

[Sh. Sontosh Mohan Dev]

Assam on the 9th August, the State Government have agreed to hold a meeting in Delhi later this month. The Centre has, at their request, agreed to depute an Observer at the Ministerial level. I am happy to say that good sense has now prevailed, and according to today's Press reports, the 1001-hour Bandh has been called off by ABSU. We hope that meaningful negotiation for a fair and just solution of the problem would now commence.

14.45 hrs.

DISCUSSION UNDER RULE 193

[English]

Fourth, Fifth and Sixth Interim Reports and Final Report of Kudal Commission of Inquiry set to enquire into the affairs of Gandhi Peace Foundation and connected organisation-CONTD.

MR. DEPUTY SPEAKER: I want to request the hon. Members to briefly say about the Kudal Commission Report, whatever they want to say; and the hon. Minister is going to reply at 3.30 P.M. Only 45 minutes are there and there is a big list of speakers who want to speak. Shri Tombi Singh. You take only 5 minutes.

SHRIN. TOMBISINGH (Inner Manipur): Mr. Deputy Speaker, Sir, any Indian, with some sense of moral values, with some patriotic sense, will condemn any organisations, individuals, agencies involved in the misuse of funds taken in the name of service to the poor for the purpose of perpetuating the holy memory, the sacred memory of the Father of the Nation, Mahatma Gandhi. It is more so when funds come from foreign countries, which are given to the voluntary organisations to be spent for the services of the poor people.

Voluntary organisations and agencies are one category and enough has been said about them in this debate. I would like to make a reference to certain organisations, individuals operating in the border area, particularly in my area. These people thrive in the name of service to the poor people and collect fund from countries like the United States and European countries, which contribute funds through individuals as well as through organisations maybe generously with best intention. Whenever there is a drought by floods or some natural calamity, these people go to foreign countries and issue appeals and get funds for it. I do not like to mention these individuals and the organisations. I think the Kudal Commission Report itself mentions that some agencies are working in the tribal areas, in the costal areas, in the border areas. I know of some agencies and individuals who are active for the last three generations. They belong originally to poor tribal population. Now they live in big palaces, buildings and they have property in Bombay and other metropolitan cities. Every time there is an havoc in the country, particularly in that area—flood or drought or some natural calamity. They collect funds and these funds never reach the poor people. I had been to that area for the last six days and joined the flood relief operation. I saw some suspicious characters moving, some suspicious agencies moving. I know that these people are now going to the European countries with an appeal for fund. They will come back with huge fund which they will never spend. In the late 60s, these organisations started a private college and this college allowed admission to certain people of limited religious denominations. At that time, I was Minister Incharge of Education in my State. I know the suspicious characters. Then I did not allow them any Government assistance and the college was wound up. You can just imagine, a college which was started with some funds, perhaps they got some funds from some foreign agency with the assurance that the college may be started and that the Government would give assistance, and when the Government refused assistance, they wound up. This is the kind of activity that is going on in the name of

assistance to the poor and all that!

I would like to make a particular and very specific reference to the organisations, to institutions like the Khadi and Village Industries Commission. A leader of the Opposition, of the stature of Mr. George Fernandes, and others—who are shouting from housetops and who like to blare their voices from treetops in the name of patriotism and in the name of service to the country—are collecting money from the foreign agencies as well as the national agencies or Government agencies and they are misusing it like anything. We have seen reports mentioning this kind of a thing. It is very deplorable and it is pitiable. At least associations, organisations and agencies associated with Gandhiji's name, say the Gandhi Peace Foundation, whether situated in Delhi or Kerala or any other place in the country, should have this self-respect and then respect the Father of the Nation. We should keep them aloof from this corrupt atmosphere.

In every State we have seen that Khadi and Village Industries Commission and organisations and the State Boards, are there. They are at least expected to keep themselves from free corruption. We say that temples should be free from corruption. Temples should be free from partisan politics. A temple should remain so. Now, to some extent, I think we see that the temples are being respected. Even in Punjab attempts have been made to see that temples are not used for political and other purposes. That I find, has brought some results.

Any association like the Khadi and Village Industries Commission and the such organisations should be kept aloof from the corrupt atmosphere and it is a pity that we have not been able to maintain the expected standard of these organisations.

Another point I would like to make is that the Commission had made an observation that certain individuals are involved in associations more than one and they are misap-

propriating and misusing the funds by involving themselves with them. They have said that a member, an individual, may be allowed to associate himself up to five organisations or associations. I do not know, what is the logic behind it. Even if an individual is corrupt, if he is misappropriating or is involved in one organisation, that is big enough. If we limit to five, what is that limit? Is there anything—I do not know—superstitious or anything scientific related to this? I do not understand. This is something which should not escape the attention of the Government.

The other thing I would like to mention is that the punishment—deterrent punishment—has been suggested to those who are involved in misuse and misappropriation of funds. The Government so far has not been able to do much even in routine matters. Some bureaucratic control, some machinery should be there. Government has got its own mechanism or machinery by which they can control and strengthen the machinery of the departments which are releasing funds to the organisations and individuals and agencies for rural development. Now, in order to strengthen the organisation, to strengthen the administrative set-up some action has to be taken. Because, strengthening of the administration—just as I said—is necessary for development. The responsibility for all developmental activity is of the Government and a responsible administration is also necessary. I would like to say that the administrative machinery should be strengthened. In order to do that, we have to just make a survey, as to how many such organisations or such departments are there under the Ministry of Agriculture and Rural Development, like AVARD, and the social welfare organisations like the Khadi and Village Industries Commission. We should find out who are the recipients of this assistance; what are its functions; how many of them are doing well and how many of them are not doing well. Also make a survey and on the basis of the survey, let there be some action, some punishment be meted out. Then, we will be convinced that some serious actions are taken. We expect some positive actions on this line.

14.56 hrs.

SHRI SRIBALLAVE PANIGRAHI (Deogarh): Mr. Deputy-Speaker, Sir, at the outset I thank you for giving me time to speak on this subject.

Sir, you know that many learned Members who have already participated in the discussion covered different aspects of the Commission's Reports. I thank Mr. Justice Kudal for having done a very good job despite rough weather, despite obstacles created in the way of his functioning. He has done a very good job in exposing the real character of some people associated with institutions, which are run in the name of the Father of the Nation; they are claimed themselves to be, they are self-styled, custodians of morality and values in our country; and their character, conduct and activities have been exposed by Kudal Commission.

Sir, in our country when there is a climate of confusion created over certain things, there is a demand for setting up a Commission. But when a Commission is appointed and the Commission submits its findings, thereafter if it does not suit the opposition, who initially welcomes the appointment, they run down, they denigrate the Commission, they also speak the Commission in several names. And that is what happened in the case of Kudal Commission.

Sir, recently when the Fairfax matter was agitating the minds of the people, Thakkar Natarajan Commission was appointed. And when the Commission came out with its report, which went against Mr. V.P. Singh, they shouted that he was a pro Government man, something like that. But when it suits them, they are full of praise of it. Sir, senior judges of the Supreme Court or High Courts are appointed in the Commission. When it does not suit them, they do not have any regard for them. This is what is happening with our opposition.

Sir, I do not want to report the points covered by the hon. Member, who have spoken before me. But at the same time, I

would like to speak about one or two points. The Commission has proved beyond doubts certain allegations with regard to misuse and diversion of Government funds and foreign funds, receipts from foreign funding agencies. Sir, they, knowingly or unknowingly, some knowingly definitely and some may not be unknowingly, have played into the hands of foreign agency, who—for reasons known to everybody—try to create disharmony in our country, try to create trouble, try to create anarchy in our country. Sir, you know the situation that was created in early 1970s. During the first part of 1970s, there was an attempt, there was a conspiracy to create a law and order situation, to create anarchy in our country and also thereby create destabilisation in our country.

15.00 hrs.

And George Fernandes name has been very much mentioned. He is the villain of this Commission. Is it something new with him? For what did he visit Pakistan? Was General Zia a friend of India? Did he not have parleys, secret conference, secret discussion with Gen. Zia? So it is quite possible on the part of people like George Fernandes to receive the money from agencies in order to work as tools of foreign agencies to create disharmony, anarchy and destabilisation in our country. It is a disgrace that Associations, like Gandhi Smarak Nidhi, Gandhi Peace Foundation, etc. with whom persons like Pandit Nehru were associated initially, have been denigrated and such a deterioration has come about. Thereby, those people, who are manning these organisations, of late have brought slur and disgrace to the nation and to the sacred memory of the Father of the Nation, Mahatma Gandhi.

