

to undertake famine relief measures in drought affected areas in the State:

(b) if so, the nature and extent of assistance asked for; and

(c) the action taken thereon?

THE MINISTER OF FINANCE
(SHRI SACHINDRA CHAUDHURI):
(a) Yes, Sir.

(b) An advance of Rs. 4 crores.

(c) A loan of Rs. 1 crore has been sanctioned.

12 Noon

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

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

SHRI M. P. BHARGAVA (Uttar Pradesh): Sir, I beg to call the attention of the Minister of Finance to the assurance given by the Leader of the House in the Rajya Sabha on May 19, 1966, in the matter of certain observations contained in the fiftieth report of the Public Accounts Committee in relation to a former Secretary of the Ministry of Iron and Steel and the reported decision of the Government to go ahead with the posting of the said officer as India's Ambassador at Brussels.

THE MINISTER OF FINANCE
(SHRI SACHINDRA CHAUDHURI):
Sir, on the 19th May, 1966 certain observations were made in this House on the contents of the Fiftieth Report of the PAC in relation to a former Secretary of the Ministry of Iron and Steel. The Leader of the House gave an assurance that he would immediately convey to the Prime Minister the feeling of this House.

The Government have carefully examined the various observations made in the Fiftieth Report relating to the former Secretary of the Ministry of Iron and Steel. The transaction entered into by the Iron and Steel Controller in respect of which these comments were made by the PAC relates to the issuance of an

import licence to a private party, Messrs Ram Krishen Kulwant Rai. According to the scheme under which the import licence was issued, the Iron and Steel Controller ought to have verified that there was a firm export contract between the firm and the Hindustan Steel Limited or any foreign buyer; the purpose of verification, I may add, was to ensure that the party would make enough exports to earn as much foreign exchange as would have been spent on the import already licensed.

In the case of this particular firm, the office of the Iron and Steel Controller issued an import permit without verifying whether the party had a firm export contract with Hindustan Steel Limited or any foreign buyer; as a result whereas the imports took place, exports did not. This import licence was issued in May 1960, but the mistake actually came to notice only in November, 1960. In the Fiftieth Report it has been stated that when the then Secretary, Iron and Steel, became aware of the mistake in the Iron and Steel Controller's Office, he merely acquiesced in it. In so far as disciplinary action is concerned against the persons responsible for the mistake in the Iron and Steel Controller's Office, this is a matter which in the normal course has to be dealt with by the Head of that Office, namely, the Iron and Steel Controller and the then Secretary would have no reason not to expect that this matter, if necessary, would be so handled by the officers concerned. In regard, however, to the consequences flowing from this mistake, the then Secretary took such action as was possible to rectify this error. The import licence having been already issued and the imports having started flowing in, it was imperative from the foreign exchange point of view to arrange exports to a corresponding extent. The then Secretary, Iron and Steel, considered, and in the opinion of the Government rightly, that the larger interests of the country demanded that first priority should be given to an attempt to fulfil exports commensurate with the imports allowed in this case. This was possible only by calling upon the firm to discharge its export obligation and to enable it to do so, to provide it with quantities of the products of Hindustan Steel Limited necessary for

this purpose. An informal discussion took place on this subject at Dum Dum airport in November 1960 shortly after the mistake came to light. The Fiftieth Report has incidentally commented on the fact that the then Secretary kept no record of these discussions. As far as the maintenance of the record is concerned, Government observe that the Iron and Steel Controller communicated in writing the substance of the discussions to the Chairman, HSL, with a copy to the then Secretary, Iron and Steel, this was done the day after the discussions. Government would observe that, when discussions take place, it is not usual for the senior-most officer present himself to make a record of the discussions; it is generally left to other officers to do so. In such cases, it is ensured that in due time there is either a minute or a letter which gives the substance of the discussions. This was also what happened in this instance.

The purpose of these discussions was to rectify the mistake. In the light of these discussions, the Iron and Steel Controller wrote the day after to the Chairman, HSL, proposing the allotment of export material to the concerned party. On this the Chairman, HSL, commented that "offering material for export to this party at this stage would result in considerable criticism". The Fiftieth Report of the PAC has observed in this connection that the then Secretary "could not restrain himself from commenting against an observation of the Chairman, HSL, who wanted to be straight forward and firm" and that "such an attitude of the then Secretary of the Ministry could not be free from public criticism". It is evident on a reading of the Chairman's (HSL) letter that he was commenting not from the point of view of the firm concerned but from certain commercial considerations, viz., that exports could be made on cash sale basis or that surplus ingot slabs could be rolled into untested plates and then exported. Thus the criticism apprehended by the Chairman, HSL, was not with specific reference to this particular party but related to aspects of the general scheme.

The then Secretary, Iron and Steel, was sent a copy of the Chairman's (HSL)

letter by the Iron and Steel Controller. He noted on it that it was the rejection of the proposal that would cause criticism. It seems clear that he meant that if HSL did not accept the proposal to make export material available to the party, the party in turn would not be able to fulfil its export commitment and would then be able to allege that such default was not due to any fault of its own but was due to failure of HSL to supply material. This in turn would have led to public criticism that imports had been allowed to the party but the party had not been put in a position to fulfil its export commitment. This comment of the then Secretary has been justified; the Fiftieth Report draws attention to the exports not having taken place in this case and to the consequent loss of foreign exchange.

