

had spoken ditl give their views and agree to the scheme. The only suggestions which were made at that meeting were, I have got them, that the number of Lok Sabha seats should be increased from 5 to 7, the number of elected seats in the Metropolitan Council should be increased from 40 to 42 and simultaneous membership of the Corporation and the Metropolitan Council should be barred. I may also say that the question whether there should be a Legislative Assembly or not had been made clear and very clear at every discussion every time. There was no question of a Legislative Assembly. Kumari Shanta Vasisht told us that the Prime Minister had 'promised, the late Prime Minister Shri Jawaharlal Nehru, that Delhi would be given something better. I have read what he had said. This was in connection with the Bill to amend article 239 of the Constitution which came up before the House, and when the Members from Delhi wanted that article 239A should not only be applied to the Union Territories of Himachal Pradesh, Manipur, Tripura and Goa, Daman and Din, but also Delhi. It was at that time that he said, quoting all the reasons which Shri Gujral has just said from the S.R.C. report and other things, that he did not want Delhi to be put along with the rest, He also said that he was not satisfied with the arrangement in Delhi, and this is a fact. Even the S.R.C. was not satisfied with the way in which the Delhi Administration functioned. Even the Corporation that functioned, I mean the Municipality, did not function well, and the S.R.C. had even suggested that there should be a Corporation. But there was a suggestion that more powers should be given to the Corporation.

KUMARI SHANTA VASISHr: Pandit Nehru gave an assurance in 1961 . . .

SHRI JAISUKHLAL HATHI : I do not know what better thing than a Legislative Assembly and Statehood the representatives of Delhi would have wished. If they had understood that Delhi was to be given something more than Bombay, Madras or Calcutta, something better than a Legislative Assembly and a Council of Ministers, if that was the interpretation, I do not know what they wanted, or what was in their mind.

Today they would be satisfied with financial powers if the Metropolitan Council is given financial powers, they think that is something. They also would like it and I do not at all find fault with them because everybody would like to be a Member of an Assembly, they would like so be a Deputy Minister, he would like to be a Minister. There is nothing wrong.

KUMARI SHANTA VASISHT: Or an Executive Councillor.

SHRI JAISUKHLAL HATHI: Or an Executive Councillor. There is nothing wrong in it. I perfectly agree that these are the ambitions and they would like to be so. But about what at that time Panditji said—that he wanted to give something better—I may disillusion them. If they had understood that he was going to give something more than a Legislative Assembly and a Council of Ministers, that was not the intention.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : If you would agree, Mr. Hathi, let the Finance Minister make a statement.

**STATEMENT RE THE ADVERSE  
REMARKS AGAINST A SECRETARY  
TO THE GOVERNMENT IN THE 50TH  
REPORT OF THE PUBLIC ACCOUNTS  
COMMITTEE**

THE MINISTER OF FINANCE (SHRI SACHINDRA CHAUDHURI) : Sir, I have been told to make a statement on certain matters contained in the 50th Report of the Public Accounts Committee and I am making the statement now.

At pages 51 to 106, Chapter IV, the Fiftieth Report of the Public Accounts Committee has considered barter deals with and by Iron and Steel Control, with particular reference to cases in which Bank guarantee amounts due to Government were not forfeited. The conclusions of the Sub-Committee are to be found at page 105, paragraph 4.165 and 4.166. The recommendations are at page 106, paragraph 4.167, 4.168 and 4.169. Under the

[Shri Sachindra Chaudhuri.J established procedure, the Report of the Public Accounts Committee will be considered by the Government in the Ministry concerned—in this case, the Iron and Steel Ministry—and the decisions of the Government will be communicated to the Public Accounts Committee. These decisions are also included in subsequent Reports of the Public Accounts Committee which are placed before Parliament. I am sure that the Ministry of Iron and Steel will give the fullest consideration to the Report and recommendations of the Committee.

Until this is done, it will not be fair to draw any conclusions against the officers concerned.