Voluntary organisations in a country like India have an increasing role to play in implementation of different social welfare programmes. But if voluntary organisations indulge in such corrupt practices, how to correct them? There should be a code of conduct for them. All the laws, statutes governing these voluntary organisations will have to be amended. Please look at it. We

should draw lessons from these observations made by the Kudal Commission and amend our Acts accordingly. Those found guilty, their registration should be withdrawn and some penal provision should be there. There should be a system of checking and monitoring proper use of funds given by Government and different organisations. Foreign money must be checked and must not be allowed to come in. But when it comes, it should only be routed through the Government. When Madam Gandhi was the Prime Minister, there were certain restrictions. But they are not adequate and enough.

The real face of those people who claim to be the custodians of morality, value-based politics in our country, has come out by the findings of the Commission. Such people should be debarred from contesting elections. Law should be amended accordingly. Those who are working as foreign agents in our country, those who do not hesitate to receive foreign money and create law and order situation, anarchy and destabilisation, they should be duly penalised and punished. I would request the hon. Home Minister to give a serious thought to it whether such people are the right type of people to contest elections and come to Assemblies and Parliament. I, therefore, strongly feel that they should be disqualified from contesting elections also.

The observations of the Kudal Commission need serious consideration as it would be unfair to ignore the basic question—can the voluntary organisations in the name of Mahatma Gandhi be allowed to erode our national values and be permitted to jeopardise our national interests mercilessly because these organised organisations are headed by those who are known to be men of status, big or small.

[Translation]

SHRIGIRDHARILAL VYAS (Bhilwara): Hon. Mr. Deputy-Speaker Sir, in the last session of Parliament we had raised this matter regarding the Kudal Commission Report on the misuse of funds by voluntary

organisations. The Government must take action against them. Voluntary organisations, be it the Khadi Commission or any other organisation, have been misusing Government funds to meet their political ends. Funds sought from abroad have also been misappropriated. Action should be taken against them.

The Kudal Commission set up by the Central Government has given its findings. I want to draw the Government's attention towards the recommendations of the Kudal Commission which has submitted its report after so many years. A number of these recommendations are not being considered by the Government on the grounds that action cannot be taken against the guilty whereas action should be taken against them. There are certain institutions where there is a provision for taking remedial action. In such cases the Government should take strict action to prevent the misuse of funds by voluntary organisations in future. These provisions should be implemented properly. The Kudal Commission Report pinpoints 3-4 organisations in particular. Some influential people had requested for setting up an organisation in the name of Mahatma Gandhi. Today these institutions are hotbeds of corruption and are managed by people who have misused funds to the tune of crores of rupees. So the Government should take action against organisations like the Gandhi National Museum or the Gandhi Smarak Nidhi etc. which have come to symbolise corruption today. In 1975-76 when the Government had given a call for peace, voluntary agencies like the Khadi Commission had engineered a political revolt to destabilise the Government. They tried to mislead all and sundry. Agencies such as these have been set up for constructive purpose like providing employment to the poorer sections of society. I want to draw the hon. Minister's attention towards Khadi and similar other institutions which are run by influential people who have been misusing funds. I request the Government to decentralise these institutions on the lines of the Panchayati Raj and Municipal Bodies. We have made requests time and again that the poor and exploited

[Sh. Girdhari Lal Vyas]

employees of these institutions must be saved from those who Manage these institutions like private fiefdoms misusing the allotted funds at will. Corrupt set-ups of this nature should be dismantled. When we say that the labour should participate in the management of an industry, we should apply this principle to voluntary agencies also this will be a check on the growth of corrupt practices. Thus a greater number of people can have means of livelihood. It is extremely necessary to take this step. I request the Government to take action against George Fernandes and others who have provided funds to the institutions through the Khadi and Village Industries Commission with the motive of misusing these funds for their political ends. If the hon. Minister takes concrete steps in this direction we will be getting very good results. A similar situation arose in 1957 and again in 1975-76. Today also, the Opposition is misleading the employees of these institutions engaged in constructive activities. Without Government control over these institutions, funds allotted to them will be misused. So the Government should take remedial steps in this direction.

In 1975-76 when there was a talk of mass uprising these institutions distributed pamphlets in villages and houses. According to them, in doing so they were teaching people the lessons of democracy so that true democracy could return to this country. The Congress (I) is a party that made this country independent, today it is fighting for economic independence, abolishing 'Jagirdari' and such other capitalist systems and taking the country forward through socialism whereas these people impede Government functioning by their misendeavours.

So the Government should take steps to check these institutions which are out to destroy their own country. If we continue to give funds to these organisations in future it will be a loss to the Government and the country as a whole. Today we want the country to remain undivided but the way these institutions are functioning, a divided

nation seems a strong possibility. Therefore, the recommendations contained in this Report should be implemented at the earliest and strict action be taken against such institutions and the people running them. With these words I express my support to this Report.

[English]

PROF. SAIFUDDIN SOZ (Baramulla): Mr. Deputy-Speaker, Sir, I find that the general observations made by Kudal Commission are very important and these recommendations or observations will have far-reaching consequences provided the Government is prepared to appreciate these observations in proper perspective.

In fact, for the first time a Commission like this has gone into the functioning of these societies, foundations or trusts which have been working in our country and it has made observations which are very alarming. For instance, the Kudal Commission finds that generally these charitable societies digressed after a period of time and these associations or trusts or societies became hot-bed of politics. And yet they enjoyed benefits under the Income-tax Act. And there is no provision, I think, to derecognise these societies. Sir, the hon. Minister when he replies should clarify this. It is a very important thing. The Kudal Commission says that there is no provision in law to derecognise these societies. About these organisations, I will try not to repeat what my colleagues have said. These organisations continuously receive funds. I have personal objection to receipt of funds from within the country also. They receive huge amounts from foreign countries and there is no monitoring of receipts on how these funds are utilised. While they collect money they give a false picture of the country that there is a drought or that there is a flood etc. Under Foreign Contributions (Regulation) Act of 1976, organisations have to give audited accounts of these funds that they receive from abroad. But, there is no machinery with the Central Government or with the State Governments, where they operate, to evaluate the good work done by

such organisations. There may be some organisations doing good work, but we have no system whereby we can evaluate the work done by them. Then there are individuals who hold very important positions in these trusts. Here, I would like to bring to the notice of the hon. Minister that we find that not only public men, so-called social workers, but members of the Legislatures in India are also associated as Chairman and various other functionaries with various trusts. I have serious complaints against some of the trusts, particularly in the South where they run them in the name of religious denominations. If they run it for Muslims, 70 per cent of the seats will go to non-Muslims because they get more money from them. I have some examples where they collect Rs. 5 lakhs for a medical seat. Somebody should look into these things. If it is run under a religious denomination, then that religious community should enjoy a privilege, but the members of that community do not get any privilege. They get a punishment for being poor. At some point of time I am thinking of writing about this to the Prime Minister and to our capable Minister Chidambaramji. I will point out how members of the Legislatures are holding very important positions like Chairman, or Vice-Chairman or members of trusts. Yet, they collect Rs. 4 to 5 lakhs for a medical seat. This is highly objectionable. Therefore, Kudal Commission's recommendations have come handy to me and these recommendations have strengthened my belief that these trusts are running a business for their kith and kin rather than for the sections of society for which they have instituted the trusts. Not only these trusts are collecting money from within the country and from abroad but even our premier organisations like Khadi and Village Industries Commission and Central Social Welfare Board also donate money to some organisations which have been instituted for providing welfare to the society. But, neither the Khadi and Village Industries Commission nor the Central Social Welfare Board have any monitoring agency. They only pay the money and they do not have any feedback. They do not know whether that money has been utilised properly. At the close of the year,

money is released by the Khadi and Village Industries Commission or by the Central Social Welfare Board to these voluntary organisations in a huff. There is no time to evaluate the good work done by them.

Sir, then there are some organisations drawing maps without consulting the Survey of India and collecting sensitive data which is released to foreign countries. Therefore, the Kudal Commission has observed that the Government should look into this properly and have suitable legislative measures. We shall see how hon. Minister, Mr. Chidambaram will answer this question that the Government should have suitable legislation to control these organisations in the right direction.

Finally, Kudal Commission has raised very serious question about Gandhi Smarak Nidhi and Gandhi Peace Foundation and has observed that these institutions, Gandhi Smarak Nidhi or perhaps Gandhi Peace Foundation indulged in disruptive activities. Kudal Commission has used the expression that they got associated with the imperialist elements, imperialist powers. This is a very serious allegation. As far as taking over of Gandhi Museum is concerned, I will not agree with that because it may not be run properly by the Government. Just because it is not properly run, the Government should not take over it. It can be improved. After all, everything cannot be run by the Government. We should have voluntary organisations.