The then Secretary's comment remained an observation on the file. What did further happen was that the Iron and Steel Controller himself replied to the Chairman, HSL, controverting the latter's assumptions; shortly after receipt of this further letter from the Iron and Steel Controller, the HSL apparently expressed willingness to make export material available to the company.

In these circumstances, Government are satisfied that action taken by the then Secretary, Iron and Steel, in respect of this matter was in public interest. The basic mistake in the Iron and Steel Controller's office was in issuing this import licence without due verification of a firm export contract with HSL or with any foreign buyer. The then Secretary, Iron and Steel, properly tried, even at a late stage after the mistake was discovered, to arrange that enough export material was made available by HSL to the firm to enable it to implement its export commitment. In the premises the then Secretary had no share of responsibility for any loss of exports or consequent loss of foreign exchange.

I may also inform the House that these conclusions of Government have also been transmitted to the PAC and to the C & AG in a Memorandum from the Ministry of Iron and Steel on the 19th July. The C & AG has given his views in the matter to the PAC. The PAC's reply has not yet been received.

SHRI CHANDRA SHEKHAR (Uttar Pradesh): Mr. Chairman, on a point of order. Because I did not want to create any commotion on this issue, I did not interrupt the hon. Finance Minister. I have just shown you in your Chamber certain documents and I should like to have your guidance on this point. The Finance Minister has adopted a most objectionable attitude in this House. There are two rulings of the Speakers of the House—one ruling in the Punjab Assembly and another ruling in the House of Commons—saying that no Minister is authorised to make any statement commenting upon the decisions and findings of the PAC. This is a specific directive and if I remember correctly, one Finance Minister was reprimanded by the Lok Sabha Speaker only a few years back. Specific instructions were given to all the Government Departments that if they were to question the findings of the PAC, it should go to the PAC only and if they made any representation to the PAC, unless and until their findings were received, no Minister was authorised to read out even a statement in this House. I have not got the document with me. I can give you the specific ruling of the Speaker and that ruling was communicated to all the Departments. I shall request Mr. Chagla to get the directive of the Speaker to see whether such an instruction was given or not. In the Punjab Assembly, a Minister made a statement about the Public Accounts Committee. He had to apologize and the Speaker said that nothing should be done. My only question is if the Finance Minister deliberately tries to misguide this House on certain points—he has adopted a certain course, he has given a totally wrong picture of the whole deed, and I have some additional papers—I want your ruling. If on a Calling Attention Motion a Minister prefers to make such truncated statements which simply mislead the House, which mislead the public, what option is there, what remedy is there for an ordinary Member under the rules? Mr. Chairman you will say that I may ask one supplementary. I should like your permission to give the picture which has been produced by the Public Accounts Committee which is the real fact, and not what the distinguished

Finance Minister has tried to put before the House. By that no purpose will be served. The Finance Minister has made a statement which does not give the correct picture at all. It is against the findings of the Public Accounts Committee. He has tried to justify the officer. Whether he is guilty of something or not, it is for you, Sir, to decide and for the House to decide. But I should like to have your guidance on this point.

SHRI BHUPESH GUPTA (West Bengal): Sir, on a point of order, on a serious point of order. I am very grateful to the hon. Member who has just spoken. I should like only to supplement it. It is an established practice, and even we in the Opposition are asked to respect it, that the findings of the Public Accounts Committee, are not to be challenged directly or indirectly, are not to be refuted or contradicted by the Ministers and the Government. This is never contemplated even let alone permitted in parliamentary practice. We have got the Public Accounts Committee. We have not got any other documents coming from the same source which contradict it. If it did, then we would have considered this in the light of the subsequent findings of the Public Accounts Committee. All that we have got before us is the report of the Public Accounts Committee which should be taken as final as far as the Government is concerned. Therefore, the Government called upon to answer on this matter only in the light of the report of the Public Accounts Committee and by accepting what they have said, not by trying to evade what they have said and much less reject what they have said. Therefore, Sir, the Minister, I submit, has exceeded his authority. He has put the Public Accounts Committee of Parliament, of the two Houses of Parliament, in disrepute. He has made the task of the Public Accounts Committee difficult in future and each Member of the Public Accounts Committee has been placed in difficulty in this matter. Then, Sir, here again he has done it with a view to justifying an executive decision which had been gone into by the Public Accounts Committee, considered, analysed, commented upon, finalised and adjudged, and a verdict has been given

in the findings at pages 104 and 105 and others. Sir, I would request you to ask the Finance Minister—and we have been told about the dignity of Parliament for the last two days—you kindly ask him to get up and apologize to this House and the other House and to the Public Accounts Committee for making the observations he had made allegedly in the form of a statement on the part of the Government. That is number one.

Secondly, this statement should be withdrawn if any sanctity is to be attached to the Public Accounts Committee and the Committee is not to be made into a non-entity. After that the Prime Minister should be called here now as head of the Government to tell us exactly what is the Government's decision in consonance with the Public Accounts Committee, not by drawing up an apologia and much less by rejecting what the Public Accounts Committee has said.

MR. CHAIRMAN: I thought you wanted to raise a point of order.

