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**REPLY ON MOTION OF THANKS ON  
THE PRESIDENT'S ADDRESS**

**28 December 1989**

Mr. Speaker, Sir, I thank the Leader of the Opposition for his constructive support, but I have found that perhaps he will take a longer time to assimilate constructive support than critical support and issue based support. The Leader of the Opposition said that there is no mention of the word 'secular' in the Presidential Address. Para 9 says:

"A secular India is the very basis of our emotional unity and national integrity."

He said, there is no mention of Assam and the North-East.

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Then he said, there is no mention on Non-Alignment. Para 30 says: "My Government's foreign policy is deeply rooted in the ideals and principles which inspired the freedom struggle. This is reflected in its firm adherence to non-alignment and our struggle against imperialism, colonialism, neo-colonialism...". Then he said, there is no mention of democracy. Para 10 says: "A healthy and vibrant democracy hinges crucially on the sanctity and strength of democratic Institutions. The Government is fully committed to the restoration of the dignity and vitality of institutions which have been weakened in recent years". I could understand the need of jugglery when he is sitting here. I cannot understand the need of jugglery when he is sitting there. These are things which are on record, which are in the Presidential Address. The Leader of the Opposition is as responsible as the Leader of the House. And if he stands in this House and tells to the people, which is documented here, that it does not exist, what credibility will it have?

Much was told about the guts of this Government well, we have heard a lot of mouthing of terrorism on a daily basis, of the iron hand, and all the synonyms thereof. But it was this Government which had the guts to go to Amritsar and meet the people there. So, do not talk of guts. We will go again. Not once, we will go several times to Punjab, we will go the people of Punjab, and if they share any risk, we will share it as much. Sir, I am not yielding. For three and a half hours, we have had enough. I will yield, but you have at least one-third of the dose you have given. I will yield after one hour.

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I am observing an alternative style of functioning as people shift on that side. And I saw it in hon. Chidambaramji and also in him—an alternative style, more of speech making. If they go on putting questions, yes, we have inherited many things; as Mr. Narasimharao ji said that this Government is not accepting that inheritances of the previous Government, we have inherited the Punjab question, we have inherited the Jammu and Kashmir question, we have inherited Bodo question, we have inherited the Ramjanambhoomi-Babri Masjid question, we have inherited the B.O.P. question, we have also inherited Sri Lanka question, we have inherited the Nepal question. There are great inheritances we have! But I appreciate the style. And they stand up and say 'We have created these problems. What is your solution?' They suffer from a psychology, and I have been a student of Psychology and Philosophy, and the psychology is, 'As I have created the problem, who on earth can give a solution?' and therefore, this challenge and the attitude that we have seen of constructive support. Wait for three hours, till Eleven o'clock.

Narasimharaoji accused this Government of lack of thinking. I cannot accuse Narasimharaoji of lack of thinking, it will be very improper on my part, but I think we do feel that there is lack of doing what he thinks. And if he really did what he thinks, the Congress will change and the politics will change.

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He also said, admonished us, 'Please don't paint the Congress black.' Sir, if the Congress is not lily white, it is at least lotus white, if not, at least tulip white. You choose your colour we have no paint to make. And the speeches that we have heard are an enumeration of what all the previous Government has done and the strain has been consistent and asking every time, 'Immediately you tell whether you follow it or not, tell me just now'. When we were on the other side for days and days, in fact we had to resign our seats to get some information. But after all, we should not grudge. When a person passes away, we only praise him. A Government has passed away and we should not be uncharitable to criticise it.

It is an elegy on the previous Government. I will not say much. But even if I do not say, the facts will speak for themselves which cannot hidden from the country. As far all these arguments they were the same which were mouthed for five years and told to the people and they were not even half-convinced about it; and the results of those arguments are there to see. We do not have to say anything.

About the manifesto, agenda of work, it has been said that it is bland, it does not have content, it is not specific. Sir, at least, we have spelt out a goal. As a first thing, it is necessary to spell out the goal, not the steps. Unless you know your goal, you cannot take proper steps; you cannot know in which direction to go. This is our goal and we will be judge by it. We were not the one who, in the past elections, filed the nominations without a manifesto. We have witnessed the Prime Minister of our country, now the leader of the largest party in the Opposition...

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A global Party like Congress, its leader and its Prime Minister files his nominations in Amethi without the manifesto, without any specifics. Not only he files the nominations, but he goes on campaigning also without the manifesto. Now he is asking our specifics. Yes, we will give specifics. Not even before the debate is finished on this document, we have taken action on Lok Pal Bill. That is the action. We have brought it. The Bill which was conceived by you for 3 years you could not deliver and finally, it was aborted, we have brought it even before the President's Address debate is finished, and we are going to pass it. On television and radio....

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That is why, we will be alert and will stick to our commitment. First I am giving freedom and autonomy to a powerful media like electronic media, TV and radio. We will do it. We may get the first taste of it. We are ready to commit the Government to establish one democratic precedent and norms rather than flout and destroy all democratic norms to sustain and protect one Government. That is the difference and that is the alternative style of politics and alternative functioning and model of politics.