SHRI CHANDRA SHLKHAR (Uttar Pradesh) : The question that was raised during the supplementary was particular, specific, about a particular Secretary in the Ministry of Finance. The particular Secretary was the then Secretary in the Ministry of Iron and Steel and the Public Accounts Committee has made certain observations. I can understand the position which the Minister has taken about the recommendations of the Public Accounts Committee. The Iron and Steel Ministry and the Ministry of Finance will consider them and will take whatever action they think is necessary upon the recommendations. I do not want to go into the details of the recommendations. I am concerned only with the observations that have been made about the behaviour of a particular officer who is one of the important officers in the Ministry of Finance. This particular officer has not only failed in discharging his duty, but he has tried to suppress an honest and straightforward officer who tried to reveal all these misdeeds. Mr. Vice-Chairman, in the Public Accounts Committee all these documents have been given.

Shri Srinagesh who was the then Chairman of Hindustan Steel Limited had requested the then Iron and Steel Controller that "As the matter has been discussed between the then Secretary of Steel, Shri Bhoothalingam, who is the Secretary in the Finance Ministry today, the deal should not materialise." Shri Srinagesh

in his letter to the Iron and Steel Controller says:

"I would, however, point out that offering material for export to this party at this stage could result in considerable criticism."

Instead of appreciating the forthrightness of these officers, Shri Bhoothalingam writes on the file that these observations of a particular officer will invite public criticism and not the decision of the Iron and Steel Controller to enter into a deal with this firm. My only contention is that the Public Accounts Committee has come to a conclusive finding that this particular Secretary is guilty of gross negligence, guilty of conniving at an irregular deal which has caused a loss of Rs. 1 crore to the exchequer of the Government of India. My only point is that this has nothing to do with the recommendation of the Public Accounts Committee. This has something to do with the character, with the behaviour, with the discharge of duty of a particular officer who is at the helm of affairs in the Ministry of Finance. My point that —and even today is— that such an officer has been found guilty not only of negligence but of conniving at certain irregular deals, has been found guilty of suppressing an honest officer, has been found guilty of issuing irregular import licences worth Rs. 4 crores during his charge of the Iron and Steel Ministry, has been found guilty of supporting a private firm, Ramkrishan Kulwant Rai, out of all proportion, Not only that, he has used his offices, he has gone out of his way; he directed the Hindustan Steel Limited. May I know from the Finance Minister : Is it not the accepted policy of the Government of India that no Secretary will interfere with the activities of Hindustan Steel Limited or any other Corporation unless and until there is a clear decision of the Government of India ? This particular Secretary, Shri Bhoothalingam, the then Secretary of the Ministry of Iron and Steel, had no right to direct the Hindustan Steel Limited's Chairman to enter into deals with this particular firm, Ramkrishan Kulwant Rai. This case is all the more serious because all the rules, all the directives of the Finance Ministry were violated; all the orders of the

Ministry were violated. And Shri Bhootha-Ungam was informed of all stages and instead of taking action against the defaulting officers, he connived at them and this particular firm was given the benefit

all these things and Hindustan Steel was forced to enter into an agreement and after entering into an agreement, not even a M'nyle paisa worth of goods were exported to the other countries. The Hindustan Steel is even today lighting their claims with this firm. Ramkrishan Kulwaat Rai. Not only that. All the bank guarantees were allowed to be lapsed. Who is responsible for that ? This particular gentleman who is the Finance Secretary. And according to my information—let the

BOOB Minister deny—this particular Secretary is going to be promoted as the Ambassador of the country to represent us at Brussels in the Economic Market. Do you think that this Parliament, this House, will sleep over all these things ? It will be a bad name for this House, it will be a bad name for democracy that, after the finding of the Parliament Committee, because of certain technicalities the Finance Minister says that the Report will be considered. We hear that (his particular gentleman is going to represent the Government of India and the people of India at the European Economic Market there in Brussels. My only point is that the Finance Minister should give an assurance here and now that whatsoever enquiries are made, this particular gentleman is not given any extension in service, he is not appointed as the Ambassador of the Government of India at Brussels. This categorical assurance should come from the Government. No technicalities can shield this guilty officer who is responsible for such a corrupt deal where crores and crores of foreign exchange have been involved.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Finance Minister, have you anything to say on his remarks. I do not want it to turn into a debate. (*Interruptions*) Let us hear him. You see, the point at issue is there is an established practice of dealing with the recommendations of the Public Accounts Committee. Here is a special case. Shri Chandra Shekhar has put it. Let us hear what the Finance Minister has to say.