SHRI BHUPESH GUPTA: This is a point of order. He cannot proceed with that answer. This answer which is given is contrary to all principles of parliamentary functioning, is a contempt of Parliament and the Public Accounts Committee, is an apologia flung at the face of Parliament for justifying an executive decision on the part of the Government. Hence he should withdraw it and the Prime Minister should come out with the proper type of answer consistent with the dignity of Parliament and the rules and precedents of Parliamentary practice.

SHRI M. P. BHARGAVA: Sir, I have a submission to make also, and my submission is that the Finance Minister on the 19th May, 1966, had made a statement without verifying facts. The statement made by him was that during thirty years of his service there was no whisper against this officer.

SHRI P. N. SAPRU (Uttar Pradesh): Thirty years?

SHRI M. P. BHARGAVA: Yes, thirty years. I would respectfully ask the Finance Minister here whether he has tried to verify the facts and if he is in a position to deny that this officer in 1958 allowed the transfer of Magnesites Company from a British hand to Bird and Company for £100,000 against the unanimous decision of the Madras Cabinet. Then, is the Finance Minister also in a position to deny that the Special Police Establishment investigated allegations of leakage of Budget against this officer and that enquiry was stopped by the orders of which gentleman, I do not know? But if the Finance Minister wants, I can give him the name of the enquiring officer and the stage at which he had reached. Also if the Finance Minister in a position to deny that this officer has a reputation of changing his orders under the influence of liquor? Let him deny all the charges which are levelled against this officer.

SHRI D. P. KARMARKAR (Mysore): Sir, various important points have been raised and I should like respectfully to place one or two points before the House. The first thing we have to realise is that the Public Accounts Committee is exactly a miniature Parliament in which all parties are represented. Because we cannot do it, the Public Accounts Committee does it. Unless this House sets it aside, unless this House disagrees with what they have said, it is as if we have said it in the eye of the Constitution and the law. That is number one.

Secondly, with very great respect I entirely agree with my colleague when he said that when the Public Accounts Committee makes a remark or observation, whatever we may call it, so far as I humbly know during my official and non-official life, courtesy and rules require that not the Minister but the Government as such makes its observations back to the Public Accounts Committee, and until then courtesy to Parliament itself would require that we are not placed in a position to discuss that matter. Certainly with very great respect to this House, I think we should be wrong in discussing a matter unless our own body our own prototype, the Public Accounts Committee discusses that matter and

[Shri D. P. Karmarkar.]

makes its observations. After it has made its observations, the position is quite clear. Government can still differ as it can differ from Parliament. If the matter is serious enough, well, the Government goes out. If the matter is not serious enough, the Government stays and we forget the matter. This aspect of the matter should not be forgotten. This is number one.

MR. CHAIRMAN: Item number two.

SHRI D. P. KARMARKAR: One more point. I should not like to be unfair to myself or to the Finance Minister. But I would say that with the best possible care I listened to his statement. And with regard to one observation, I would like to put in a caveat and a question mark. Now, they concede that it is a very serious mistake of the Iron and Steel Controller in not applying his mind in the way in which he was bound to apply. Whether it was done deliberately or indeliberately, we are not in a position to say. But even the commission of such a serious crime is there and the Secretary of the Ministry was in such a position as to take action and I fail to understand, or much less appreciate, as to why the Secretary did not straightway take action against the Iron and Steel Controller in a matter which did require serious attention. And if the Finance Minister tries just to gloss over the matter, certainly it is not going to satisfy us. He has also to take into consideration: Government, not he—it is irrelevant to refer to a Minister—may have to take into consideration this fact also before proceeding with the appointment with which they want to proceed that 104 Members have signed this motion in the Rajya Sabha. And most of the other Members would have signed it, were they not people like me who thought that it was discreet not to sign it in the sense that they belonged to the Government. I did not sign it but Members like me entirely agree with this motion. Let me say it—almost 99 per cent. of the Members entirely agree over this point that it is a serious matter. And I would appeal to the Finance Minister at least to tell us that till the Public Accounts Committee considers this matter, they are not going to proceed

with his appointment. Then only will it be a graceful act and it will enhance their prestige.

SHRI CHANDRA SHEKHAR: I want only one minute. This is not a simple matter, I think. I shall request you and the hon. House that we should not misdirect our discussion on any other point. I today rise with all humility and say that the Finance Minister has committed a breach of privilege.

SEVERAL HON. MEMBERS: Yes.

SHRI CHANDRA SHEKHAR: He has done a thing which he should not have done. I say this because on the last occasion, the distinguished Minister, when I raised this question, by all implications, said that I was an irresponsible man. Why—he gave a certificate of extreme honesty and integrity to that hon. gentleman who is under question today. Mr. Chairman, I shall resrequest you. You are the custodian and guardian of the dignity and respect of every individual Member of this House. It becomes very difficult for a man like me to serve as a Member of Parliament if Ministers behave in this fashion, if they try to resort to character assassination, if they want to create an image in the public mind that those who are against corruption, that those who are against the high-handedness of bureaucracy, are nothing but irresponsible people who cannot be trusted for any work. I want your guidance and ruling on this point that the Finance Minister has committed a breach of privilege not only in this matter but in other matters also. If you want, I can dilate upon this. Not only that. I have got documentary proof and I have got facts to show that the Public Accounts Committee was not given all the information. The information was shielded from the Public Accounts Committee.