He talked of the 59th Amendment. The great Leader of the Opposition picked on it, and said "You are introducing it now and it is going to expire by next session; what is the big thing about it?". The point is, the very thought that right to life can be suspended is a thought which should be killed at the first occasion. Will you commit that if we introduce the Bill tomorrow for the withdrawal of 59th Amendment, you will sit till the night and enable us to pass it tomorrow?

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Because as citizens, we felt a sense of guilt, that we have a statute passed by this House, the highest legislatives body of the country which has taken

away the fundamental right of life and one minute of its existence was a national shame to us. I am happy the Leader of the Opposition has recognised it and willing to withdraw it even before it expires.

Regarding the Postal Bill also, soon we are moving the President for its withdrawal. Not only this. It is not a bland agenda. These are some points of action, we do not have grandiose ideas about ourselves. We come in humility. We never say that what we have done has never been done. The Leader of the Opposition says that the dignity of the country was so high, that it never was so high neither in the time of Jawaharlal Nehru or Indira Gandhi. We do not have such grandiose ideas about ourselves.

On the first of January, this Government, each Department, will spell out the real content and give a time-bound programme for the fulfilment of the items in this. We will not wait for the Budget session. People cannot wait the long. We know it because we are in touch with the people and we are ready to be adjudged by what we say and what action we take.

Regarding labour participation in management, we are calling all the unions and also the parties on 8th January itself for interaction and labour participation in management with secret ballot-will be a reality within this year. We will pass the Bill in the Budget Session. I commit myself that it is the content of our action and not plain words.

On the industrial Bill also, we will have interaction with the labour unions and the opposition parties, and we will correct the anti-labour laws that have been passed and it is a time-bound thing. Regarding electoral reforms, we have gone into action. We propose on the 9th January itself to have an All-Party interaction on the electoral reforms and by the next Budget Session we will bring a proposal on the electoral reforms. That is a time-bound action programme.

On debt relief, the schemes are under process in the Finance Ministry and they will surely be reflected in the Budget.

On land reforms concept, they ask: "Why are you saying you will bring land reforms legislation in the Ninth Schedule?..." They ask me: "As Chief Minister of Uttar Pradesh what experience did you have?..." I did have experience. That is why I put it here. We were having a drive for distribution of surplus lands. There were a lot of litigations. As Chief Minister, I wanted to legislate in the State. But after this normal litigation process, poor people cannot afford that process of law and I was told: "You cannot bring a law unless it is there in the Ninth Schedule". Therefore, the necessity of a commitment.

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I also commit myself to the content and specifics. These are specifics which I am committing on the Floor of the House. The National Integration Council, we will form within the month of January and we will be calling it at the earliest—may be by the end of January or by the first week of February before the Budget Session.

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I am now not giving a bland agenda I am committing myself on the Floor of the House a time bound action programme. Before the Budget Session, we will constitute the Inter-State Council and we will have interaction with the Chief Minister.

Regarding Judicial reforms and Panchayati Raj, we will bring in the next Budget Session legislation giving power to the people. Also Official Secrets Act and right to know—these are the fundamental things on our agenda. Our Planning Committee will have much more power than it has today. This is an agenda, a time-bound agenda and by the end of the Budget Session it will be here as a reality in the country.

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The Leader of the Opposition and his colleagues are saying: "We are handing over a magnificent economy to you, with a very high growth rate". I am quoting from this document *i.e.* the Economic Advisory Council document. The Members of this Council were not nominated by us. They were nominated most probably, with the consent of the Leader of the Opposition. We have not change that Council. This is what it has to say "Industrial production for April-August 1989.." This is what we are getting."... indicates growth of only 3.8%". It is not even touching 4%. Where are the growth rates?

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Hon. Members, now you can understand my difficulty as Finance Minister when I had to work with him.

About the deficit ratio figures that they have been quoting when I was the Finance Minister. ...And I see in the newspapers that Rs. 1000 crores has been given away to some States. Rs. 1000 crores was given to J&K because the election was near, when election was near it was given to Haryana, when election was near it was given to West Bengal.

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And the same Economic Advisory Council says, "The net RBI credit to the Central Government has gone up by Rs. 12,403 crores since the beginning of the financial year, upto November 17". It is now for months. "The budget deficit even as of now is clearly running at a level very much higher than the projected in the Budget Estimates. The fiscal imbalance spills over into the growth of money supply which increased by 12% between March 31 and November 17". This is the grand economy we are getting.

On balance of payment, "The macro economic imbalance has clearly spilled over on to the balance of payments. By 1988-89 the BoP was under severe pressure and significant loss of foreign exchange reserves was being experienced. Indeed reserves losses would have been substantially higher if they had not been bolstered through expanded programmes of borrowings". And that too commercial borrowings.

The same document I want to share, you may please bear with me.

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Thus, while rising trends in India's external debt and debt service constitute serious concern, the situation is not one that threatens immediately and solvency or credit-worthiness of the country.

That is all about it.

"The real problem is that the burden of debt service reduce greatly, the room for manoeuvre on the developmental front as well as the choice of development strategies."

We have no manoeuvre. That is why, I say the treasury is empty. There is no manoeuvre and this is the document of the body appointed by them. One great thing, The Leader of the Opposition, on figures—I do not know— he must have got a lot of courage to tell the House, something which is on record, as something otherwise.