SHRI ABID ALI (Maharashtra) : There are several things arising.

SHRI G. MURAHARI (Uttar Pradesh) : I raise on a point of order.

SHRI ATAL BIHARI VAJPAYEE (Uttar Pradesh) : Mr. Vice-Chairman, you have admitted that it is a special case. The Finance Minister in his statement has tried to deal with the matter as if it is a routine case. And this House is opposed to this approach.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : I would not have allowed Mr. Chandra Shekhar to speak if I taken it as a routine case

I let you hear the Finance Minister.

SHRI LOKANATH MISRA (Orissa) : On a point of order, Sir.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : I have called the Finance Minister to say something. Let us hear him. A specific assurance is required. Are you in a position to give that assurance or not "

SHRI C. M. MIR (Jammu and Kashmir) ; He will be appointed Ambassador. Mr. Vice-Chairman.

SHRI M. M. DHARIA (Maharashtra) . We want to know from the hon'ble Finance Minister whether the person against whom all these allegations have been made by the Public Accounts Committee would be immediately suspended and enquiry made against him.

(*Son, Members rose in their seats.*)

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : I have called the Finance Minister. Please have patience. (*Interruptions*) I will allow everybody to speak. But I have called the Finance Minister to speak. Please hear him.

SHRI SACHINDRA CHAUDHURI : Sir, very serious allegations have been made against a very responsible and senior officer of the Government who has served this Government and this country faithfully for many years . . .

SOME HON. MEMBERS: No, no.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Order, please.

SHRI CHANDRA SHEKHAR : Mr. Vice-Chairman, the Finance Minister has no right to make observations against the findings of the Public Accounts Committee. He is shielding corruption.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Order, please.

AN HON. MEMBER: Could you listen to my point of order?

SHRI LOKANATH MISRA (Orissa) : I rise on a point of order . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : I will listen to everybody. The Finance Minister has every right to state facts. Please hear him.

SHRI LOKANATH MISRA: I am on a point of order on the statement of the Finance Minister.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : All right. Come out with your point of order.

SHRI LOKANATH MISRA : There was a specific directive from the Chairman, Sir, that since it is going to the Public Accounts Committee, nobody can absolve any officer on the floor of this House because we respect the Public Accounts Committee as a Committee of this House, a Committee of both the Houses. Therefore, the Finance Minister has absolutely no business to absolve the officer.

SHRI ATAL BIHARI VAJPAYEE : He has not absolved the officer.

SHRI LOKANATH MISRA : He has absolved.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : There is no point of order. A certain reference has to be made to the past record of the officer and what is to be done in the future. He is stating the facts about the past.

SHRI ABID ALI : I have a point of order, Sir. I want to know whether the statement made or the recommendations made by the Public Accounts Committee are allegations ? Can the hon. Finance Minister classify these as mere allegations ?

(Shri Chandra Shekhar rose in his seat)

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You have had your say, Mr. Chandra Shekhar.

SHRI AKBAR ALI KHAN (Andhra Pradesh): Sir, with great respect to the Chair and the House . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Are you on a point of order ?

SHRI AKBAR ALI KHAN : Yes, Sir. I want to submit regarding this point. There is a definite . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Akbar Ali Khan, if it is a submission, no. If there is a point of order, please proceed.

SHRI AKBAR ALI KHAN: My point of order is that there is a regular procedure of the Public Accounts Committee. That procedure is that when certain observations are made, a definite opportunity is given to the Ministry, and after calling the explanation the final verdict is given which is placed before the House. So what I want you, Sir, to do is to give your ruling whether the procedure has been followed or not. If it has not been followed, it should be strictly followed.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : I do not see any point of order because apparently it seems that Mr. Akbar Ali Khan has not gone through the report. Mr. Dharia.

SHRI M. M. DHARIA: My point of order is that the Public Accounts Committee has made several alligations against the person concerned. Now the hon. Mr. Chandra Shekhar has demanded in this House that the hon. Finance Minister should hold an enquiry. Now when allegations are made by a very important committee of both the Houses, and when the observations are made by an important Committee, before saying that he is a faithful officer, why should the hon. Finance Minister not go into an enquiry. Our objection is to the word used by the hon. Finance Minister. In spite of the fact that the report was received by the Government on the 26th . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): I have not been able to follow. What is the point of order, Mr. Dharia.

