chattopadhyaya. The Karnataka exports house has furnished some documents in support of the goods distributed by them to the actual users. The correctness of this information has been verified with reference to the licensing records with the Regional Office of the CCIE.

"Some more information is still awaited from the party and the matter is being pursued."

I hope Shri Chattopadhyaya will be kind enough to tell us about it. About the final check up regarding the imported steel, the question was whether any final check up has been made as regards the sale of imported stainless steel by M/s. Karnatak Export House to actual users and their bonafides and their capacity as certified by the Director of Industries and whether other conditions required under the rules framed under Import and Export Trade Control are observed by M/s. Karnatak Export House. For this the reply was as follows:

"M/s. Karnatak Export House have furnished some documents in support of the goods distributed by them to actual users. The correctness of this information is being verified with reference to the licensing records with the regional office of the CCI&E. Some more information is still awaited from the party and the matter is being pursued."

Nothing sort of a Parliamentary probe will satisfy the country. If no thieving is done, if no money is wasted, why are you afraid of a Parliamentary probe?

SHRI K. LAKKAPPA: Probe against you also, because you have also got money.

SHRI JYOTIRMOY BOSU: The Minister should be immediately suspended. It is because corruption has been proved beyond any doubt. He is known as\*\* all over Bihar (Interruptions) He has collected Rs. 25 lakhs. (Interruptions) There should be a Parliamentary probe. There should be a Parliamentary Committee to go into the matter. I do not want to say anything more...

SHRI B. P. MAURYA: You are a\*\* you are known so all over the country. Not only in the country, but even in London, you are known as a\*\* (Interruptions).

\*\*Expunged as ordered by the Chair.

श्री ज्योतिरमोय बसु (बालिया) : माननीय उपाध्यक्ष महोदय, माननीय ज्योतिरमोय बसु जी ने जो कहा, वह उन की भावत हो गया है, उसका वास्तविकता से कोई सम्बन्ध नहीं है। जो वह कह रहे हैं कर्नाटक एक्सपोर्ट का एप्रुवल 1968-69 में हुआ था जब कि माननीय एल० एन० मिश्र क्रोरेन ट्रेड मिनिस्टर नहीं थे। तां इस तरह की बात कहना और वार्टर प्रेजमेंट . .

MR. DEPUTY-SPEAKER: Order, please. Are you putting a question or are you replying to Mr. Jyotirmoy Bosu? (Interruptions) Order please; I am concerned with regulating the business of the House. The Member can put a question. And, it is for the Minister to reply to it. If you are taking the place of the Minister and replying, well, you can do that . .

SHRI K. LAKKAPPA: Preamble to the question. . .

SHRI PILOO MODY (Godhra): In which case the Minister should be allowed to ask a question.

श्री ज्योतिरमोय बसु : मैं मंत्री जी से जानना चाहता हूँ कि जो बड़ा भारी घांटावा दिखाने पड़ता है इस में एम० एम० टी० सी० को कोई नुकसान हुआ है ?

दूसरा मेरा सवाल यह है कि प्राइस फिक्सेशन से कोई डिस्क्रिमिनेशन किया गया है ? और

तीसरा सवाल है कि क्या इन परिस्थितियों में सरकार ने इस को मंजूर किया ?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): Sir, my friend, Shri Jyotirmoy Bosu, has very quickly brought up many allegations and not any point—on the floor of this House—wild allegations, unfounded and absolutely unfair to the persons and to the facts—deliberately distorted. I am sorry to say that these insinuations have been

made against my party and my colleagues and predecessors. I strongly refute these.

The second point that he raised referred to the so-called missing file. I have said before, and I repeat again, that the substantive file is there in the Ministry, concerning the licences and the records. Regarding the Karnataka Export file, which is missing, it is an unimportant file, that is, regarding the eligibility certificate. About it I have said on the Floor of the House before, and there is no reason, certainly no good reason, to raise a furore over so flimsy an issue, particularly when it is done by a distinguished Parliamentarian like Shri Jyotirmoy Bosu who has scant respect. (Interruptions).

SHRI K. LAKKAPPA: Sir, he said\*\* (Interruptions).

MR. DEPUTY-SPEAKER: Order, please. That word will not go on record.

SHRI B. P. MAURYA: On a point of order, Sir. What do you say about the words 'raw flesh' which he used? (Interruptions).

MR. DEPUTY-SPEAKER: Well, I do not know what exactly were the words and in what context he used those words. I will look into it. I am concerned with certain words used in this House. I think this particular word used by one hon. Member against another is unparliamentary and undignified of this House and, therefore, it will not go on record.

श्री बरखाया सिंह (होशियारपुर) : हाउस में \*लफ्ज़ इस्तेमाल करना पार्लियामेन्टरी है और यह जो आपने कहा है कि यह ठीक नहीं है, इन दोनों में आप क्या फर्क निकालते हैं ?

MR. DEPUTY-SPEAKER: I think that also is undignified and that will also not go on record.

SHRI B. P. MAURYA: What do you say about 'raw flesh'. You see the records.