About the agricultural production, he has praised its performance but this is what the document says:

"The record of aggregate economic growth during the current decade has been strong and GDP, at constant prices, grew at about 5 per cent per year on average upto 1987-88. At the sectoral level, value added in agriculture grew at around 2 per cent."



This is the crunch. That is the difference between, your perception and mine. The growth in agricultural sector is only two per cent and while in other sectors, it is five per cent. We are concerned with this sector. It is just equal to the rate of growth of population; the per capita GDP in agriculture remains nil. That is the point.

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They understand not. It is relevant. It is the GDP value added. If this growth is equal to the population rate, per capita growth is hardly anything. It goes on to say:

"On the other hand, gross agricultural production (as distinct from value added in agriculture, referred to above) which grew at 6.5 per cent year in the Sixth Plan period has decelerated to a little over four per cent per year in the first four years of the Seventh Plan."

It has decelerated. Now let us see how they achieved the target. Grand total is not the percentage growth.

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I thought that hon. Shri Vasant Sathe would have done better and he has brought this great fact that agricultural production in one year went up by 20 per cent. When? After the drought year. Had the drought been more severe, his performance would have gone to hundred per cent.

I will not take more time of the House of figures and statistics. It is precisely here that we too are concerned about the agricultural sector. 70 per cent of India's population does live in the rural sector, and this happens to be the fact that while we are concerned about it, you are not. This is the difference in our approach. There is, in this area, persistence of poverty. The population which live there is about 72 per cent. The labour force is growing. So, employment will be our central theme and it will be the focal point of our development.

Not pure development alone but where this development reaches. Equity will be the central focus in our development and not pure development. We have seen that the more populous an area is, like agricultural area the more poverty is there. Our strategy will be to increase agricultural production in these populous areas. This agricultural growth will lead to a different type of industrial growth as well. By reorienting agriculture, there will be a reorientation of Industry also.

Just hold on please. This is a serious matter and I want a debate.

In the present strategy of elitist consumption, the demand is on durable consumer goods. There is enough market to deploy all our resources.

When we create employment opportunities in the rural sector and increase production, the buying capacity of the people living there will increase. But there demand will be different from elitist demands. Their demand will be for wage goods. Once this demand is generated, industry will be recast. That will be our strategy and that is the basic difference in our approach. This will not only restructure industry, but also provide non-agricultural job opportunities in the rural area itself and reduce the pressure on urban drift and pressure on land. That is the basic difference of approach that we have regarding agricultural and industrial development.

Queries were asked by the leader of the opposition on national security and on defence. I have already stated why we were bringing supplementary demands. I want to make it clear that many a time our Defence Budget has to respond to threats across the border, and we will not compromise with the security of the country. But I want to point out to what is now lacking, I think the leader of the opposition must also be sharing my view. On matters of Defence, I do not draw party distinctions and he must have noted it. It is a matter of national concern. But there remains no memory reservoir of long term strategy planning on defence matters. Ministers change, officers change, chiefs change. It is not as if every day it is erased. But we do feel that there need be some sort of continuous national thinking on it. Security is not only a question of weapons system. Ofcourse it has to be there. Defence preparedness has to be there, but it has to be coupled with foreign policy initiatives, international security measures, and economic measures in the industrial sector. Now security and smuggling have also got connected with the issues of security threat and other agencies have also come into play. To have an integrated view and to have a stable basis for the security of our country, this Government is going to come up with a National Security Council. We will bring it before the Budget.

And about the nuclear responses, it is for Pakistan to provide whether it is going nuclear or not, but our commitment is to peaceful uses of nuclear energy. We are following that path, but if Pakistan does go nuclear, I think it will have a profound effect on our Defence thinking and security thinking and we will have to have a second look.

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Jaswant Singhji raised many a question on Bofors, and he has made many suggestions what to do, to make a formal request to the Government of Sweden to divulge all information and Switzerland and all these suggestions he has made. I want to make it clear. No options are closed for us and we have taken stern action, and we have made the decision to debar Bofors from further contracts till it explains its conduct regarding this 155 millimeter Howitzer guns and the conduct includes the willingness to give the names and their willingness to return the money.

He did not mention Bofors once. So, I am not going to yield.

Mr. Jaswant Singh asked whether the previous Attorney General or his office had given any opinion on this matter of Bofors. The Attorney General had given an opinion, legal opinion—I am told by the office—and here is a copy on this matter.

Bofors entering into the contract, it was made explicit to AB Bofors that the Government of India would disqualify a firm if it came to its notice that its agent has been appointed by a foreign firm; that this was a condition insisted upon by the Government of India an agreed to by AB Bofors. It is clear from their correspondence. Therefore, in the present case, if AB Bofors have engaged an Indian agent, it is contrary to the condition precedent to the contract and the Government of India has an option either to treat them as breach and sue them for damages or keep alive the contract and sue them for the breach of warranty. This is the advice given by the Attorney General as far back as 4th of July 1987 and the Government was aware of this advice and could have acted there and then. This was very clear. The Attorney General gave the advice that there has been a breach by AB Bofors and the Government can take action. But then what happens in the next para?