SHRI M. M. DHARIA: The hon. Finance Minister is not justified in saying that he is an honest and faithful servant.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) ; The House is too impatient. It will not allow the hon. Finance Minister to have his say.

SHRI M. M. DHARIA : Why should he use this word ? He should be very careful about it.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : He is not making a wrong statement.

SHRI MULKA GOVINDA REDDY (Mysore): The other day when Mr. Govinda Reddy and Mr. Chandra Shekhar raised this question, the Finance Minister was here and he gave us the assurance that he would look into the matter. He has taken four or five days. It is obvious that he has not looked into the matter. Now he gays that he is going to refer this matter to the Steel Ministry. He is going back on hi' assurance that he gave to this House that he would look into the matter and make a statement before this House.

SHRI G. MURAHARI: Mr. Vice-Chairman, my point of order is that the very first line of the statement made by

the Finance Minister is a reflection on the findings of the Public Accounts Committee. The Public Accounts Committee is a committee appointed by Parliament. It has gone through the whole thing for the last one year. It is not one or two days. After sitting for a whole year, they have come out with their report. The report contains certain recommendations. Now it is for the Government to act upon the recommendations of the Public Accounts Committee. If the Government does not act upon the recommendations of the Public Accounts Committee, there will be nothing sacrosanct in this Parliament because any Committee appointed by Parliament, if its findings are rejected in this summary manner by the Government, if it is not given due weight, there will be no respect attached to Parliament. Mr. Vice-Chairman. I would like you to give a ruling that the Minister assures the House at once that he is going into the matter and taking action, because immediate action is called for. It is not an inquiry. Inquiry has already been conducted into the affair by the Public Accounts Committee which has given its findings. What is now required is action on the part of the Government on the recommendations of the Public Accounts Committee. Therefore, Mr. Vice-Chairman, I would ask the Government to come out with what action they propose to take in this matter, because from the proceedings of the last few days it looks as if the Government is going to shield the whole thing. It appears that this officer is being shielded. We want an assurance that immediate action will be taken against the persons responsible and also against those Ministers who might be responsible for shielding these officers.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : No point of order has »o far been raised, Mr. Mir.

SHRI G. M. MIR: Sir the Public Accounts Committee is a watch-dog of Parliament representing both the Houses of Parliament. They are elected Members, and since Parliament sanctions the amount we have got every right to know that the amount which has been sanctioned by Parliament is properly utilised.

There is a very serious case against a big officer. Now the big officer, who is at fault, is being shielded.

AN HON. MEMBER : What is the point of order ?

SHRI G. M. MIR : It is for him to decide whether it is a point of order or not. This is a very serious case. The Public Accounts Committee has recommended certain things; they have made certain observations against the officer. Instead of taking any action against the officer, the Government is considering to give him a promotion, sending him as an Ambassador to foreign countries representing India. I would like to know from the honorable Minister whether any action has been taken against the person on the recommendation of the Public Accounts Committee. If no action has been taken, may I ask the honorable Finance Minister to first suspend the officer, make an enquiry against him and then, if he is found at fault, take strong action. He may be removed from service.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Well, so far there has been no point of order. So let us hear the Finance Minister now.

SHRI CHANDRA SHEKHAR : Sir, before we hear the Finance Minister I would like to submit that when the Public Accounts Committee has made certain observations about a particular officer, they were not made on his behaviour today, but after seeing what he had done during the period from 1954 to 1960. After seeing that the Public Accounts Committee has come to the definite conclusion on the strength of documentary evidence that this officer has been conniving at corrupt traders and officials, this question has been raised in this House not on the strength of the opinion of an individual but on the strength of the opinion expressed by the Public Accounts Committee, a committee of this Parliament. When the hon. Ministers asked to give a specific assurance on this particular question, is the Minister justified in prefacing his reply with the remark that this particular officer has been serving the Government of India honestly and faithfully, especially in face of the opinion expressed by the Public Accounts Committee, and when the hon. Minister himself has not gone into any of the documents, not even taken the trouble to read the con-

tents of the Report of the Public Accounts Committee? Is it proper?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Please don't come to such conclusions.