MR. DEPUTY-SPEAKER: I will look into the words mentioned by Shri Maurya and if I find them as unparliamentary, I shall expunge that also. I will look into it because I do not remember what exactly the words were and in what connection he used them.

May I now request you one thing before you proceed to reply? I have no interest in this matter except the regulation of the proceedings of the House, and when I am on my feet and the Members go on shouting at the top of their voices, it looks as if they are fighting against me and not against what has been said. Now, this is something which gets on the nerves, and I do not like that when any allegation is brought in here, that allegation should be sought to be suppressed by lung power instead of by arguments of the Minister. I do not think that is creating a good impression in the country at all

PROF. D. P. CHATTOPADHYAYA: Apart from the untenability of the allegation regarding fund collections and the missing file which are absolutely unfair to the facts and the persons, as I have said before, I would like to touch upon two things, that is, about the price rationale of the barter parties. I would like to say that this point has been gone into. There were three categories of prices—registered exporter's price, actual users' producing machinery and actual users' not producing a particular type of machinery. So, these are three categories where we are fixing three sets of prices. Whether these are tenable or not, administratively or legally, have been gone into thoroughly, not only at the ministerial level but also at the high juridical level—at the high court's level—and I would like to place that before the hon. House.

The rationale of the price structures and price differential is:

- (a) that the entitlements accruing to the barter parties were against exports;
- (b) the barter parties have suffered losses in the export of difficult-to-sell items and Government was committed to make up these losses by allowing the import of raw materials.

Secondly, it has been said that Government has incurred losses, Rs. 10 crores of rupees loss. It is a creation of his imagination and has nothing to do with facts, certainly not the facts obtainable either at MMTC or in the Ministry or in the office of the Export and Import Controller.

SHRI PILOO MODY: In any case, Government would be supremely innocent of it even if they had.

PROF. D. P. CHATTOPADHYAYA: No, we are very much informed about it and the courts are informed about it. The issue was taken before the courts, the Madras High Court and also the High Court at Hyderabad, whether this price differential was tenable in the eye of law. These issues were taken there by the parties for whom there is a lot of sympathy on the part of my hon friends opposite (*Interruptions*)

SHRI JYOTIRMOY BOSU: I thought you understood English. When did you find any sympathy for them from us?

PROF. D. P. CHATTOPADHYAYA: You said the price differential is unjustified. I say the price differential has been examined both at the administrative level and also at the juridical level.

I would like to quote what the learned High Court has observed on the matter:

"As a matter of fact, the price of steel produced by the Durgapur Mills is higher and is of a lower gauge whereas the products imported are of a higher gauge and of a better quality and priced less by the Review Committee.

"In the light of such facts which are not disputed, I am unable to accept the arguments by the learned counsel for the petitioners that the petitioners have been discriminated whilst the pricing factor was settled by the Review Committee.

"All elements necessary to fix a fair price have been taken into consideration"—

I repeat—"all elements necessary to fix a fair price have been taken into consideration"—

"No irrelevant data or inadmissible material has entered into the computation. In fact, the pattern of price has an intelligent nexus with the object with which special importation has been made through a canalised agency and that object is in the national interest and economically well-balancing. There is no element of caprice, rashness or arbitrariness or unreasonableness in the process of fixing the prices. Therefore, the complaint against the pricing system as a whole is without foundation".

**SHRI JYOTIRMOY BOSU:** Committed judiciary.

**PROF. D. P. CHATTOPADHYAYA:** This is the finding of the learned High Court on the precise allegation or complaint that the price differential was inequitable. It was reasonable, not capricious and not arbitrary.

"The landed cost of imported stainless steel was something like Rs. 14,000 per metric tonne and the cost of production of Durgapur steel

was Rs. 28,000 per tonne. Now, if we allow this imported thing to be sold at that price, then the loss will be a national loss. The learned High Court has gone into this and said that it will be a national loss. So it is for economic balancing of the landed price of the imported stainless steel and the steel produced by Durgapur that we had to balance it and this balancing was in the national interest and economically quite sound and defensible. What has to be added is this that even then the Court has gone into the fact and ascertained that Durgapur steel, although of the same category like the imported steel, was inferior in quality.

18 hrs.

Even then, in the larger interests, the price benefit was given to Durgapur. So, there is no question of discrimination. This is the third point I would like to make: not to any individual, 1 or 2, that the price differentials was allowed. It was allowed to the whole category of firms. It was not addressed to one particular firm. So, the question of discrimination does not arise. It was a category-wise fixation of price. Whosoever falls in this category gets the benefit of the category. And I have no hesitation or reservation to accept the argumentation and the conclusions of the high court, that it is an absolutely sound system of pricing. Then also it is category-wise, and not addressed to any individual firm or factory. (Interruptions) I do not think that the allegation, though so furious and high-sounding, is defensible.

I do not like to say anything more because I do not find my hon. friend has made out any other points. So, I find the price differential is justified and individual firms have not been benefited. The insinuations are unfortunate and the allegations are wild