The comments by the Prime Minister are taken into consideration by the Attorney General; etc. legal consideration is coming into it.

I will read everything. As you read everything for three hours, I will also read.

I recollect, as to whether the contract should be terminated or not has to be decided not merely on legal consideration— legal advice is given, it can be done—but also on political consideration in view of the political turn which the case has taken. I recollect now, this is impinging on the mind of the Attorney General, who as a professional, has already given his opinion. I recollect that a statement appeared in the newspapers said to have been made

by the Prime Minister that he did not propose to terminate the contract and deprive the Army of the Gun.

The last recommendation in it.

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I will "When this was the clear understanding", this is the Attorney General, between both the parties Bofors has no right to claim that the company has to maintain secrecy of utmost importance, specially within Defence area. If this plea is tenable, they can violate the condition precedent insisted upon by the Government of India and agreed to by them, to the effect that there should be no middlemen. They can, with impunity, enter into a contract with the middlemen and, on the pretext of secrecy, can refuse to divulge particulars. This cannot be the true position because if the matter goes to the arbitration or court, as it is the Indian law which governs, they will be bound to disclose the particulars of the alleged middlemen and the payments made to them. The onus of proof will be on them as it is a matter within their exclusive knowledge. If their present stand is permitted, it will enable them to defeat the very stipulation in that they can have middlemen and payment of commission, and claim secrecy for disclosure. Just as they claim that they have a duty to honour the contract with the middlemen on the question of secrecy and for the very same reasoning they have a duty to honour the contract with the Government of India of not having the middlemen. Since commissions are alleged to have been paid in the context of the Indian contract, they have a duty to disclose the particulars to the Indian Government. If there were already contracts with middlemen in existence, when negotiating the Indian contract which they claim require to be now wound up by payment of compensation, it was their duty to have disclosed that to the Indian Government at the time the contract was entered into, specially when the Indian Government stipulated that there should be no middlemen. Bofors, on 10-3-1986, confirmed in writing, which was before the date of signing the contract by both parties that they had no agents specially employed in India in this project and that however for administrative services using the local firm, A.B. Corporation. They have further confirmed in the telex on 26-4-1987 that for this administrative service, they had stipulated to pay to them one lakh per month, commencing from January 1986. On this admission, in relation to this contract, there should be no other agreement for payment except this agreement to pay one lakh per month. Therefore, there can be no other payment which they could legitimately make for winding up of any alleged agency agreement, as nothing of that sort was disclosed to the

Government of India except the service contract on payment of one lakh. So, it goes on. I can read the whole thing.

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Now, much has been mentioned about succumbing to foreign pressures, and the question of 301 was raised. In April, 1989, in Geneva, the Government of India agreed to negotiate the establishment of new norms and standards of intellectual property rights, inspite of the fact that it had no mandate to change the Indian Patent Law. This is the protection that the previous Government had given to our laws. I know it is painful for hon'ble Dinesh.

In Geneva the Government of India agreed to drop. Please, let there be noise only from that side, lest the task becomes more difficult.

In Geneva the Government of India agreed to drop the idea of balancing the need to protect Intellectual Property Rights with the development and technological objectives and public interest. And in Geneva the Government of India also agreed to drop the idea of discussing the IPRs (Intellectual Property Rights) in the international forums of WIPO and UNCTAD to which the subject belongs and I remember this is the stand which I always took when it came to all these various services and others. I could scuttle services out of GATT while referring to WIPO and UNCTAD etc. Thus indirectly India has to agree to discuss IPRs (Intellectual Property Rights) in GATT only. That has been the net result, and I think the basic national interests have been bartered away.

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In Panama also, we have been a party to the Non-aligned statement condemning the U.S. invasion.

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Now for quite an hour, I think, half of the time was devoted to foreign policy—rather 2/3rds time. Now, we very well know, when it comes to foreign policy, it is not partisan consideration that is there. Many a time, we will agree because foreign policy is not the private property of a single Party.

Our foreign policy is the product of the freedom movement. It got its foundation in the freedom movement, Yes, Jawaharlal Nehru was a great architect of our foreign policy. I do acknowledge it. We all acknowledge it. There is no question on that.

I request the Leader of the Opposition, we are discussing a serious question and non-serious comments do not have a place.

The foreign policy is dictated by the geo-political considerations of the country. It has evolved through a process of history and the consensus of the nation is there, and the non-alignment policy that we have evolved is a process of national consensus. We all contribute to it; to our solidarity with the developing countries, our opposition to apartheid, our commitment to the Palestinian cause and their inalienable right to Statehood, strengthening our relations with neighbours and strengthening South-South cooperation,—these are national policies and the Leader of the Opposition knew on this there will not be much opposition. So, every time he asks "What is your position?" Because he knows our position is that there cannot be any opposition to these policies.

On Sri Lanka, we are for peace and amity among the Tamil groups, for their democratic aspirations being fulfilled through devolution, to help that process. At the same time, the problem we have inherited is, we are confronted with other groups which are fully armed and in battle and in clash. Somehow we have to get out of this situation and the de-induction of our army has to be with respect but let us also think of the sacrifice which our army has done, what national cause was served all this time. It is a great army. We are proud of our army. It is the last resort and last sacrifice, for what? It was only for a national cause.