SHRI CHANDRA SHEKHAR : Sir, I am seeking your guidance. Should not the Finance Minister have read that Report? Was it not his duty?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You will have my guidance.

SHRI H. K. P. SINHA (Bihar) : Sir, under the garb of points of order, questions have been put and issues have been raised.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Have you got any point of order? Or are you doing something under the garb of a point of order?

SHRI B. K. P. SINHA : On a point of substance, I am submitting, Sir. I should have the same indulgence from the Chair in raising an issue under the garb of a point of order that others who preceded me had. May I say at this stage . . .

SHRI S. S. MARISWAMY (Madras) : Sir, is the hon. Member entitled to say that others raised their points under the garb of something? Is it not a reflection on those hon. Members?

SHRI B. K. P. SINHA : The word "garb" need not be objected to . . .

SHRI M. M. DHARIA : There is nothing done under any garb. We are absolutely clear. The Public Accounts Committee is a responsible body. When the Public Accounts Committee says this about this particular officer, how can the hon. Minister call him faithful and honest?

DR. M. M. S. SIDDHU (Uttar Pradesh) : When he knows it is a garb and he is doing it under that garb, the hon. Member is entitled to do that.

SHRI B. K. P. SINHA: The hon. Finance Minister said that a certain procedure has to be followed and so long as that procedure does not reach the stage of a conclusion it is unfair to draw any adverse inference against the officer concerned. But unfortunately, the Finance Minister has misjudged the temper of the House. Now, it may be unfair to draw an inference . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You are going into the merits of the case.

SHRI B. K. P. SINHA : I am only putting a question, Sir.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : No questions at this stage because we are only dealing with points of order. Please resume your seat.

SHRI B. K. P. SINHA: I may be allowed to put a question.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : No. The Finance Minister.

SHRI SACHINDRA CHAUDHURI: I have heard the expression of annoyance and anger of the House since I said allegations. But when I said allegations I meant the allegations made by one of the Members here who spoke first. I was not referring to what was stated by the Public Accounts Committee in its Report.

SHRI CHANDRA SHEKHAR : Mr. Vice-Chairman, I object to that. I never said a single word which had not been said in the Report. I am very sorry that the Finance Minister should make statements without reading the Report. I have not said a word which is not said by the Public Accounts Committee and the Finance Minister has no right to contradict me without reading the Report. Ministers should behave in the House according to some decorum. We are responsible Members and I have not said a single word which is not in that Report. What is the allegation that I have made which is not in this Report ? I would like to know that from the Finance Minister. Otherwise the Finance Minister must withdraw the word M58RS/66—4

he used. I have not said a single word which is not in the Report. What is the word that I used which is not in the Public Accounts Committee's Report ? After all, Mr. Vice-Chairman, I am entitled to seek your protection. I am an ordinary man, but I do not allow any Minister to accuse me without any basis. I know my responsibility.

SHRI M. M. DHARIA : Why should he call this officer faithful today ?

SHRI MULKA GOVINDA REDDY : They are not his charges, about this particular officer. They are the findings of the Public Accounts Committee.

SHRI SACHINDRA CHAUDHURI: So far as the Public Accounts Committee is concerned, the Public Accounts Committee has made this Report and what is in the Report is there. If the hon. Member had read out the Report I would not have said anything about allegations. But he paraphrased it and if I have not understood the paraphrasing, I may be failing in my understanding, but I am entitled as a Member of Parliament to make my submission to this House and to make my observations to this House. I will say this also that the Public Accounts Committee is certainly a very responsible committee and its observations, and its Reports are certainly entitled to all the respect that they deserve. But that does not take us away from the fact that there is a procedure which is followed by this House. As you know, when the Public Accounts Committee makes its Report that Report has to be considered by Government and the Government has got the right to make its own observations or its own judgment on it and send it back to the Public Accounts Committee and the Public Accounts Committee has got the obligation to put them before the Houses, this House and the other House. When that has been done then any further step that may be taken would be considered by the two Houses, and to the extent the observations bind the Government the Government would be bound by them. Until that stage is reached, the only question that arises is, what view one takes on the Report of the Public Accounts Committee. We give due respect and regard to that. But I am en-, titled *to* say and I am satisfied and