Mr. Chairman, one point. The hon. Finance Minister has just read out a portion and said that the action of the then Secretary, Iron and Steel, was justified. This Shri Bhoothalingam was appointed Secretary, Iron and Steel, on the 10th June, 1955, and he left that office on the 12th July, 1961. During these six years—if you see the Report—

it has come to the knowledge of the Public Accounts Committee that more than Rs. 5 crore worth of irregularities were committed. All along, this officer was in charge as Secretary. The Public Accounts Committee and the Audit have objected to all these proceedings. And, Mr. Chairman, this Finance Minister has the audacity to come before the House and explain away as if it is such a simple matter, as if nothing has happened. I request you very humbly, with all respect to you, that you must put a stop to this procedure, this behaviour of the Minister. I belong to the Congress Party. But for me, the prestige of the House is much more important than the prestige of any Minister whosoever he may be.

Mr. Chairman, I say—I gave an opportunity to the Finance Minister. I wrote a letter to him that he had made a wrong statement in the House that there was not a whisper against this officer. This Finance Minister did not care even to send an acknowledgment to my letter. But this Finance Minister should be taught that in a parliamentary institution they cannot arrogate to themselves the prestige of an individual Member howsoever small and humble like me he may be.

Mr. Chairman, I can go to no other quarter but you and this House for the protection of my prestige and dignity and for free functioning as a Member of Parliament. I want your ruling on this point. Then only can we proceed with the discussion of this matter.

MR. CHAIRMAN: Your integrity and your honourable motives in this matter are absolutely not in question, they have not been questioned by anybody. You have raised a very important matter . . .

SHRI BHUPESH GUPTA: There are other issues which should be taken up.

MR. CHAIRMAN: . . . and that question is being discussed. But the Finance Minister has made a statement—a Calling Attention Notice was given—and I think there should be no objection to it. He has sent the conclusions.

SHRI CHANDRA SHEKHAR: He has challenged the proceedings of the Public Accounts Committee.

MR. CHAIRMAN: No, no.

SHRI CHANDRA SHEKHAR: Yes, he has.

MR. CHAIRMAN: The last paragraph of the statement says :

"I may also inform the House that these conclusions of Government have also been transmitted to the PAC and to the C&AG in a Memorandum from the Ministry of Iron and Steel on the 19th July. The C&AG has given his views in the matter to the PAC. The PAC's reply has not yet been received."

SHRI CHANDRA SHEKHAR: Mr. Chairman, I again rise on a point of order. It is a wrong statement because I have here the document, my correspondence with the Chairman of the Public Accounts Committee. I asked that day pointedly whether this particular paragraph about the behaviour of this Secretary had been referred to the Public Accounts Committee. That can be referred to only through the Houses of Parliament, not by the Minister. This is the clear procedure. What the Minister has done is that he has commented upon the recommendations of the Public Accounts Committee. To comment upon the recommendations of the Public Accounts Committee and to make a representation to the Public Accounts Committee are altogether different. In the other House, one hon. Member thought it fit to express that the statement made about him was not correct. He made a statement in that House and the Speaker was pleased enough to refer the matter to the Public Accounts Committee for its report. Nothing has been referred back to the Public Accounts Committee about Shri Bhoothalingam. Mr. Chairman, I showed the letter to you in the Chamber. I am not as free as the hon. Finance Minister is, to read out this privileged document and communication between the Public Accounts Committee and myself. But I put it before you : should the Minister be allowed to say anything about what he dreams while sleeping in his chamber? It is a question of facts.

MR. CHAIRMAN: Mr. Chandra Shekhar, may I know whether you have any information that nothing has been

[Mr. Chairman.]

sent to the Public Accounts Committee after the 19th as this statement says? After the 19th. Is that your information?

SHRI CHANDRA SHEKHAR: Nineteenth May.

MR. CHAIRMAN: The letter of the Chairman of the Public Accounts Committee is 25th July.

SHRI CHANDRA SHEKHAR : So, it is not a fact that they made any representation.

SHRI M. N. KAUL (Nominated): Mr. Chairman, a great deal of heat has been generated over this matter. So far as I am concerned, I have not studied the facts and I pronounce no opinion on the fact of this case. I am solely addressing the House on the question of procedure that has been raised.

I have been concerned with the evolution of this procedure since 1950 when the Public Accounts Committee was brought under the control of the Speaker of Lok Sabha. I also had occasion to study the procedure on this matter in the House of Commons. I will very briefly state the position.

There is no question of privilege involved in this case. The question is one of convention and propriety. And as it happens in any democracy, the relations between the Executive and Parliament are evolved from time to time and conventions are established. In what I am going to say, I will state the evolution of conventions that have been established in the Indian Parliament, more particularly in the Lok Sabha. When this matter first arose in the time of Speaker Mavlankar, there were consultations with the then Prime Minister, Pandit Jawaharlal Nehru, and it was agreed that the procedure, that should be followed, should be on the following lines. It was recognised both by the Government and undoubtedly by the Speaker that the Public Accounts Committee is sovereign, in the sense that the executive has no control over it. The Public Accounts Committee functions under the authority of the Speaker and it is entitled to make such recommendations as it likes. It is

not controlled or governed by any outside authority.