With Nepal, we have taken initiative.

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The Leader of the Opposition sitting there, when he went to Tamil Nadu, he talked of Dravidian culture of Tamil Nadu. Now that very Dravidian culture of the South has at least saved his party.

On Nepal, initiative has already been taken and their External Affairs Minister is coming. We have invited him. He is coming. The security and national interest will be taken care of. There is no question of neglecting our security concern and I think Nepal should also appreciate it. But at the same time, we also appreciate Nepal has a problem. We have very special relations and it is also a land-locked country and we should be sensitive to that. There has to be sensitivity on both the sides. That will be our approach. Then regarding China—Yes, we do have it on our agenda—high on our agenda—to

improve relations with China. We have been taking full care of our national interest and it is in this context we will pursue these initiatives and those meetings that the Leader of the Opposition mentioned, those meetings we will be holding soon. There is no question of putting hurdles.

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Sir, much has been said about Jammu & Kashmir. In fact if anything has saddened our hearts most on assumption of office, it is the situation of Jammu & Kashmir which we have gloriously inherited. About the Home Minister Mufti Mohammad Sayeed, much has been said. I know his agony. I know at the last moment he said: "I am not going to compromise, whatever the Jammu & Kashmir Government does and on my behalf I am not going in for a compromise." This is what he said. I know this much about it.

This is what we have got. The total number of violent incidents in 1988 was 390; in 1989 it is 2080. Number of deaths in 1988 was 31; in 1989 it is 90. Number of explosions in 1988 was 24; in 1989—476. I know they will have a tendency to say all has happened in 15 days. Armed attacks by terrorists—7 in 1988 and 117 in 1989, Police firing in 1988 was 51; in 1989 it is 270. If the people there and the extremist elements have been emboldened, it is because the previous regime was so incapacitated, all round drift was there. There was virtually no law and order situation. This is what we have inherited. Then we are asked: "What are you doing about things we have done?" I think let us not make it a debating point. So far as Jammu & Kashmir is concerned, I am ready to knock at every door, every party including that of the Leader of the Opposition to save the country. We have to be one on Jammu & Kashmir. We have to be one on Punjab. We have to be one. It is not a question of prestige on these issues. People have laid down their lives for the defence of this country. This is one issue where no party consideration comes anywhere. So, for the integrity of the country, I am ready to cooperate with him and take his help.

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On Punjab I want to make it clear that there is no question of compromise with secessionist forces. There is no question of compromise with the Constitution of India and in whatever descriptions and forms the challenge may come, we will face it. There is no question on these cardinal points of unity and integrity of the country and the Constitution of India—descriptions and names apart.

Regarding protection of boys in the hostel, we have given instructions and we will stand by them anyone who is threatened, because the security is prime for any citizen, any person in Punjab. And on this, let there not be a confused signal. Any exodus or any fear is something which we feel with great concern. We will do best to see that does not happen. So there is no mincing of words on these issues.

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In the end, in all this debate what I feel is that one important aspect has been missed. I expected it from the Leader of the Opposition because he belongs to the younger generation—the mention of youth. The youth has played a very dominant part of this. For four, five years he was from the younger generation—the young Prime Minister, that was his description. But the young Prime Minister did not remember the youth, for involving them in the shaping of the country. It is when we gave the threat that we will have all India agitation, that the voting age was reduced to 18 years, it was on our agenda, never on their agenda.

Employment is the cardinal principal of our education policy—not the elitist policy that was followed. Now, we have got three educational policies, three educational schemes. One for the poor who get educated under the tree without a roof. Then, there is an educational policy for the middle class who go to private schools and Government schools.

Then, there is an educational policy for the rich, who go in convents and elitist institutions. After this distinction, then, you say, all compete together. And, I think, there has to be equity and justice in this. We will, in January itself,—I assure you,—call the youth leaders of the country, all the youth leaders of the country and share with them, Interact with them, involve with them, to have a policy for them and I think the country needs a youth movement for changing and transferring the society in a more credible way.

About the communalism and riots, we have made it clear and on this, there is no difference of opinion, that is, secular India is the India that will be strong and united. We stand for the emotional integrity of the country and we will not allow it to be divided in any fashion and communal harmony will be our cardinal principle there is no question but to involve the minorities, not only give them security, but to involve them in its economic development and wherever they are handicapped, to see that they share in the fruits of development and they feel, they are part of the great country. So, this will be our main thrust on Bhagalpur. From the Centre, I assure you, we will contribute



our mite to the relief of Bhagalpur and there again, on third, even before I started the campaign—I did not start my political campaign—I went to Bhagalpur and my commitment still stands for bringing amity. And with these words, I think—there may still be many questions, but, Sir, I think I tried my best to do justice—the Motion of Thanks on the President's Address.

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## BACK NOTE

### 1. Reply on Motion of Thanks on the President's Address, 28 December 1989

1 AN HON. MEMBER: No, he did not say that.

SHRI VISHWANATH PRATAP SINGH: Yes. All right, I concede the point.

SHRI RAJIV GANDHI: What I said was that during their speeches, some of the Members had talked derogatorily about it.