But as far as the observation about the working of Gandhi Smarak Nidhi and Gandhi Peace Foundation is concerned, it is a very serious observation and it will have far-reaching consequence for the country. Therefore, through you, I plead with and urge the Government to issue a white paper on it, after making investigation as far as Gandhi Smarak Nidhi and Gandhi Peace Foundation are concerned because these are very serious charges made by the Kudal Commission. Let the whole country know as to what had happened at what point of time, so that we would be cautious in the future.

[Translation]

DR. G.S. RAJHANS (Jhanjharpur): Mr. Deputy Speaker, Sir, a lot has been said about the Kudal Commission. I do not want to repeat those things but the findings of the Kudal Commission are very alarming and therefore the Government should take action on them so that those involved in it are exposed.

Full findings of Kudal Commission report have not been reported in the press. I would like to request the Government that detailed discussion on the findings should be held on television and radio so that people can know how these people had defamed the fair name of Mahatma Gandhi.

15.23 hrs.

[SHRI SOMNATH RATH—in the Chair]

Be it Gandhi Smarak Nidhi, Gandhi Peace Foundation or any other institutions, funds were received from abroad and they were misappropriated. In my area there is an institution named Madhubani Zila Samagraha Sansthan which misappropriated about Rs. 7.75 lakhs. When initial reports of the Kudal Commission started appearing in the newspaper, people came to know how these institutions and eminent men misappropriated the funds. I would like to submit that the Government should file suits against all those who are involved in it and take action against them however rich or big they might be. It should be done so as to serve as deterrent to others. We have got a detailed report about it, so there is no use of repeating them.

Shri George Fernandes has blamed Justice Kudal and has said that he is a stooge of the Congress and that is why he has given biased judgement. What can be more objectionable than this? If we say something in this House people feel bad about it. How has Shri George Fernandes dared to speak against a judge like this. Whatever he might have said or done, is well known now and it has also been pointed out in the report that he forced the Khadi and Village Industries

Commission to spend money in his constituency and that sum was also misappropriated. Shri George Fernandes has connections abroad particularly in West Germany. Those in politics know it. You would recall that during the railway strike in 1974 many telegrams of Shri George Fernandes were intercepted wherein it was found that he wanted to create disturbances in the country. Who does not know about the Baroda Dynamite case? Such dangerous people, who want to destabilise the country, should be exposed. How can we allow them to say such things. I would like to be brief. Case should be filed against those who have misappropriated the foreign money and severe punishment should be given to them.

I want to say one thing more in this connection. Many universities from abroad send teams to this country for study and research. It is a mystery from where funds are made available to them. It was revealed much later that those study groups had connections with C.I.A. Therefore, I would like to urge that investigation should be made about every study group visiting this country because these teams visit tribal, sensitive or border areas on the pretext of study or research and incite the people there. Therefore, I shall urge that all pros and cons should be considered seriously before granting such permission even if it is through a University. The Home Ministry should make comprehensive investigation. No foreigner should be allowed to come to this country without their permission. When they return to their respective countries, films or photographs that they might be carrying with them should be thoroughly scrutinised.

In the end, I would like to say that the Kudal Commission has made efforts to inquire into the cases related to the Organisations associated with Mahatma Gandhi's name and you would be surprised to know that many people are collecting money in Canada on the pretext that human rights are being violated in India. The money is not in dollars but in Indian currency. People who are settled abroad telephone their relatives in India to pay Rs. 5 lakh to a specified

person visiting India. Rs. 5 lakh are paid in advance to them abroad. All this is done through a secret code. I think the Home Ministry knows all about it. Such activities should be exposed and such links shall be snapped. Strict action should be taken on the findings of the Kudal Commission.

SHRI RAMSWAROOP RAM (Gaya): Mr. Chairman, Sir, the observations of Kudal Commission are being discussed in the House. These observations reveal that the total number of voluntary organisations in the country is about 12,000. They are engaged in different activities in backward and tribal areas throughout the country. These were set up with a view to serve the people. We have also come to know that these organisations have received money from abroad, as is the case with Gandhi Peace Foundation. It is sad that such a big conspiracy is going on in the name of Gandhiji. Such voluntary organisations are a slur on the country. Under these circumstances, the Government should take them over.

Mr. Chairman, Sir, there is a Bodha Gaya Samanvaya Ashram in my area, which was founded by Jai Prakash Babu. It receives money from abroad directly. Foreign tourists come and stay there. Hon. Minister should get it investigated. I know because it is in my constituency. Foreigners from Java, Sumatra, Germany and Japan come there and stay there for 2-4 months on the pretext of providing training. They might be passing information about our country to other countries. The Samanvaya Ashram charges commission from them. I drew attention of this august House many times in this regard and of the Government through letters but no action has been taken so far.

Mr. Chairman, the Kudal Commission has referred to many voluntary organisations. It has levelled charges against all these organisations which are spending the funds on anti-national activities. Some organisations have become arena for political activities.

The Bodh Gaya Samanvaya Ashram indulges in various types of illegal activities.

Recently, when Shri Devi Lal went there he stayed at the Samanvaya Ashram. Lakhs of rupees were given by Shri Dwarka Sunder Tiwariji for publicity. I have received this information from reliable sources.

Not only this, some people even collected confidential figures about Ganga-Brahmaputra-Barak Basin and passed it on to a foreign agency. Another organisation collected and passed on geological information to other countries.

There is charge against these voluntary organisations that the scales used in the maps passed on to the foreigners are not the approved ones.

The policy of such organisations and voluntary agencies is to serve the people during calamities like floods and cyclone and provide them relief. Working for the upliftment of the Harijans and Girijans is also one of their activities. But money received for these purposes is diverted and misused.

Mr. Chairman, Sir, I would like to say through you, that this money is being spent on naxalite activities in Bihar, particularly in my area. Therefore, it is my demand that Government should keep a close watch over Samanvaya Ashram so that the money received for the harijans and girijans from abroad may be spent on these poor people only. Nothing is being done for them. Therefore, I urge the Government to set up a board under its direct control which may look into the affairs of these organisations.

SHRI MOHD. AYUB KHAN (Udhampur): Mr. Chairman, Sir, first of all I would like to thank you for giving me an opportunity to make my submission. I feel that time is limited and therefore I would like to draw your attention only towards one or two particular points. There is no doubt that the findings of the Kudal Commission are an eye-opener. It was revealed that a deep conspiracy was being hatched through the voluntary organisations being run in the name of Mahatma Gandhi. Some people who pose to be the well wishers of the country are in-

[Sh. Mohd. Ayub Khan]

volved in this. But now the Kudal Commission report have unmasked those faces and exposed their activities. As regards the contents of the report, other hon. Members have referred to them in detail and therefore, I would not like to go into them but now when it has been proved beyond doubt that these organisations have links with such people and forces which are interest in destabilising the country and which have always been hatching conspiracies in this regard. I think they should be exposed. I would like to strongly urge the hon. Members to ensure that follow up action is taken on this report. Thereafter the Government should acquire full powers to de-recognise these organisations. Secondly, it would have been good had it been possible to make a statutory provision to control and monitor the activities of such organisations. Mahatma Gandhi was the Father of our nation. The Government should take over all the museums that have been set up in his name so that they may be protected. With these words I thank you once again.

[English]

SHRI P.M. SAYEED (Lakshadweep): I congratulate the hon. Home Minister for having placed this final report of the Kudal Commission and for giving us an opportunity to go into the whole thing.

Here, in this House, there are many Hanchandras, apparently Hanchandras...

SHRIDIGVIJAYASINGH (Rajgarh): Not Harish Chandra Rawat.

SHRI P.M. SAYEED: Not at all. They have been demanding all other reports except Kudal Commission's Report. I do not want to prolong the whole discussion because almost all the sections of the House have contributed to this lively discussion on the Kudal Commission. In that, he has done a great service to the country. I just want to caution the Home Minister that these things which we have been already discussing here,

should not end here. But the follow up action on the part of the Government must be taken vary strictly.

I want to tell one thing about these sacred organisations through which they have manipulated and conducted the anti-national activities. In the interest of these organisations and also in the interest of other organisations, these organisations should be banned and there should not be such organisations where unwanted elements come and exploit the nation.

Thirdly, I want to tell the whole country that after Justice Kudal has done this service about so many people, so many Janata Dal leaders, if Mr. V.P. Singh is really sincere, he should deny tickets to all these people. Then only the countrymen will say that he is sincere.