[Shri Sachindra Chaudhuri.] convinced that we have to think of this particular gentleman whose name has been taken in this House when he is not here to protect himself, when he is not here to lift his voice in defence of himself. He was not himself examined by the Public Accounts Committee. Some other people were examined. He was not given an opportunity to say what he had to say in his own defence. Certain documents were produced and on the basis of that the Public Accounts Committee came to certain conclusion. These conclusions may be correct or they may be incorrect, in the light of further examinations. Therefore, my submission to this House is it is only fair that until there is a proper enquiry into the matter and until there has been an enquiry by the Steel Ministry and the other Ministries concerned and by the Government as a whole, it would not be proper, in my humble opinion, nor fair to any officer who has served this Government for thirty years, to say that he has conducted himself as to properly and justly merit the wrath of this House. I have the fullest confidence in the sense of justice of this House, in the sense of fair-play of this House. I know there has been a certain amount of excitement because a very responsible body has made certain observations. I say this, and I think this House should support me in saying this, that I would not, that I should not take any action in this matter until there has been a proper procedural examination.

So far as the assurance is concerned, the only assurance that I can give this House is that the procedure will be followed, the PAC recommendations will be looked into and examined and certainly answers would be made to the PAC and the PAC I am perfectly certain, will place all those observations before the two Houses. Then again, it would be wrong to condemn a man who, as I said, has served this Government faithfully and against whom there has been not a whisper until the time of this PAC Report, that he should be condemned and incarcerated without an opportunity being given to him for being heard in his own defence. Therefore I find myself entirely unable to accept this suggestion to suspend this officer or do anything to interfere with the proper progress of his career. I say this with the fullest

sense of responsibility and if I merit any dissatisfaction of this House, even at the risk of that I would defend the person who has no defence before this House except such defence as I can make.

3 P.M.

Again, if I may go on, so far as the P.A.C. itself is concerned, the P.A.C. has expressed its opinion which is not its conclusive opinion because the P.A.C. in paragraph 4.167 on page 106 says :

"In view of the lapses which have taken place in these deals, both in the offices of the Government as well as on the part of the parties, these cases require a thorough probe."

Therefore they say there is something which requires examination. They have not examined it so thoroughly that no other examination is necessary. They go on :

"In the case of the officers of the Government, the Sub-Committee also desire that responsibility should be fixed for the various lapses."

Therefore they are not fixing the responsibility.

"The Sub-Committee therefore suggest that these cases should be investigated by a high powered committee which should consist of a person of the status of a High Court Judge; an officer from the office of the Comptroller & Auditor General of India; an officer from the Central Board of Revenue well-versed in Customs Law, Import and Export (Control) Act, 1947 and Income-tax Law. This high powered committee should be suitably assisted by an agency expert in investigation of the cases."

Therefore what they say is that there is a case for investigation.

(Interruptions)

SHRI CHANDRA SHEKHAR: What about paragraph 4.51 and 4.52 which were specifically referred to in my letter to the Minister ?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Let him finish.



SHRI SACHINDRA CHAUDHURI: Well, according to them the position is this that there is need for investigation. Then they go on to say :

"This high powered Committee should investigate the various lapses which have been dealt with in this report in all the preceding paragraphs."

So they have dealt with certain lapses and the paragraphs to which your attention was drawn immediately before I started this sentence are paragraphs which contain these lapses and the P.A.C. itself says that these lapses should be enquired into by a high powered Committee. That is the finding of the P.A.C. The P.A.C. being a responsible body has not found anybody guilty. It has merely raised certain questions and has recommended that there should be an examination of those by a particular type of body which has to be formed. Then it goes on to say :—

"The Sub-Committee also desire that pending the fulfilment of export obligations attached to these import licences, or the completion of the above investigation (whichever is earlier), the Government should suspend all further dealings with the defaulting firms, as was envisaged in the Ministry's policy letter . . . ."