SHRI VISHWANATH PRATAP SINGH: All right, Sir, I will not press that point; he has conceded it.

2 SHRI RAJIV GANDHI: One small question on this.

SHRI VISHWANATH PRATAP SINGH: After one hour.

MR. SPEAKER: After one hour, he says.

SHRI VISHWANATH PRATAP SINGH: Sir, let them also absorb, as I did, for three hours.

SHRI RAJIV GANDHI. Sir, can I ask the hon. Prime Minister one question? He has allowed me. Why do you shout?

MR. SPEAKER: I have permitted Shri Rajiv Gandhi to ask.

SHRI RAJIV GANDHI: How is it that a Prime Minister of India is not threatened by secessionists and terrorists who want to divide our country?

3 AN HON. MEMBER: It was not in that context.

SHRI VISHWANATH PRATAP SINGH: It is in the context of what Kamalathiji has said. Please search your heart.

4 SHRI KALPNATH RAI: Largest in the House.

SHRI VISHWANATH PRATAP SINGH: All right, largest in the House. Why such small things, "in the House"? They are global.

5 SHRI VASANT SATHE: So, you deliver even before conception. That is the new model!

SHRI VISHWANATH PRATAP SINGH: Well, trouble with hon. Vasant Satheji is, he conceives and is never able to deliver.

SHRI VASANT SATHE: That is the law of nature. But this, I cannot understand.

SHRI VISHWANATH PRATAP SINGH: Yes, we know why he says this, because there is one difference between our attitude and theirs. For them, success is an event. For us, success is a process. Therefore, when they won last time, they thought, the event is over and they had nothing to do. For us, we know, it is not an event, it is a process and the process has to be continuous.

6. SHRI RAJIV GANDHI: Yes, we will do it.

SHRI VISHWANATH PRATAP SINGH: Okay, it is on record, Mr. Speaker.

SHRI RAJIV GANDHI: We were willing to sit longer in this Session but it was your Party which wanted to cut it short.

SHRI VISHWANATH PRATAP SINGH: I think this is a great achievement. This is a victory.

7. SHRI R.N. RAKESH: Mr. Chairman, Sir, I am on a point of order. 5400 acres of land was surplus with the Dahia Trust. Will the Government restore the lease made to the landless during the Chief Ministership of Shri Bahuguna, which was cancelled later on by you? The Ram Janaki Trust which holds gems and jewels worth Rs. 10000 million.

MR. CHAIRMAN: Please order. He has not yielded.

8. SHRI R.N. RAKESH: Mr. Chairman, Sir, he has not said anything about the Dahia Trust in his reply.

SHRI VISHWANATH PRATAP SINGH: Do not worry. I will give a reply to that also.

9. SHRI RANGARAJAN KUMARAMANGALAM (Salem): What about right to work?

SHRI VISHWANATH PRATAP SINGH: Right to work also. Right to work, if you cooperate, we will put it in the Constitution.

10. SHRI RAJIV GANDHI: 3% in four months.

SHRI VISHWANATH PRATAP SINGH: No, no. Rate of percentage.

11. SHRI SOMNATH CHATTERJEE: Not given bhai but promised!

SHRI VISHWANATH PRATAP SINGH: Yes. I was asked, Vishwanathji you must be very worried by seeing this announcement. I said, I am because

there is no money. Now I could not hunt those thousand crores and I think even Forooq has not been able to hunt out even a hundred crores.

12. SHRI JANARDHANA POOJARY: Is it a new thing?

SHRI VISHWANATH PRATAP SINGH: Yes, this is what is new.

SHRI JANARDHANA POOJARY: When you were there, it was the same thing.

SHRI VISHWANATH PRATAP SINGH: It was not the same thing.

SHRI VISHWANATH PRATAP SINGH: The debt service ratio was not this. Poojaryji was my colleague.

SHRI JANARDHANA POOJARY: That is why I am raising this. Madam Chairperson, when he was the Finance Minister, inside this House and in the other House also he had been telling that "We have never been the defaulter, our credibility is so high". This is the word he had used. This is not the first time this is happening. He has been praising our leader day in and day out; today he is telling so many things.

SHRI SOMNATH CHATTERJEE: Sir, one good thing Shri Rajiv Gandhi did was to remove him from the Finance Ministry.

SHRI VISHWANATH PRATAP SINGH: Madam, I am not telling; it is the Economic Advisory Council, appointed by the Leader of the Opposition, when he was in power, that is telling and not me. What it tells?

13. SHRI RAJIV GANDHI: The agricultural production was two per cent? Then, there is something seriously wrong, there.

SHRI VISHWANATH PRATAP SINGH: It is value added growth which was around two per cent.

14. SHRI JANARDHANA POOJARY: Sir, I rise on a point of order under Rule 355 which says:

"When for the purpose of explanation during discussion or for any other sufficient reason, any Member has occasion to ask a question of another Member on any matter than under the consideration of the House, he shall ask the question through the Speaker."

Now I am asking through you...

MR. CHAIRMAN: It also says: Provided the Speaker agrees.

MR. CHAIRMAN: I am on my legs. Please take your seat. Your point of order is not in order. It is the discretion of the Speaker. The Prime Minister may continue with this speech.