With these words, I endor the points contributed by my esteemed friends and again request the Government to take severe action against those who have erred in these institutions. Thank you.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer): Mr. Chairman, Sir, I would first like to thank Shri Purushottam Das Kudal for his report which this issue has been raised. He paid scant regard to the position of the people while preparing the report. He did not care whether those indicted were eminent men or highly placed bureaucrats. He tried to prove the charges that were levelled against them and came to the conclusion, that organisations like the Gandhi Peace Foundation, Gandhi Smarak Nidhi, AVARD and Sarva Seva Sangh which were committed to the sacred task of the upliftment of the country by following the principles of Mahatma Gandhi, have in fact indulged in disgraceful activities. We have to hang our heads in shame. I would like that most stringent action should be taken in this regard.

Sir, I have observed that eminent people and politicians are indicted in the reports of

the various Commissions but action is seldom taken against them. The people who have been indicted in the Kudal Commission Report are eminent people and the names of some of them are Shri Dhanik Lal Mandal, Dr. Razia Ahmed, Shri Siddiq Ali, Shri Som Dutt Vedalankar, Shri R.C. Diwakar, Shri K.C. Radhakrishnan, Shri B.R. Nanda, Dr. Usha Mehta, Shri Bimal Prasad, Shri Devi Prasad and Shri George Fernandes. Those people enjoy eminent positions in the political and social fields and in spite of that they have indulged in such activities. They are also involved in C.I.A. activities. Our maps and other sensitive informations have been leaked in the name of projects. It has caused much damage to the nation. I would like that most stringent action should be taken against these people who have been involved in such anti-national activities. An enquiry should be conducted by the CBI and thereafter a chargesheet should be prepared to expose their hypocrisy. These persons should be pulled down from their high pedestal and it should be the duty of all the Party Presidents to prevent them from contesting elections by not issuing them party tickets so that they may not indulge in those activities again by taking advantage of their positions. I would like that complete follow-up action should be taken on the report of this Commission.

[English]

SHRI JAGANNATH PATTHAIK (Kalahandi): The Commission has come out with categorical findings that the Institutions which have taken money—whether it is Government money or foreign money—have mis-utilised them or misappropriated them or they have not properly utilised.

I quote from the finding:

"That Commission has observed in most of the cases that a large chunk of foreign funds went into the hands of undesirable elements and were used for various disruptive and clandestine activities meant to create chaos and destabilisation in the country. The agencies

being run in the name of Mahatma Gandhi have allowed themselves to be used by the foreign agencies"

So, it is a matter of regret that in the name of Gandhi, some institutions and people with such attitudes, are working.

I want a categorical statement from the Home Minister that all the institutions which have been indulging in things like this—even if a *prima facie* is established—will be derecognised and the registration will be cancelled. Prosecution should be launched. Let them get acquitted and come out, if they claim themselves to be Harichandras.

[Translation]

SHRI KEYUR BHUSHAN (Raipur): Mr. Chairman, Sir, the Kudal Commission Report has been taken up for discussion in the House today. In this report, those persons who have received foreign funds and have utilised them for disruptive activities in the country have been exposed. They include the anti-national elements also. It has been stated in the report that top secret information as the map of the country and of sensitive areas were being passed on to foreign powers through these voluntary organisations. This is no small matter. It is treason. I congratulate Justice Kudal for exposing this treason. He has done this because he is a patriot. He could not tolerate any attempts of destabilising the country. That is why he exposed them. Where have the people who have been appealing for justice disappeared? George Fernandes is of the view that to disgrace a judge and cast aspersions on him is to negate justice, then why is he himself indulging in it? Why is he speaking against a judge who has submitted an unbiased report. Those who intent to ruin and disintegrate the country at the instance of foreign powers why should they like such revelations? That is why efforts are being made to criticise and malign the Kudal Commission. Why cannot they see the truth? It is because the bitter truth is about them and in the name of total revolution they have tried to mislead the country. What role did Shri George Fern-

[Sh. Keyur Bhushan]

andes play? He received funds from abroad and tried to destabilise the country by inciting the Defence Forces to rebel, but in vain. Today when he is being unmasked these people are trying to protect him. We all know Gandhiji lived like a hermit in this land of plenty. The Organisations which are being run in his name and which are indulging in such activities should be closed down.

Finally, I would like to submit that these persons have deliberately misused the organisations in the name of Mahatama Gandhi and Khadi. They knew how these Organisations could be misused for their selfish interests. The situation can be compared with Ravana's assuming the guise of a hermit in order to abduct Sita. The foreign funds are passing into their hands, not only through Organisations associated with Gandhi but also through religious Organisations which are being run in the name of Hinduism or Christianity. There is a need to keep a strict watch over them. I would like to demand through this House that foreign funds should not go into the hands of these Social Service Organisations directly but should be channelised through the Government. They only their misdeeds can be checked. If the conspirators cannot be controlled at least total check should be exercised on the political leaders who receive funds from abroad and misuse them. This is all what I want to say.

SHRI K.D. SULTANPURI (Simla): Mr. Chairman, Sir, the Kudal Commission Report placed in both the Houses by the hon. Minister of Home Affairs has been an eye-opener for the entire nation. It has become clear from this report that large amount of funds made available to certain undesirable elements for disruptive activities have been swindled. A case is filed against a poor man even if he is involved in the bungling of a negligible amount and he is put behind bars but why are those who are involved in this case still at large? Stringent action should be taken against them otherwise there will be no use of our discussions here. This is the unanimous view of the House that the Gov-

ernment should take appropriate action in this matter and enquire into the bungs.ings.

They say that there has been bungling in the Bofors gun deal but they do not have any solid proof. They have resigned merely on the basis of the report. Objections are raised on petty matters but it has been clearly mentioned in this report that they have swindled funds.

Himachal Pradesh is a backward area. There are poor people in this State as well as in Kashmir and other States. There are a number of voluntary Organisations in these States. There is one such Organisations called "Ruchi" in Himachal Pradesh, the financial transactions of which have not been audited so far. They spend funds for anti national propaganda. They might be even supplying maps of the country abroad. The Government should try to enquire into it.

There should be a complete check on the voluntary institutions indulging in these activities whether they are running in the name of Gandhiji or any body else. The Government should take action against them. The accounts of these institutions should be audited and a watch should be kept over the sources from which the funds are received. It should also be seen for what purpose have these funds been utilised. Out of these cases taken up by the Government, a number of cases have been dropped but immediate decision should be taken in the rest of the cases. The Government should take necessary steps against them. I am grateful to you for having granted me time to speak.

SHRI RAM PYARE PANIKA (Robertsganj): Mr. Chairman, Sir, I agree with the views expressed by my colleagues on the Kudal Commission Report which is being discussed through a motion moved by Shri T. Basheer. I fully agree with what Shri Keyur Bhushan has submitted.

What an irony that the institutions running in Gandhiji's name are indulging in activities which are against the basic Gandhian principles. The Chairman of

Gandhi Peace Foundation, Shri Verma has said today that the Kudal Commission's enquiry report should be immediately cancelled. In support of his argument he has said that this effects the independence of the people and the psychology of the voluntary organisations. I would like to submit firmly that voluntary organisations do not simply mean free organisations. The Government should have some control over them and audit should be a must for them.

Besides, I would request the hon. Minister to take necessary action in regard to 3-4 points. First, if the funds have been misutilised or if they have indulged in anti-national activities which may give a blow to our national unit, then there is a need to take strict action against them.

I feel that the misutilisation of funds allocated for different assignments, especially for the welfare of the backward classes and the adivasis is a crime and immoral. There is a need to make an indepth study of the institutions running in Gandhiji's name.

There are many noble people who social service out of sympathy. In cases where the charges have been proved beyond doubt, stringent action should be taken. Apart from this detailed investigation should be made.

I would like to request the hon. Minister that the investigation conducted by the Chartered Accountant should alone be considered as valid. A separate agency should be constituted for conducting its investigation.

Sir, this is an election year. You should find out as to which all Organisations have got more funds and how have those funds been utilised. Some institutions are definitely trying to destabilise our country and want to misutilise the funds they get from foreign countries. The Auditor General of India should audit every single penny received from abroad. Thereafter, the audit report should be presented in the House and after P.A.C. goes through it, discussion

should be made on it in the House. If after all this, that institution proves right, it should be given permission to get funds from foreign countries.

In the end I thank you, Sir, this was a very lengthy topic but you granted me a little time to speak.