Sir, it must be equally remembered that the Government of the day is responsible to Parliament, and the Public Accounts Committee, although it is sovereign in the sense in which I have described, is part of the House. Ultimately it is the House which is sovereign, and whatever sovereignty the Public Accounts Committee derives is the sovereignty of the House itself. That was the principle that was agreed to.

The second principle that was agreed to was that any recommendation of the Public Accounts Committee should not be lightly treated by the Government. And I must say that ever since this Committee has been established, on the whole the Government have treated the recommendations of the Public Accounts Committee with the utmost respect. The procedure evolved was that while a matter is under discussion between the Public Accounts Committee and the Government, no publicity should be given to the matter. That is to say, the comments of the Public Accounts Committee are first reported to the Government so that they make available to the Public Accounts Committee their observations. The substance of the matter is that the Government of the day have a right, not only a right but a responsibility to make their submissions because they are in the executive charge of the matter.

Now, the Public Accounts Committee has got a right to disagree with the submissions made by the Government. In my experience, in a very large number of cases the matter is resolved. There are very few cases where there remains unresolved difference of opinion between the Public Accounts Committee and the Government. Speaking from recollection, one case was the well-known "Jeep case", where ultimately there was an unresolved difference of opinion between the Public Accounts Committee and the Government. When that situation comes into existence, the matter is placed before the House. The House has both sides of the picture and it is open to the hon. Members at that stage to raise a discussion in the House and give their opinion. It is open to Members to table a motion disapproving of the action of the Gov

ernment. The matter ultimately rests with the House.

Now, so far as this particular case is concerned, what I feel is and what Speaker Mavalankar insisted on was that there should be no interim statements made by the Government to the House. In this case, the last paragraph of the hon. Finance Minister's statement reads :

"I may also inform the House that these conclusions of Government have also been transmitted to the PAC and to the C & AG in a Memorandum from the Ministry of Iron and Steel on the 19th July. The C & AG has given his views in the matter to the PAC. The PAC's reply has not yet been received."

Now, in a case like this the proper course for the Government would have been not to have made a statement in the House today but to have waited for the final opinion of the Public Accounts Committee so that what Speaker Mavalankar insisted on, namely, the final, unresolved difference of opinion between the Government and the Public Accounts Committee should be placed before the House, the House has both sides of the picture. At the present moment the House has only one side of the picture and that one side gets publicity before the Public Accounts Committee has come to its final conclusions. Both the Public Accounts Committee and the Government have got a right to come to their final conclusions and they can, in a very few cases, differ in their conclusions. Ultimately, when the matter is placed before the House, it should be in the form of an unresolved difference of opinion.

Sir, I must, in all fairness to the Finance Minister, say that he has not, of his own accord, made the statement in the House. This distinction must be drawn. He has made this statement in response to a Calling Attention Notice. So there is this distinction which has to be borne in mind. Still I do feel that it was open to the Finance Minister to represent to the Chairman that it would perhaps be better if he was allowed to make the statement at a later date when both sides of the picture, would be

before the House. Now even though there may be a slight departure from what I call the established practice, I do feel the matter is not so grave or of such a high consequence that the House should consider it a breach of privilege. I think we are evolving the procedure in this matter, and I suggest that the best procedure which has been established and on which Mr. Mavalankar always insisted was that the final, unresolved picture should be before the House. I would suggest for your consideration, Sir, and for the consideration of the Government that apart from this case it should be a firmly established position that when the matter finally comes before the House, the final opinion of both the Government and the Public Accounts Committee should be before the House to consider.

SHRI BHUPESH GUPTA: Sir, . . .

MR. CHAIRMAN: You have already spoken at some length.

SHRI BHUPESH GUPTA: I should like to make a submission. We have heard the observation of the hon. Member who has got considerable experience on this matter. Now, you know what has happened. Normally the Finance Minister should resign. But I am not going into it.

MR. CHAIRMAN: You have already made so many suggestions.

SHRI BHUPESH GUPTA: Let the discussion be held over. You take us to your Chamber because, I hope, Sir, then you will not accuse us of any dignity being violated. You take us to your Chamber and consult us.

SHRI B. K. P. SINHA (Bihar): I would like to bring another aspect of the matter before you, Sir. It is my information that the Fiftieth Report of the Public Accounts Committee was of the view that in certain transactions out of which this Calling Attention arises, a high level commission should be appointed to go into the who matter and fix the responsibility. I do not know if the Government have come to any decision about that recommendation of the Public Accounts Committee. I assume, and as Mr. Kaul says, the re-

[Shri B. K. P. Sinha.]

commendations of the Public Accounts Committee, unless upset by the House, are to be considered with great respect. Therefore, so long as the House does not upset the recommendation of the Public Accounts Committee, there is a possibility, rather a certainty, that the Government would appoint a high-level Commission of Enquiry as recommended by the Public Accounts Committee. Now, before a decision is taken, by a long statement the Government comes to a firm conclusion that there is nothing wrong in a series of transactions which have led to the particular recommendations of the Public Accounts Committee. Is it fair on the part of the Government, is it proper on the part of the Government to comment adversely on the findings of the Public Accounts Committee when the recommendation is here to appoint a high-level Commission? And what value would be attached to that high-level Commission appointed by the Government when the Government have already indicated by a long statement their mind in this House? Would it not prejudice the work of the Commission? Therefore, I request you, Sir, to look at this whole transaction from this angle also.

SHRI M. M. DHARIA (Maharashtra): Sir, I would . . .