So the P.A.C. having considered the matter has merely recommended the formation of a high powered body for the purpose of examining the lapses of this officer. They have not recommended that there should be any suspension or any action taken against any of the gentlemen who are concerned here. They are fully responsible for what they have said and this is the recommendation that they have made. I have been asked to give an assurance that this will be done. I have neither the power, nor am I in a position to do that because this is a matter which concerns, as I said, the Iron and Steel Ministry. The Iron and Steel Ministry has got to go into this matter; the Iron and Steel Ministry has got to consider what the position is and then the Iron and Steel Ministry will report to the Government and after that the matter goes back to the P.A.C. Then the P.A.C. puts the matter before Parliament and it is for Parliament then to decide—that is what the

Constitution says—and whatever may be the decision of Parliament the Government is bound to carry it out but not before that. That is my humble submission. That being the situation, I am not in a position to give such an assurance as asked for, nor am I giving any.

*(Several hon. Members stood up)*

SHRI ATAL BIHARI VAJPAYEE: Sir, I want to rise on a point of order. You have allowed every Member to make observations

*(Interruptions)*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Please all of you take your seats. I will call one by one. Mr. Vajpayee.

SHRI ATAL BIHARI VAJPAYEE: I should like to ask the Finance Minister whether the Government as a whole has considered the recommendations of the P.A.C. Sub-Committee to appoint a high powered enquiry Committee into the whole affair; if not, why not ? It is for the Government of India to appoint a high powered enquiry Committee; the Steel Ministry alone is not concerned. The recommendation has been made to the Government of India. The hon. Finance Minister has given a routine reply. In routine cases the matter is referred to the Ministry concerned, its explanation is asked for and then the P.A.C. goes into that explanation but this is a special case where serious strictures have been passed against a high official of the Ministry. I should like to know why the Government of India is hesitating in appointing a high powered enquiry Committee to go into the whole affair.

SHRI CHANDRA SHEKHAR: Mr. Vice-Chairman, I am very sorry to say that the hon. Finance Minister has read out the irrelevant portion of the P.A.C. The question raised was not relating to the paragraphs that the hon. Finance Minister has read out before the House. This particular question has been dealt with by the P.A.C. on page 67 in paragraphs 4.49, 4.50, 4.51 and 4.52. Here the P.A.C. says:

"What is still more disquieting is the fact that in spite of the frank admission

[Shri Chandra Shekhar.]

by the defaulting officers of the seriousness of the lapse, no enquiry seems to have been held by the Steel Controller into the matter. There appears to have been no feeling in the Steel Controller's office that something serious had happened. On the other hand persistent efforts were made to cover the whole thing and the H.S.L. was made to enter into a contract with the party by seeking the intervention of the then Secretary of the Ministry."—

That is Mr. Bhoothalingam, now Secretary in the Finance Ministry—

"The Sub-Committee also note that it was only after an informal discussion at Dum Dum Airport on the 13th November, 1960 when the three officers, mentioned above . . . —

That is, Mr. Bhoothalingam and two others—'

"... met there that the letter was written by the Iron and Steel Controller to the Chairman, H.S.L. and copies endorsed to the then Secretary of the Ministry. The Sub-Committee feel that information regarding this lapse having taken place, was brought to the notice of the Ministry of Iron and Steel in a round-about manner rather than in a straight forward report that something serious had happened and that the Iron and Steel Controller was taking steps to rectify the same.

Though the then « Secretary of the Ministry came to know about this mistake, he simply acquiesced in it and had not a single word to say about it and even did not keep a record of the discussion he had with the officers at Dum Dum Airport. On the other hand he could not restrain himself . . . —

This is the observation about Mr. Bhoothalingam—

"... from commenting against an observation of the Chairman, H.S.L. who wanted to be straightforward and firm. Such an attitude of the then Secretary of the Ministry could not be free from public criticism. The Sub-Com-

mittee feel that there was a positive failure on the part of the Department of Iron and Steel to enquire into this lapse."

May I know, Mr. Vice-Chairman, can there be any more positive finding on the part of the P.A.C. and in my letter to Mr. Chaudhuri I have only mentioned this para. I had mentioned other paras too but I have specifically mentioned this para. In the end the Sub-Committee says:

"The net result of this costly mistake has been that the party, even though it entered into an agreement with H.S.L. in January, 1961, failed to export any quantity of steel and the country suffered a loss of foreign exchange earnings of about Rs. 1 crore in this case."