[English]

THE MINISTER OF STATE IN MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): Mr. Chairman, Sir, the Kudal Commission of Inquiry was set up by a Resolution of Parliament. The Commission had submitted six Interim Reports and a Final Report. Earlier, the Government placed before this House the first three Interim Reports and also a Memorandum of Action Taken. A few days ago, we placed before this House the Fourth, Fifth and the Sixth Interim Reports and the Final Report. We have also placed before this House the Memorandum of Action Taken. It is unfortunate that some Members of this House who should have been here, who should have given us their views on the indictment made by Justice Kudal on various organisations, are not here. Perhaps, many of them would have squirmed in their seats with embarrassment as Member after Member rose to read relevant portions of the Report. Kudal Commission was not a Court of Law. It was neither prosecuting any body nor was it pronouncing judgement on anybody's conduct. It was a Commission of Inquiry appointed to investigate into facts and to report on the facts found by the Commission to the Government. It is for the Government and the people of this country to take note of what had happened over a period of years,—the kind of indiscipline, the kind of degradation that had crept in many institutions and the kind of dangers that have been exposed by the Kudal Commission—and prepare and guard against such dangers and take steps to prevent such occurrences and dangers in future.

[Sh. P. Chidambaram]

16.00 hrs.

Sir, there was only one voice of discordance during this debate and that unfortunately was our dear colleague Shri Shahabuddin's. I thought, he would do me the courtesy of listening to my reply. This morning, when I briefly intervened and said that there were several inaccuracies in his speech, he stoutly maintained that there was only one inaccuracy in his intervention. Therefore, I read his speech very carefully and I have listed the inaccuracies in his speech. But I do not know whether it would be proper for more to point out the inaccuracies in his absence. One of his complaints was that Justice Kudal did not follow the principles of natural justice. He may turn on me tomorrow to say that I also did not follow the principles of natural justice because I am pointing out the inaccuracies in his absence!

Sir, Shri Shahabuddin said that no rules of procedure were ever framed by the Kudal Commission and that the principles of natural justice were given a complete go by. I am sorry to say he is totally wrong. Mr. Shahabuddin said that for 24 months not a notice was sent to the organisations. He said that the office bearers were never called. He is totally wrong. Mr. Shahabuddin said, they did not go to the High Court until three years later. He is totally wrong. Mr. Shahabuddin said the mere fact that such a stay order was granted was a testimony, was a reflection upon the principles and the procedures followed by the Kudal Commission which violated every law in the book and every know principle of natural justice. He is totally wrong.

Let us see the facts. On the 17th February 1982, pursuant to the Resolution of Parliament, Government notified the Kudal Commission. On the 8th of April, 1982, not three years later as Mr. Shahabuddin would maintain, but less than 2 months after the notification was made, Gandhi Peace Foundation and Gandhi Smarak Nidhi filed writ petitions No. 980 of 82 and 981 of 82 in the Delhi High Court, which were dismissed *in limine*.

On the 26th of July 1982, the Kudal Commission framed the rules of procedure. I have with me the rules of procedure. It did not require any great effort to discover them because they were published in the First Interim Report itself. The rules of procedure have been issued under Section 8 of the Act read with Rule 5, Sub-Rule 8 of the rules. They run into several pages. The total number of rules containing the rules of procedure are 34. The rules of procedure elaborately set out the procedure that will govern public hearings, affidavits, evidence, summoning of witnesses, mode of recording evidence, mode of proof of report of investigating officer, recording of statements by the authorised person, admission of original arguments in evidence, right of cross-examination, order or hearing, so on and so forth.

On the 31st July 1982, under Rule 5, Sub-Rule 2, Clause (b), the Kudal Commission published a public notification inviting members of the public to furnish statements. On the 17th of September, 1982—not 24 months as Mr. Shahabuddin would maintain, but exactly seven months after the Commission was established—after the Commission had done its preliminary work and after the procedure was notified—the Commission issued a notice under Rule 5, Sub-Rule 2 Clause (a) to the four organisations named in the Resolution of Parliament and named in the Commission's notification.

Within thirteen days, the four organisations came before the Commission and filed a statement. It would be interesting for the House to know what the four organisations in their statements, which I believe are more or less identical, have said. In their statements the four organisations said: "An applications for decision of preliminary objection—each one of the four organisations said—cannot be said by any stretch of imagination that it would come within the purview of a definite matter of public importance. There cannot be any manner of doubt that the appointment of the Commission can be ordered under Section 3 whether to make inquiry, whether any person or body has been guilty of an act which amounts to public misdeed. The present Commission is to act as a Tribunal and

not as in investigating agency. In the present case, there is no such complaint or any information about which it could be said that the inquiry has been made. It is submitted that the function of the Commission is to inquire into the truth or other-wise the specific allegations. The Commission cannot therefore constitute itself into an investigating agency concerned with finding out whether anything which is wrong or improper has been done by the person or association concerned. This is particularly so in the case of voluntary non-Governmental organisations, like the one, whose affairs are going to be investigated into by the Commission. It is therefore prayed—the prayer is important and each one of them made the same prayer, 13 days after they got notice—that this hon. Commission may be pleased to hold that the notification does not disclose any definite matter of public importance about which inquiry has to be made and therefore the inquiry cannot be proceeded with." This is the co-operation extended by these four organisations. Yet Mr. Shahabuddin went on to say, "The four organisations pledged co-operation. The four organisations wrote letters saying that not a notice has come. We are being condemned without being heard. Nothing is know to us. But why are you doing this to us? This was the burden of his song yesterday. I will tell you how they have co-operated, as I go through the history. All these preliminary objections were rejected. In January, 1984, they filed a writ petition No. 480 of 1984 and obtained a stay. The writ petition was dismissed as withdraw on the 1st of March, 1985 and the stay was vacated. For full 14 months, the Commission could do nothing because of the stay orders which were obtained by these four organisations. On the 4th of March, 1985 they withdrew the Writ petition No. 480 of 1984 but on the same day, they filed writ petition No. 499 of 1985. This is what the Commission has to say on how they co-operated. In the Third Interim Report—one does not have to read too many pages and Mr. Shahabuddin need not have troubled himself to read too many pages and if he had read only Page 1 of the Introduction as to what the Commission has to say, it would have been better—

this is what the Commission has to say.

"As reported in the previous report, writ petition No. 480 of 1984 filed by the four organisations, namely, Gandhi Peace Foundation, Gandhi Smarak Nidhi, Sarva Seva Sangh and Association of Voluntary Agencies for Rural Development was dismissed as withdrawn on 1st March, 1985."

"....And another writ petition, No. 499 of 1985 was filed by the organisations on the same day. Whereas this writ was admitted by the High Court, no stay was granted. When the writ came up for hearing after a show cause on 28th March 1985, it was dismissed in respect of Sarva Seva Sangh; and the remaining three organisations were directed to comply with the notices issued under Section 4 (b) read with 5 (2) within six weeks from the date of the order, viz. 28th March 1985. The organisations, even after the expiry of the six-week period, sought adjournment from the Commission; and finally, on 17th March 1985 expressed their inability to comply with the notices. The Commission, therefore, passed an elaborate order on 4th July 1985 directing that the entire matter should be placed before the Delhi High Court to enable it to consider rescinding of its order dated 22nd March 1985, so that the Commission should proceed ahead and take further action for implementation of its notices under Section 4 (b) read with 5(2) of the Commissions of Inquiry Act, 1952."

As on the date when the Third Report was submitted, viz. 15th July 1985, the four organisations did not comply with the notices.

We then go to the Fourth Interim Report which was submitted on 16th December 1985. I quote from page 1, paragraph 1.2:

"The four main organisations named in the Notification, viz. Gandhi Peace Foundation, Gandhi Smarak Nidhi, All India Sarva Seva Sangh and Associa-

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tion of Voluntary Agencies for Rural Development have so far failed to comply with the notices issued to them under Section 4 (b) read with Section 5 (2) of the Commissions of Inquiry Act, 1952.

The Fifth Interim Report was submitted on 2nd May 1986. I quote from page 1, paragraph 1.2:

'The four main organisations named in the Notification viz. Gandhi Peace Foundation, Gandhi Smarak Nidhi, All India Sarva Seva Sangh and Association of Voluntary Agencies for Rural Development have so far failed to comply with the notices issued to them under Section 4 (b) read with Section 5 (2) of the Commissions on Inquiry Act, 1952.'

The Sixth Interim Report was submitted on 30 October 1986. Again, I quote from paragraph 1.2 on page 1:

'The four main organisations named in the Notification viz. Gandhi Peace Foundation, Gandhi Smarak Nidhi, All India Sarva Seva Sangh and Association of Voluntary Agencies for Rural Development have so far failed to comply with the notices issued to them under Section 4 (b) read with Section 5 (2) of the Commissions of Inquiry Act, 1952.'

I hope Mr. Shahabuddin, in the new party that he founds, will get more cooperation from its members, than the cooperation extended by these four organisations to the Kudal Commission.

SHRI KADAMBUR JANARTHANAN (Tirunelveli): What is the name of his party?

PROF. SAIFUDDIN SOZ (Baramulla): What is the party's name?