SHRI VISHWANATH PRATAP SINGH: This is how they achieved the target.

SHRI RAJIV GANDHI: May I read the same part to you. Sir?

SHRI VISHWANATH PRATAP SINGH: After three hours is there something left?

SHRI RAJIV GANDHI: I am pointing out to you the jugglery.

SHRI VISHWANATH PRATAP SINGH: Please let me have my say.

SHRI RAJIV GANDHI: This document says 20 per cent agricultural growth, not 2%.

SHRI VISHWANATH PRATAP SINGH: I am also quoting the same document.

SHRI VASANT SATHE: Please read para 4.

SHRI VISHWANATH PRATAP SINGH: I have read it.

The target for the Seventh Plan was earlier set at 178-183 million tonnes. It was revised downward in the mid-term review to 175 million tonnes. So they have revised their target downward and achieved it.

SHRI VASANT SATHE: I rise on a point of order under Direction 115. This is not fair, I have been repeatedly saying that the House should not be misinformed on this important matter. He is reading from this document. I just want to quote para 4 from this document. Please allow me.

MR. CHAIRMAN: Mr. Sathe, will you please listen to me? Direction 115 issued by the Speaker says:

"A member wishing to point out any mistake or inaccuracy in a statement made by a Minister or any other member shall, before referring to the matter in the House, write to the Speaker pointing out the particulars of the mistake or inaccuracy and seek his permission to raise the matter in the House.

This is the rule. Therefore, there is no point of order.

SHRI SOMNATH CHATTERJEE: Is he challenging your ruling?

SHRI VASANT SATHE: I am not challenging.

MR. CHAIRMAN: Mr. Sathe, this again requires the permission of the Speaker.

MR. SPEAKER: Mr. Sathe, Shall I take it that this is misrule?

MR. CHAIRMAN: This is not the way.

MR. CHAIRMAN: The Prime Minister has yielded now. One of you can take my permission and speak. All of you cannot do so. Yes. Mr. Sathe.

SHRI VASANT SATHE: I am reading from para 4:

" In 1988-89, the economy rebounded sharply.."

MR. CHAIRMAN: Hon. Members, it is already quite late. Will all of you kindly take your seats? Be quite and speak one by one.

SHRI VASANT SATHE: Madam, you have to control them.

MR. CHAIRMAN: Why are you shouting now. Please sit down.

SHRI VASANT SATHE: I am reading from the same report of the Economic Advisory Council on the Current Economic Situation, which the Prime Minister referred to. Page 1, para 4 reads:

"In 1988-89, the economy rebounded sharply from the setback of the countrywide drought experienced in the previous year. GDP is estimated to have increased by 9 per cent or higher in real terms, with agricultural production increasing sharply by 20 per cent or so and industrial production recording a growth of 8.8 per cent. In the current year, though Monsoon rains have been close to normal, it is unlikely that the agricultural production will raise markedly from the high base attained last year."

It will, therefore, be seen that 20 per cent is the increase in agricultural production.

15. SHRI RAJIV GANDHI: May I ask a question?

SHRI VISHWANATH PRATAP SINGH: I never asked any question when he was speaking.

SHRI RAJIV GANDHI: It is a very important issue. You have spoken about Pakistan's nuclear programme. It is not something to be taken lightly. I am not asking a frivolous question.

Am I to understand that you have doubts in your mind about Pakistan's nuclear programme?

SHRI VISHWANATH PRATAP SINGH: Madam, one thing I will suggest. There is something like equity, and fairness. I withstood three hours without questioning, think the Leader of the Opposition understands fairly very well the delicacy of this question. It is for Pakistan to prove its credentials that is not going nuclear.

AN HON. MEMBER: What is your stand?

SHRI VISHWANATH PRATAP SINGH: I have given my assessment. There is no question on Agni and our missile development programme. I have expressed myself as clearly as I can.

AN HON. MEMBER: You have closed your eyes.

SHRI VISHWANATH PRATAP SINGH: We are not closing our eyes. I think you just do not understand the language. And on our missile programme, I think, no country can dictate us in the interests of the security whatever will be needed for this country will be done.

SHRI RAJIV GANDHI: You have to be a little more specific.

SHRI VISHWANATH PRATAP SINGH: I do not think without action. That is the difference. When I think I act. I have said it.

SHRI RAJIV GANDHI: Not categorically.

SHRI VISHWANATH PRATAP SINGH: No. We will go ahead with our missile programme. What do you want? Agni is finished?

We should not forget our ex-Servicemen. Please do not make noise. I will appeal to you, Madam, Chairman. This is not the way.

SHRI VISHWANATH PRATAP SINGH: Do not be impatient. They should show the same patience as we did when the ordeal was being inflicted on this side for three hours.

We should not forget our ex-Servicemen and we will fulfil our commitment of one rank and one pension. There will be no doubt.

16. SHRI RAJIV GANDHI: I think you have been grossly unfair. If you read my notings, my notings relate very clearly to the security perception, the cost of cancellation. About 7 or 8 points have been made. Those records are still in your office. They are not available to me. Please read my notings to this House.