This is a case of Rs. 1 crore, where a Secretary is directly involved and where observations have been made by the Committee against the very Secretary and the hon. Finance Minister comes and says that as there is none to defend the Secretary he has to defend him. Nothing can be greater affront to the democratic pattern of society, nothing can be more shameful on the part of any responsible Government than to protect such an officer who is guilty of corruption, who is guilty of suppressing the honest and faithful officers of the Government of India. Because he has put in 30 years of service, no amount of protection from any Minister or even from the whole Government of India can come to the rescue of this dishonest man who has been found guilty by the P.A.C. and when I make this charge—I hardly know Mr. Bhoothalingam and whosoever he may be —I make it here as a representative of the people responsible for protecting the rights and privileges of those down-trodden people upon whom the hon. Finance Minister imposes taxes—it is from the pockets of these starving millions that taxes flow— and when a crore of rupees has been lost, simply the hon. Finance Minister makes an observation, a sentimental observation. I appeal in the name of dignity, I appeal in the name of the people of this country, I appeal in the name of the starving people in Orissa, I appeal in the name of the starving people of the whole country, and I appeal in the name of honesty, dignity and integrity of the whole nation that the hon. Finance Minister should muster

courage, should be bold enough, to take steps against such an officer. It is not fair that the hon. Finance Minister comes here and makes a statement and tries to just shove away the whole affair in a simple way.

Mr. Vice-Chairman, I shall very humbly request you that it is not a question of protecting one officer; it is a question of protecting this parliamentary democracy. If people come to know that one crore of rupees can be wasted by one Officer and the hon. Finance Minister who enjoys the confidence of the Congress Party, the ruling party, to which I belong, supports that particular officer by a simple statement prepared by those very bureaucrats in the Ministry of Finance, what will they say? Therefore these things should not be allowed and cannot be allowed. I appeal to you, Mr. Vice-Chairman, that you must take firm steps. I also appeal to the Congress Party and to the Leader of the House, Mr. M. C. Chagla, that such things should not be allowed, whosoever the officer may be and whosoever the Minister may be.

SHRI B. K. P. SINHA: Sir, I hope by now the hon. Finance Minister must have sensed the mood of this House. I find that two extreme views are being taken. On the one hand it is being suggested that the officer should be suspended forthwith and on the other the Finance Minister takes the line that it is unfair to draw any conclusion so long as the Government do not give their comments on the P.A.C. Report, and the issues are judged on the basis of those comments. At this stage I would like to know from the Finance Minister if he is prepared even now to assure the House, to give this minimum assurance that pending enquiry this officer shall not be given any higher assignment. Assume he is sent to Brussels as our Ambassador and assume, Mr. Vice-Chairman, that after a proper enquiry Parliament takes the view that the officer is guilty, will it heighten the prestige of this country or of this Government or even of the officer concerned, if after this adverse report he is called back to this country? What face shall we have before the world? What face shall that officer have before the world? In the circumstances I appeal to the Finance Minister at least to give this assurance that pending this en-

quiry this officer shall not be promoted to an ambassadorial assignment.

THE MINISTER OF EDUCATION (SHRI M. C. CHAGLA): Sir, I have been here since this discussion started. I have noticed the feeling of the House, a very strong feeling of the House. May I say this that neither my friend, the Finance Minister, nor I can give the assurance which my friend, Mr. Sinha, has sought from us? But I will give this assurance that I will immediately convey to the Prime Minister the feeling of this House. It is after all for the Government as a whole to decide what action to take. Neither my friend, the Finance Minister, nor I can individually take action. But I can give this assurance that I will immediately convey to the Prime Minister the strong feeling of this House and I am sure the Prime Minister will take that into consideration and will take a decision which will satisfy the House.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): I think with that assurance we go back to the Delhi Administration Bill.

*(Interruptions)*

SHRI DAHYABHAI V. PATEL (Gujarat): Sir, you have ignored this side. Will you not allow us to say a word at least?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): I have allowed it.

SHRI DAHYABHAI V. PATEL: I have asked this question and the Minister was not attentive. Have I no opportunity to repeat this question?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): If the Government takes that action, you will have other opportunities to have your say. So, with that assurance we go back to the legislative business. Mr. Hathi.

#### THE DELHI ADMINISTRATION BILL 1966—contd.

SHRI JAISUKHLAL HATHI: Sir, was mentioning that Shantaben referred t