SHRI P. CHIMDAMBARAM: I am talking about the new party that he will found. I do not know what this party's name is. I was

told that his paper's name is Muslim Indian. I told him once that he should change it to Indian Muslim. If he founds a new party, I hope he will call it Indian Muslim, and not Muslim Indian. It is not correct to say...(Interruptions) that the Commission has not done justice. You may disagree with the Commission; and Government have disagreed with some aspects of the Commission's report, which I will come to, presently; for example, Mr. Haroobhai Mehta disagreed with certain things; he disagreed with Government. That is a different thing. But to paint the Commission with one black brush and say: 'No procedure was laid down; no rules were framed; no notices were issued; and everybody promised cooperation...' is wrong, unless he is reading the report of some other Commission—well, I do not know which Commission's report he is reading; the reports which I have read and which I have tried to place, clearly show that the Commission followed every rule and every procedure, as laid down in the law.

Let us come to the Final Report. I do not want to burden the House with all that happened in the last 3 or 4 years. Let me come to the Final Report and summarize the monumental work that the Commission has done, although Government has, after carefully looking into the matter, closed certain cases. And one does not again have to delve deep into these reports. These are available even in the 'Introduction' pages.

Under Rule 5 (2) (a), the Commission issued 850 notices. The Commission recorded the statements of 1250 witnesses. The Commission issued notices to produce documents under Section 4(b) read with Section 5 (2) in respect of 915 matters and issued 915 notices. The Commission received 800 files. And when the Commission found that it would have to reach conclusion which might affect the reputation of any persons or it might have to enquire into the conduct of any persons under Section 8 (B), the Commission issued notices to 210 persons including every one of the important persons who have been named in the statement read by the Home Minister.

It is also not correct to say that the Commission took upon itself to enquire into every charge. Appendix V to the Final Report lists 463 allegations which were examined by the Commission and which were closed after preliminary investigations because they did not make out any case for enquiry. The Commission took up for full enquiry 180 cases and submitted a report in respect of 167 cases. Had the Commission been fair or not? Four hundred and sixty three allegations were taken up for preliminary examination and closed. One hundred and eighty cases were enquired into in great detail and Commission submitted a report in 167 cases leaving 13 cases which have been explained as pending cases. How did they cooperate with the Commission? I have given you a brief version of how the four main organisations cooperated. Let me go into some more facts. Chapter IV of the Final Report deals with matters in the courts and it makes a very interesting reading. On page 152, it reads as follows:

"During the entire tenure of the Commission, the Organisations filed a total of 2 Civil Appeals and 2 Transfer Petitions in the Supreme Court and 50 Writ Petitions in different High Courts of the country. In addition, the Union of India filed one letters Patent Appeal in the Delhi High Court against the judgement of the learned single Judge in C.W. No. 2092 of 1982. Of these only 23 Writ Petitions have since been disposed of as per details in page 4.3 et seq. The details of remaining Civil Appeals, Transfer Petitions, Letters Patent Appeal and Writ Petitions which have remained pending at the time of expiry of the term of this Commission are given in para 4.4 et seq."

Mr. Shahabuddin said,

"The mere fact that such a stay order was granted, as it is customary, reflects upon principles, upon procedures followed by the Kudal Commission, which violated every law in the book, every know principle of natural justice."

I intervened and said, "why don't you tell us what happened in the High Court?" He said, "I do not have the time." Fortunately, I have the time. Let me share with the House what happened in the High Court. A Writ Petition No. 980 of 1982 by Gandhi Smarak Nidhi dismissed *in limine*; a Writ Petition No, 981 of 1982 by Gandhi Peace Foundation dismissed in limine; a Write Petition No. 480 of 1984 by AVARD dismissed as withdrawn and a Write Petition No. 751 of 1984 by A C Sen dismissed as withdrawn.

"Writ Petition No. 1038 of 1984; by A.C. Sen;
Dismissed as withdrawn.

Writ Petition No, 1221 of 1984 by A.c. Bhartiya,
Dismissed by order dated 10-5-84.

Writ Petition No, 1639 of 1984, Centre for the Study of Developing Societies. The Writ was granted by an order dated 15-11-1984 striking down a notice under 8-B lone, but with permission to the Commission to issue a fresh notice.

Write Petition No, 2212 of 1984 Vanvasi Seva Kendra, Dismissed as withdrawn.

Writ Petition No. 2298 of 1984, Nagaland Gandhi Ashram.
Dismissed as withdrawn.

Writ Petition No, 2331 of 1984 Gram Nirman Mandal
Dismissed as withdrawn.

Writ Petition No, 2396 of 1984. Nehru Seva Sangh.
Dismissed as withdrawn.

Writ Petition No, 2874 of 1984. Muzaffarpur Vikas Mandal,
Dismissed as withdrawn.

Writ Petition No, 467 of 1985, Nehru Seva Sangh,
Dismissed as premature.

Writ Petition No, 669 of 1985, Srinivas Memorial Theatre Crafts Trust. Point

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No. 2 was quashed with permission to reframe the issue suitably.

I go on and on."

Every single Writ Petition, barring the two which I mentioned, was dismissed either *in limini* or dismissed as withdrawn. What does this show? Does this show cooperation? Does this show that the Commission has violated every law in the book and every known principle of natural justice? It only shows that the people were not willing to have their affairs inquired into. Public institutions, so-called voluntary organisations which had taken the name of Mahatma Gandhi and which came for severe criticism—I will read to you portions of the criticism by very eminent people—were not willing to have their affairs investigated although there was a solemn resolution adopted by the Parliament of India. They were literally thumbing their nose at Parliament. They said, Parliament may pass resolutions, Government may make the notification, we know how to stall the proceedings, we know how to delay the proceedings, we know how to drag the proceedings, although we have no case, we will do this in order to buy time."

Sir, nemesis will come around one day or other. They did buy time, for a couple of years, for three years, for four years. But today Justice Kudal has exposed them. It is a moral indictment. A moral indictment of those who commercialised the name of Mahatma Gandhi. In fact, as far as I am concerned, even if we take no penal action against them, even if we did not prosecute them in courts of law, this moral indictment is sufficient to compel them to withdraw from public life or withdraw from these organisations and not to commercialise the name of Mahatma Gandhi.

Let me go into some of the cases. I have made some compilations and I thought I should share with this hon. House the substance of the Fourth, Fifth and the Sixth

Interim Reports and the Final Report. Say, I shall limit myself to 116 cases in these four reports. I have broadly classified the categories on infractions, categories of violations which are dealt with in these Report.

The first is Foreign Donations and Contributions. In this category, in the Fourth Interim Report there are five cases, in the fifth Interim Report there are six cases, in the Sixth Interim Report there are 12 cases and in the Final Report there are four cases. The largest number of infractions have occurred in the category, "Foreign Money, Foreign Donations" This is an eye opener to us. We must wake up to where these infractions are occurring. The largest number has occurred in foreign Donations and foreign Contributions. An equally large number can be categorised as financial improprieties. To put it in simple language, it means keeping wrong books of account or in crude language, fudging your account. The Fourth Interim Report has 11 cases under this category. The Fifth Interim Report has 13 cases. The Sixth Interim Report has 7 cases and the Final Report has 6 cases. This is again an eye-opener. Mahatma Gandhi was known for meticulous book-keeping. I do not know what I read, I believe he would keep an account for every pie and would ask an account for every pie. But there are people who took the name of Mahatma Gandhi. And a large number of infractions have been committed under the category of financial improprieties or wrong book-keeping. Sir, there are ten cases in four reports which can be classified as falsification of account. It is these, I think, which are serious and which perhaps leader to the question, whether the penal action should be taken or not—clear falsification of accounts. There are twelve cases dealing with publication of books and articles. I will deal with them briefly. There are 10 cases dealing with publication of maps. There are 13 cases of contravention of the aims and objects of the organisations concerned. There are three cases which can be categorised as acts of negligence or breach of trust. There are two cases which can be categorised as illegal occupation of land or misuse of premises. And there are two cases which point to

contravention of the Societies Registration Act. But Sir, broadly what emerges is that people have fallen a prey to the temptation of money, particularly foreign money, financial improprieties in dealing with money and falsification of accounts in dealing with money. If Mahatma Gandhi taught us anything, it is not to be attracted to filthy lucre. Money is not the be-all and end-all of life and the accumulation of wealth is not the greatest glory which man can seek. Voluntary organisations are entrusted with money by people in the belief that they will be spent wisely, prudently, in the service of the people. But if voluntary organisations are loose with their money, are not careful with their money, or commit improprieties with their money, what is the confidence which the public in this country will have on voluntary organisations. Infact Prof. Soz said, and I could not agree more with him that the Government cannot do everything, there must be voluntary organisations. But unfortunately, Kudal Commission has exposed one side of our voluntary organisations, which must make us hang our heads in shame that there are such organisations which have commercialised the name of Mahatma Gandhi.