MR. CHAIRMAN: Have you something very important to say? The points have already been expressed.

SHRI M. M. DHARIA: I would like to draw your attention to the Calling Attention motion itself which says :

“to call the attention of the Minister of Finance to the assurance given by the Leader of the House in the Rajya Sabha on May 19, 1966, in the matter of certain observations.”

On that day the assurance was given in regard to the demands of various Members. The demands were two. First was the investigation of the officer concerned. The second was that this officer should not be promoted, as the news has appeared that he is likely to be the Ambassador of India in Brussels. So that

was the demand, and that was the assurance given. Unfortunately, there is no mention whatsoever of the assurance that was given by the Leader of the House in the statement made by the hon. Finance Minister. On the contrary, he has gone to the length of justifying the case of the person concerned which is against the procedure, as we believe. Even according to Mr. Kaul it is at least not a good convention or is not befitting the proprieties of the House. My point is that to-day the whole House or most of the Members of the House, are of the opinion that when serious allegations have been made against a particular Government official of a very high rank, an investigation, as has been suggested by the PAC, should be held by the Government. The Government should announce here: ‘Well, we shall investigate into the matter whosoever that person may be—he may be the Finance Secretary, he may be anybody’. When the PAC has suggested that this matter should be investigated into by a Judicial Commission, why is it not being done by the Government and why no assurance is coming before the House from the Government? That is one point which has been bypassed by the Finance Minister in spite of this Calling Attention Notice. The second point is regarding the promotion of this officer. Now the answer would be: ‘Well, according to the procedure of the PAC the Government shall send or the person shall send a reply to the PAC and again the PAC shall sit, etc.’ To that my reply is or my plea is why should not the Government hold a departmental enquiry against this officer? Even though the matter is before the PAC, the Government is not debarred at all from having a departmental enquiry. There is not only one allegation. My friend, Mr. Chandra Shekhar, has seen you in the Chamber. I am not here to expose any confidential document but I feel that when there are such serious allegations against this officer, the time has come in the history of this country when these officers must face a public trial, must go before Judicial Commissions or such Commissions that must be appointed by the Government. We, 107 Members, have signed this Calling Attention Notice for this reason. An assurance was given by the Leader of the House that he would con-

vey the aggrieved feelings of this House to the hon. Prime Minister and he had further said, which is not again referred to by the hon. Finance Minister in his statement, that the Prime Minister would definitely satisfy the desire of the Members. Fortunately our beloved Prime Minister is present here to-day. I would like to request her that this is the desire of this House. We want an investigation and till that investigation is over, the Prime Minister should see that this officer is not given any promotion or is not sent to Brussels as our Ambassador. It will be a shame on the part of this country if we send him to Germany as our Ambassador. That was the request made on that day. That was the desire expressed by the Members on that day. Both these requests of ours in regard to which a firm assurance by the Leader was given, both these have been bypassed and a statement, which is again causing a heavy breach of privilege and procedure, is made by the Finance Minister. Therefore my earnest appeal to you would be that you should request the Prime Minister to take up this matter in her own hands and she should render justice as per the desire of the House.

SHRI A. P. CHATTERJEE (West Bengal): I agree, of course with respect, to the excellent statement made by Mr. Kaul on the floor of this House except in two points. Mr. Kaul has said that the procedure is still evolving as far as this matter is concerned, as far as this House is concerned. I respectfully disagree from him as far as this point is concerned and I submit before the House that the procedure is very well settled and had been settled as soon as there was a ruling given by Mr. Mavlankar, the Speaker of the Lok Sabha, on a similar case. I submit that in questions of procedure in Parliament, as in questions of adjudication by the courts of law, the same principle of *stare decisis* applies. I submit that when there had been a ruling on this point and the ruling was given by no less a person than the Speaker of the Lok Sabha, Mr. Mavlankar, that settles the question and the procedure is settled that a Minister should not make any comment upon the findings of the PAC and if that is so, then it cannot be said that the procedure is evolving and therefore the Fin-

ance Minister is not guilty of a breach of privilege of this House. If he is guilty of a breach of procedure, then the next question arises whether there is a breach of privilege. I also disagree with Mr. Kaul on this that there is no question of privilege. I submit personally that there has been a question of privilege as far as this question is concerned and you will take the necessary steps to uphold the dignity of this House.

SHRI A. D. MANI (Madhya Pradesh): I do not want to go into the legal question of whether the Finance Minister has been guilty of a breach of privilege by making the statement but everybody is agreed that the statement he has made is a breach of a well-understood parliamentary convention that the proceedings of the PAC are not commented upon in an adverse manner before the PAC has had an opportunity of knowing the Government's point of view. I would like to ask a question. Over hundred Members of Parliament, the majority of this House, have signed the Calling Attention Notice. This officer is going to occupy a very important position in Brussels. Would it help the Government to send the officer to Brussels, particularly when his credentials have been doubted by important Members of Parliament and by the PAC? It is a well-understood principle that when the Government comes to a different conclusion from the conclusion of the PAC, they allow a third party to decide the matter. I would suggest that before the Government takes the serious decision of sending this officer to Brussels, he should be asked to clear himself before an impartial Commission of Enquiry, whether it is a departmental enquiry or one-man enquiry, so that the PAC is satisfied that justice has been done and that all the facts have been sifted. I feel that the Government must pay heed to the overwhelming opinion expressed in this House on this issue and not take a decision which would be regarded as flouting the decisions of the PAC.