Sir, out of these 116 cases which are dealt with in these four reports, we have found 58 cases actionable. And I owe an explanation about the word 'actionable'. I know that this is a semi technical world, may be this has given rise to a certain amount of scepticism about the will of the Government to take action. Now 'actionable' means that you can take action to impose a penalty, a penalty either through a court of law or through departmental proceedings. Anything which is not actionable does not mean that they are exonerated. Anything which is not actionable means that there is an indictment, much of it is a moral indictment, but because of legal difficulties, which I will enumerate, it is not possible at this point of time to prosecute them in a court of law or to take action under any Statute. What are the difficulties? I have tried to enumerate the difficulties which we have felt in the remaining 58 cases. It is just an accident that 58 out of 116 cases have been

found to be actionable and 58 are not actionable.

PROF. SAIFUDDIN SOZ: Are these 58 cases against all the four organisations?

SHRI P. CHIDAMBARAM: Yes. First of all, one ingredient may lead to an indictment that some infraction has been committed. But our penal laws do not turn around one ingredient. There are more than one ingredient in a section, particularly there is an ingredient known as *mens rea*. Most of our penal sections require a certain intention. It is only in recent laws that we have evolved the principle of strict liability. So if one ingredient is missing, it is not possible to prosecute under a particular section of the law. For some cases, there is a clear bar under section 468 of the Criminal Procedure Code. For example, events that have happened in 64 or 70 or 80 are no longer prosecutable because of the bar under section 468 of the Criminal Procedure Code. It would not be proper to amend section 468 only to deal with these 58 cases. Another difficulty is the inability to assemble evidence at this stage. People would have died, records would have disappeared. It would not be possible to assemble the evidence necessary to prosecute or take departmental action. Therefore, we looked at it very carefully. First, we asked the Department to look into it. Then we asked the CBI to look into it. Then we referred it to the Ministry of Law. Then we called the Additional Solicitor-General to give his opinion. After that a group involving the Law Minister and the Home Minister—I was assisting the Home Minister—looked into it carefully. And we came to the conclusion that it is neither possible nor perhaps worthwhile pursuing 58 out of 116 cases. Does this not show the *bona fides* of the Government? Does it not show the *bona fides* of the CBI? Does it not show the *bona fides* of the Ministry of Law? We know that there is an indictment by Justice Kudal and we know that people have not been careful or honest with the money entrusted to them. Yet in our judgement, we say, all right, indictment is there and it is sufficient, and we shall not pursue a certain number of cases but we

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shall pursue only 58 out of 116 cases covered by these four reports. Shri Shahabuddin waxed eloquent and said: Will this persecution go for hundred years and thousand years? Where is the persecution? On the contrary, I am criticised by Mr. Shahabuddin for not dropping 58 cases and criticised by Mr. Mehta for dropping 58 cases. Where do I stand? Government has been extremely fair, extremely generous, in fact, over-generous in coming to the conclusion that it is not possible and perhaps, it is not desirable, given the lapse of time, to pursue a certain number of cases. But we are determined to pursue the cases which have found to be actionable.

Of these 58 cases, 16 have been referred to the CBI, 12 have been referred to the Ministry/Departments of the Government of India and 30 cases have been referred to the State Governments. I sincerely hope and I want to avail of this opportunity to appeal to the State Government not to treat them lightly but to take rigorous follow-up action on these 30 cases. Having regard to the views expressed by hon. Members, we will set up a monitoring mechanism in the Government of India to follow-up what action is being taken on these cases by the CBI, by the Ministries and by the State Governments.

PROF. SAIFUDDIN SOZ: What about derecognition of these Societies?

SHRI P. CHIDAMBARAM: I will come to that. I made a compilation of some cases which are more interesting than the others. I do not think, I need go into each one of these cases now because it is past 4.30.

SHRI RAM PIYARE PANIKA: We are interested in some cases where they have contradicted it.

SHRI P. CHIDAMBARAM: Sir, I shall only refer to some cases. Take, for example, the case involving Mr. George Fernandes. This is in the Fourth Interim Report. Mr.

Shahabuddin had taken a special plea on behalf of Mr. George Fernandes. Mr. George Fernandes's case is case No. 22 of the Fourth Interim Report. The discussion begins at page No. 209. The allegation is contained in the notice under Section 8B. Lest Mr. Shahabuddin say that no notice was given, I wish to point out that notice was given under Section 8B of the Commissions of Inquiry Act on 21st of February, 1984 to AVARD through its Vice-President, Shri A.C. Sen, Shri K.S. Radha Radhakrishna, President, AVARD, Shri George Fernandes, Member of Parliament, Shri Som Dutt Vadalkar, Former Chairman of Khadi and Village Industries Commission and Shri L.C. Jain, Former Chairman of All India Handicrafts Boards. The allegation was: Procurement of loans and grants totalling to Rs. 24.37 lakhs from Khadi and Village Industries Commission by AVARD for distribution among artisans in parliamentary constituency of Shri George Fernandes with a view to serve his political interests. The notice was issued and the Commission proceeds to summarise its inquiries. These were the points for determination:

1. Whether the subject matter of notice under Section 8B of the Act is a definite matter of public importance?
2. Whether Shri George Fernandes, then Union Minister of Industries desired that loans to artisans in Muzaffarpur District be distributed on June 6, 1979 by KVIC through AVARD and in order to expedite the release of funds, Shri L.C. Jain, General Secretary of AVARD approached the KVIC Chairman for this purpose?
3. Whether Shri L.C. Jain and Shri A.C. Sen assured the KVIC that the Constitution of AVARD which did not provide for taking up of activities relating to Khadi and Village Industries, would be amended?

4. Whether AVARD got its Constitution printed revising clause 3 of its Memorandum although the revised clause was never brought on the agenda of any General Body meeting of AVARD for its consideration?
5. Whether the AVARD received total grant of Rs. 24,37,040/- from the KVIC on 30-5-1979 when neither any proposal for amending the Constitution of AVARD was circulated nor the Constitution had been amended?
6. Whether it was a condition of the grant that the entire payment of the artisans will be made on June 6, 1979?
7. In the facts and circumstances of the case what recommendations, if any, be made by the Commission?

Then an additional issue was framed whether there is no material on the basis of which notice to Shri L.C. Jain could be issued. On this, AVARD appeared before the Commission and examined a witness by name Shri P.M. Tripathi. The other four Respondents, namely, Shri K.S. Radhakrishna, Shri George Fernandes, Shri Som Dutt Vedalankar and Shri L.C. Jain did not examine any witness. This is what the Commission goes on to say, and I quote:

"Shri P.M. Tripathi in his evidence has stated that AVARD selected Muzaffarpur for rural development work in the wake of naxalite activities and in order to bring peace in that area and not in order to serve the interests of Shri George Fernandes. However, there is overwhelming oral and documentary evidence on the record (which has already been discussed above) to show that it was Shri George Fernandes himself who called a meeting of the representatives of the KVIC and the AVARD in his chamber and initiated

the proposal of the funds of KVIC being utilised through the agency of AVARD or distributing grants and loans to the rural artisans of his own parliamentary constituency of Musaffarpur District and it was not at the initiative of AVARD along that the aforesaid rural artisans project was undertaken in Musaffarpur district...

"...Shri P.M. Tripathi has also stated in his evidence that an amount of Rs. 19,83,516.35 was returned by AVARD to KVIC as early as in 1980 out of the total grant of Rs. 24,37,040/-. This is not denied by the KVIC. However, the crucial fact is that as clearly stipulated in Exhibit D-1, Exhibit D-3, Exhibit D-5 and Exhibit P 1/0, the money was to be distributed amongst the artisans of Musaffarpur on the 6th or 7th June, 1979, and this was, therefore, an essential condition of the grant and even though the KVIC released the amount as early as on 30.5.1979 by two cheques, the AVARD intentionally appears to have delayed the encashment of the cheques for reasons best known to itself and thereby contravened an essential term of the grant and the very purpose for which the grant was given and expedited.

The conclusion, therefore, which the Commission has reached, in the facts and circumstances of the case, is that the AVARD procured the aforesaid loan and grant from the KVIC for distribution amongst the artisans of the parliamentary constituency of Muzaffarpur (Bihar) of the then Union Minister of Industries, Shri George Fernandes, on 6th June, 1979 when Shri George Fernandes was to visit his constituency with no other purpose than to serve the political interests of Shri George Fernandes. The Commission further concludes that the AVARD also contravened an essential term of the grant and the very purpose of expediting the grant by not distributing the said loan and grant amongst the

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artisans of Muzaffarpur on 6.6.1979 or 7.6.1979 as contemplated by the KVIC and as assured by the AVARD."

Sir, what is important is, here is an indictment of the then Minister who took upon himself to funnel funds of KVIC, which was obviously under his charge because he was the Minister of Industry to AVARD for the purpose of distributing them in Muzaffarpur. It is another matter that because the artisans refused to receive it on the conditions on which they were granted, a substantial portion of the money was returned. Sir, what does it show? It shows a certain amount of recklessness about public money, a certain disdain for the way public money must be channelised for public purposes, a contempt for the Constitution and rules and regulations, a complete disdain for the fact that AVARD in its constitution did not have a provision to receive such money or distribute such loans, a supreme arrogance that because one is a Minister and because one has funds under his disposal through one of his attached offices or agencies, one can do what he likes with that money and give it to whomever he likes and in whatever manner he likes on a day of his choice and in a manner of his choice. That is the indictment of Kudal. Let us not miss the wood for the trees. If Mr. Shahabuddin was here and wanted to justify this case as a case where the money had been returned, I can read out to him several cases where the money has been misused.

SHRI AZIZ QURESHI: What about the interest? (Interruptions) Only Rs. 20 lakhs was returned.

PROF. SAIFUDDIN SOZ: Mr. Shahabuddin said whatever he said when he was in Janata. Today he is not in Janata.

SHRI P. CHIDAMBARAM: Sir, let us look at some other cases.

SHRI HARISH RAWAT (Almora): What about Mr. Rabi Rai's case? That is also a

very interesting case, I think.

SHRI P. CHIDAMBARAM: Sir, I will take up Case No. 14 of the Sixth Report. and I will read the conclusion:

"The allegation of manipulation and falsification of accounts by the AVARD with a view to misappropriate the funds received from a foreign donor agency for a specific project for providing relief in the flood affected areas and violation of the provisions of the Foreign Contributions (Regulation) Act, 1976, cannot be considered as a trivial matter."

And then it goes on like this:

"In view of what has been discussed above, there is no escape from the conclusion that the AVARD by preparing two different and irreconcilable sets of accounts for the periods ending 30th June, 1979, 30th June, 1980, and 30th June, 1981, in respect of the same grant received from E.Z.E., West Germany, and by reflecting different sets of figures in the said accounts, has deliberately and wilfully falsified and manipulated its accounts with the intention to conceal and misappropriate the said funds received from a foreign donor agency, namely, E.Z.E., West Germany received for a specific project for providing relief in the flood affected areas of North India."

This is case number 14 in the Sixth Report and the CBI has registered a case in the matter.

Sir, let us take case number 33 of the Sixth Report. I will read only conclusion.

"From the incontrovertible and unimpeachable evidence, as discussed above, there is no escape from the conclusion that large scale bungling of accounts have been done by the AVARD in respect of huge amounts received by it from the E.Z.E., West Germany for implementation of minor

irrigation projects in Musahari and Jamui blocks of Bihar State. Apart from falsely showing inflated expenditure to the tune of Rs. 84.70 lakhs against the grant of Rs. 1.15 crores received by the AVARD from the E.Z.E., West Germany, the AVARD also prepared false and bogus accounts of the project to cover up the misappropriation of funds. It is, therefore, established that the AVARD, acting through its Vice-President Shri A.C. Sen and other principal officers, wilfully and with the intent of defraud, falsified its books of accounts in respect of the aforesaid project. The AVARD, acting through its Vice-President Shri A.C. Sen and other principal officers, has committed an offence of falsification of accounts, punishable under Section 477A of the Indian Penal Code."

Then,

"The AVARD, acting through its Vice-President Shri A.C. Sen and other principal officers, has committed an offence of criminal breach of trust, punishable under Section 406 of the Indian Penal Code."

The CBI has registered a case in this matter also.

Sir, let me only take case number 9 of the Final Report. This is about the KGSN.

"It was stated in the notice under Section 8B of the Act that the total funds at the disposal of the KGSN during 1981-82 were Rs. 66,04,313.35 including withdrawn from the bank amounting to Rs. 21,45,077.92 and while other funds have been accounted for in the shape of fixed assets, stamps and postage, sundry debtors, loans & advances, losses, stores, publication, as also stock in hand, utilisation of Rs. 21,45,077.92 remained unexplained. The KGSN, in its reply dated 30.10.1986, had generally denied the said averments of the notice.

"There is, therefore, no escape from the conclusion that accounts of the KGSN had been falsified with intent to defraud and cover up misappropriation of Rs. 21,45,077.92."

The CBI has registered a case in this matter also.

Sir, I do not wish to take more time dealing with the cases. The CBI has registered 12 cases. Sixteen cases have been referred to the Departments and Ministeries of the Government of India.

Sir, I would have done after I read some portions of the action taken memorandum where we have decided to drop action. But, I think even where we have decided to drop action it would be necessary to highlight the kind of conduct of some of these organisations—and contrast it with the philosophy of Mahatma Gandhi.

Sir, there are number of cases where books were published. I will read only some of them. The Sarva Seva Sangh published a book known "*Bihar Andolan—Ek Sinhavlokan*". This book, according to Justice Kudal, incites the public to paralyse the Government's work, indulge in agitational activities and prepare for insurrection in the country. According to Justice Kudal, the Sarva Seva Sangh blatantly indulged in publication and circulation of political literature, thereby departed from its professed aims and objectives. Another book known as "*Sinhasan Khali Karo*" contained the political view of a particular individual and called upon the public to overthrow the Government by agitational methods. An attempt was made to destabilise the duly elected Government functioning on a democratic basis alleging that Government had become corrupt, dishonest, in its administration. Another book by Sarvaseva Sangh was known as "*Sampoorna Kranti Ke Ayam*". An attempt was made to undermine the Constitutional system adopted by the people and to ridicule the accepted form of democracy in India. Another book entitled "*Sampoorna Kranti Ki Rananit*"—this is very interesting. It ridicules the parliamentary form

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of democracy and calls upon the people to demolish it by creating conditions of chaos and anarchy in order to accelerate the pace of total revolution. The publication describes Constitutional democracy as anti-people and calls upon the people to start the next phase of revolution by not cooperating with the power at the Centre and to prepare for a revolution to over-throw the established order in the country as Constitutional democracy could not form the basis of such a revolution. Another book was known as "*JP Ka Varg Sangharsha*" Funds were spent for this.

Mahatma Gandhi writing in *the Harijan* on the 5th September, 1936 wrote:

"Non-violence is a power which can be wielded equally by all—children, young men and women and grown up people—provided they have a living faith in the God of love and therefore equal love for all mankind."

"Writing on 12th November, 1938, Gandhiji said: "Democracy and violence can ill-go together. The States that are today nominally democratic, have either to become frankly totalitarian or if they have to become truly democratic, they must become courageously non-violent."

16.52 hrs.

[MR. SPEAKER—in the Chair]

Gandhiji also wrote, terrorism must be held to be wrong in every case. In other words, pure motives can never justify impure or violent actions. Here, Sir, there are organisations which have taken the name of Gandhiji and have described Constitutional democracy as something which has to be over-thrown and destabished. The danger is not over. If anyone believes that the danger was over in 1980, when these forces of destabilisation were thrown out of power by

the people, I am afraid, he is wrong. The danger is still there. The name of the game is still destabilisation. The empty Benches here and a pointer to the fact that there are people in this country who will indulge in this game of destabilisation.

One can disagree with this case, one can disagree with that case, but Justice Kudal has rendered a great service to the people of this country. He has opened our eyes to the nexus between foreign money and the so-called voluntary organisations who will not hesitate to commercialise the name of Gandhiji in order to destabilise our polity, destabilise our democracy and to usher in what according to them is a total revolution, but which is nothing but total chaos and total confusion.

Sir, we are determined to fight these forces. The people of this country will always be vigilant. Eternal vigilance is the price of liberty. Our liberty is protected by Constitutional democracy. Our liberty is protected by free elections. Our liberty is protected by our Parliament. If we allow an onslaught on Parliament, as they have done by their opportunistic resignations, if we allow an onslaught on Constitutional democracy by the misguided publications of the so-called Gandhian institutions, if we allow an onslaught on our system of elections, surely we will lose our liberty and we will no longer be a free people. That is the danger which Justice Kudal has placed before the country and for that the nation is grateful to Justice Kudal.

I assure the House that about the cases that we have taken up—58 cases out of 116 dealt with by the 4th, Fourth, Fifth and Sixth Interim Reports, we shall do all that is within our power and authority in accordance with law to take follow up action and I would appeal once again to all the State Governments to take follow up action.