THE PRIME MINISTER (SHRI-MATI INDIRA GANDHI): May I say one word, Mr. Chairman? The decision to post this officer to Brussels was taken quite some time ago before this contro-

[Shrimati Indira Gandhi.]

very arose and, of course, I have not been here in the course of this discussion. So I do not know what has been said but I believe the Finance Minister was going to mention this to the House that although this decision was taken, we agreed to it and so on, but if the Government are satisfied that his conduct has been such that he should not be posted there, this decision can naturally be revised.

SHRI DAHYABHAI V. PATEL (Gujarat): I have heard the statement of the Prime Minister with attention. I wrote to the Prime Minister, pointing this out and she said that the matter was being investigated and before that nothing else could be done. Has she changed that stand since she wrote to me? Is anyone enquiring into this matter? Is the PAC going to enquire into this or is a separate Enquiry Commission or something being appointed to look into this? Will the Prime Minister enlighten us properly in this matter?

SHRI CHANDRA SHEKHAR: Mr. Chairman, I have to make one request to the hon. Prime Minister. She says that if the behaviour of this particular officer is found objectionable, he will not be posted. Where is the question of 'if'? Already the S.P.E. has investigated against the conduct of this officer. Certain people who were then responsible—I do not know who they were—dropped that enquiry and as Mr. Bhargava has told you, it was a question of leaking the Budget secretly and purchasing of shares and selling the shares. If it is established that regarding Magnesite Syndicate Limited this officer wrote a directive to the Madras Government, which has been debated in the Lok Sabha, which has been debated in the Madras Assembly, and I have got the English translation of the Madras Assembly reports . . .

MR. CHAIRMAN: This is additional to the PAC report?

SHRI CHANDRA SHEKHAR: Yes, Mr. Chairman. My point is that the Home Minister is aware of the investigation. The Finance Minister is aware of the Magnesite Syndicate Limited affair and also I do not want

to say of other unfounded things for which I have no documentary proof. This I say because for this I have got documentary proof. There are other allegations. I would like to request you to let the Home Minister say that he does not know of the charges. I request the hon. Member, Shri S. M. Ghosh, who is the Deputy Leader of the Congress Party, to say what he knows about this officer and I request the other Members, the senior Members of this House, to say whether they do not know of these allegations. This is a public scandal, this is an open secret and I am sorry that the advisers of the Prime Minister have not given all the information to her and if they have not given, they are guilty not only of betraying this House but of not being faithful to the Prime Minister, who is responsible to appoint them. This is a serious thing. I understand, Mr. Chairman, that under these circumstances the hon. Prime Minister would investigate into the behaviour of all those Cabinet colleagues who gave any kind of wrong information to her, which has made her make this statement that if this officer's behaviour is not to the standard, he will not be posted to Brussels. If the hon. Prime Minister is not able to give us a fuller statement today, she should consult the Home Minister, she should consult the files and tomorrow she should come here and make a categorical statement that this officer is not being appointed to Brussels.

SHRI BHUPESH GUPTA: Will the Prime Minister kindly listen to us? Now she said—from a very brief written statement, it seemed—that if he is found guilty, or something like that, the decision to post that officer to Brussels would be revised. Now, Sir, we have before us the Public Accounts Committee's finding. No other things are before us and her. Now this is a finding by a delegated authority of Parliament and so it is a finding of Parliament itself, of both Houses. Therefore the finding stands and the Prime Minister should only tell us, in all fairness to Parliament and to everybody, that in the light of this finding there shall not be any appointment, all the more so when a majority of the Members of this House have signed this Calling-Attention Notice, and I should like to know which Member in this

House supports Mr. Bhoothalingam's appointment. Will he kindly get up? Nobody will get up. Therefore, it is quite clear that this House . . .

MR. CHAIRMAN: Mr. Gupta, already you have made enough points.

SHRI BHUPESH GUPTA: The Prime Minister should not go by any other consideration. Here again the Prime Minister has been wrongly advised. What to do with her? Even at this stage, for goodness's sake, ask for the Public Accounts Committee Report, read it yourself, know the sanctity of it and tell us that unless authorised by Parliament there shall not be any appointment of this officer to Brussels or any other place. And the rest of the matter will follow in due course of time,

SHRI LOKANATH MISRA (Orissa): Sir, I have yet to persuade myself to believe in the assurance. That is why I want an explanation on it. The Prime Minister gave a conditional assurance to this House. After all this discussion for about an hour, the Prime Minister was good enough only to give a conditional assurance that the Government must be satisfied before sending Mr. Bhoothalingam to Brussels. The point I would like to know is whether the Prime Minister would depend upon the Finance Minister, who read the explanation letter of Mr. Bhoothalingam as his statement in this House, for her opinion, or would she depend upon the Commission that has been suggested by the Public Accounts Committee to go into this particular matter and give a judgment on it, or would she depend upon the comments of the Public Accounts Committee to free this gentleman from all the cloud that is over him. That assurance we must have. A conditional assurance, an ambiguous assurance does not mean anything.

SHRI P. N. SAPRU: I greatly regret the statement made by my esteemed friend, Mr. Sachindra Chaudhuri. It was contrary to the spirit in which the Calling Attention Notice relating to matters arising out of comments by the Public Accounts Committee was given. He almost justified the conduct of the officer concerned. Now, I am not concerned with

decrying the officer concerned. I have had the pleasure of knowing him. He may be all right; he may not be all right, but that is not the line that Mr. Sachindra Chaudhuri should have taken. Mr. Kaul very rightly pointed out that certain conventions had been evolved during the time of Mr. Mavalankar and they should be followed in letter and in spirit. It is quite obvious that this gentleman cannot at this stage be even remotely thought of as a possible representative of India to the European Economic Community. I think the matter is certainly one which should either be dealt with as a matter of privilege of the House, or dealt with by a high-powered commission, a high-powered commission of three eminent men drawn from judicial life. I do not believe in Single-Judge Tribunals. I think we should have a high-powered tribunal to go into all those questions, and if they find that Mr. Sachindra Chaudhuri's observations were of a character which he should not have made, it is a matter for Mr. Sachindra Chaudhuri whether he should remain a Member of this Government.

MR. CHAIRMAN: I am sure you have very important things to say.

SARDAR RAGHBIR SINGH PANJHAZARI (Punjab): Yes, sir. मैं तो आप से यह रिक्वेस्ट करना चाहता हूँ कि पिछली रफा फाइनैस मिनिस्टर साहब ने स्टेटमेंट दिया था और आज भी दिया है और अभी प्राइम मिनिस्टर साहिबा ने भी इसके बारे में कहा। पब्लिक एकाउन्ट्स कमेटी का मेम्बर होने के नाते मुझे भी कुछ मालूम है। फाइनैस मिनिस्टर साहब को इस बारे में फुल इन्फार्मेशन नहीं है और प्राइम मिनिस्टर साहिबा को भी शायद इस मामले में अभी तक अच्छी तरह से इन्फार्मेशन नहीं पहुँची है। मैं तो आप से रिक्वेस्ट करूँगा कि फाइनैस मिनिस्टर साहब होम मिनिस्टर साहब से इस बारे में कंसल्ट करेंगे और आज इस चीज को पोस्टपोन कर दिया जाए और कल टेकअप कर लिया जाए।

SHRI BHUPESH GUPTA: No, we want a categorical assurance from her.

SHRIMATI INDIRA GANDHI: Sir, I never wanted to be ambiguous or equivocal in what I said. I think the Members have read a wrong meaning out of it. I did not mean at any time that he would be sent before he was cleared, but perhaps the Finance Minister has said that the Steel Ministry have made certain remarks to the PAC. And now we would presumably get a reply from it, and immediately action will be taken on that. That is all that I meant in my statement. Till then there is no question of the officer being posted to Brussels or elsewhere.

MR. CHAIRMAN: I want to wind up this discussion which has grown into a debate. There is no point of privilege involved. That is number one.

Number two. I appreciate the fact, as was pointed out rightly by Mr. Kaul, that the statement has been made in response to a Call Attention Notice, and therefore we cannot take the view that the Finance Minister has gone out of his way to oppose the Public Accounts Committee.

Number three. The convention referred to again by Mr. Kaul as established during Mr. Mavalankar's time should be continued. The reaction of the Government to the observations of the Public Accounts Committee should be sent to the Public Accounts Committee, as the statement says, but their reply should be awaited and the matter decided between the Public Accounts Committee and the Government. Then a statement can be made here. To-day we will not discuss the statement made by the Finance Minister. We will take it as if it has not been placed. In the meantime, till the officer is cleared, as the Prime Minister has rightly said, the feeling of this House, I think the unanimous feeling of this House, is that no question of appointing that officer to some other post should arise.

SARDAR RAGHBIR SINGH PANJHAZARI: What about the Commission? There was a proposal from the House that a Commission should be appointed.

MR. CHAIRMAN: That is between the Government and the Public Accounts Committee, and if the Public Accounts

Committee wants a Commission, they will, I guess, have it.

(Interruptions)

Please, order, order.

SHRI BHUPESH GUPTA: The other aspects of the matter should not be disposed of. I need not go into them now. But one thing is clear. Parliament's decision is as contained in the Public Accounts Committee Report, and nothing short of a reversal by Parliament or the authority of the Public Accounts Committee can empower Government to change that decision.

MR. CHAIRMAN: I have said what I think about it.

The House stands adjourned till 2.30 in the afternoon.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch at half-past two of the clock, THE DEPUTY CHAIRMAN in the Chair.

PAPERS LAID ON THE TABLE

SHRI BHUPESH GUPTA (West Bengal): Madam Deputy Chairman, . . .

THE DEPUTY CHAIRMAN: Papers were not laid earlier. So papers may now be laid on the Table.

THE MINISTER OF STATE IN THE MINISTRY OF LAW (SHRI C. R. PATTABHI RAMAN): On behalf of Shri B. R. Bhagat . . .

SHRI BHUPESH GUPTA: Mr. Bhagat is already there in the House.

SHRI C. R. PATTABHI RAMAN: I am sorry, I got intimation he may not be here . . .

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI B. R. BHAGAT): I am very grateful to my colleague.

SHRI LOKANATH MISRA (Orissa): On one point I agree with Mr. Bhupesh Gupta, that you are in utter confusion.