SHRI VISHWANATH PRATAP SINGH: Yes, I will read it. Tomorrow I am coming with a full statement including your notings.

SHRI RANGARAJAN KUMARAMANGALAM (Salem): I am on a point of order. I would like to remind the Chair that it is outside the etiquettes and against the rules to look to the press while speaking.

SHRI VISHWANATH PRATAP SINGH: It was the Leader of the Opposition who was not only looking at the press but he was smiling at the press. The whole House is witness to it.

I am responding to a specific question which Jaswant Singhji had raised. He asked a very specific question: Did Attorney-General give any opinion? I am answering to him to this very question. And in conclusion this is what he says:

"On the material Indicate the following aspects for the consideration of the Government when taking a decision:

(1) Clause 17(1) of the contract at page 45 clearly stipulates that this contract shall be governed and interpreted according to the laws of India. As Bofors clearly admitted the insistence of the Government of India as a condition precedent that Bofors should not utilise middlemen for the purpose of winning the contract, this condition precedent through the entering into the contract can be enforced in law. Such a condition precedent though not expressly written into the contract can be proved under the provisions (2) and (3) to section 92 of the Evidence Act."

SHRI VASANT SATHE: I am on a point of order under rule 368. I want to know which document the hon. Prime Minister is reading because if you see the rule it says:

"If a Minister quotes in the House a despatch or other State paper which has not been presented to the House, he shall lay the relevant paper on the Table:

Provided that this rule shall not apply to any documents which are stated by the Minister to be of such a nature that their production would be inconsistent with public interest:

Provided further that where a Minister gives in his own words a summary or gist of such despatch or State paper it shall not be necessary to lay the relevant papers on the Table."



**Rule 369:**

"A paper or document to be laid on the Table shall be duly authenticated by the member presenting it."

I would like to know from where the Prime Minister is reading. If he is reading from the documents which are available with you, from the Government files, then it would be best that you lay them on the Table of the House.

SHRI RAJIV GANDHI: I would also request the Prime Minister to lay on the Table of this House all the documents of the Prime Minister's office on Bofors.

SHRI VISHWANATH PRATAP SINGH: I am reading this document.

SHRI VISHWANATH PRATAP SINGH: This document is a part of the file in the Defence Ministry, to be the opinion of the Attorney General. As told by my officials, this is the opinion that was given by the Attorney General and is part of.

SHRI RAJIV GANDHI: Are you ready to place all the Prime Minister's office files on the Table of the House, Sir?

MR. CHAIRMAN: Please let him finish.

SHRI VASANT SATHE: Will you place it on the Table of the House or not, under rule 368?

SHRI VISHWANATH PRATAP SINGH: Madam, after questioning, I should be allowed to answer also.

SHRI VISHWANATH PRATAP SINGH: Yes, I am ready to place the document on the Table of the House. As regards, what the Opposition Leader said, all the notings of the Prime Minister.

SHRI RAJIV GANDHI: All the PM's office files, not just the notings.

SHRI VISHWANATH PRATAP SINGH: All right. The problem will be. I am asked a question and then not allowed to answer.

SHRI VISHWANATH PRATAP SINGH: Sir, regarding these files. I found they are stored and distributed at various places. Even the Principal Secretary did not have knowledge of all these files. Some are with some, some are with some. That is why time is consumed in collecting them and getting the true picture.

SHRI RAJIV GANDHI: None are with us.

SHRI VISHWANATH PRATAP SINGH: I know what you have. If you help us as to where you have placed them all, it will be easier to collect them.

The Attorney General has said: "Such a condition precedent, though not expressly written in this contract, can be proved under provisions (2) and (3) of section 92 of the Evidence Act.

SHRI VASANT SATHE: Sir, you have not given the ruling. My hon. friend, the hon. Prime Minister has not yet told whether under rules 368, 369 and 370, he will place this document, to which he is referring, on the Table of the House.

MR. SPEAKER: He has already said so.

SHRI VISHWANATH PRATAP SINGH: Yes.

17. SHRI RAJIV GANDHI: Is there not a separate noting where I have categorically asked what the cost of cancellation will be, cost in terms of security, keeping in mind the security environment at that time, cost in terms of money loss which has already been paid, cost in terms of new weapons that had to be bought? And if you look at that note, you will find that the cost was much more than the Rs. 64 crores that you were getting back.

SHRI VISHWANATH PRATAP SINGH: There is also the letter of Sundarji there. I can read it out.

SHRI RAJIV GANDHI: I am requesting you to lay all the files on the Table of the House.

SHRI VISHWANATH PRATAP SINGH: I will bring it tomorrow, I will lay it tomorrow on the Table of the House. Tomorrow itself, not much delay.

18. SHRI DINESH SINGH: All that I am saying, Sir, is that the hon. Prime Minister, and I am very sorry to say, is misrepresenting the facts. I would request him to read the statement that was made by our representative in Geneva in the Commission and then he will see that not only our position as regards the WIPO and others was protected, but also it was made quite clear that the development dimensions of the developing countries would be borne in mind in any discussion regarding the Intellectual Property. In fact, although our leader has paid him compliments for his performance in Punta Del Este, I am sorry to contradict him to say that it was he, as the leader in Punta Del Este, who agreed to include Intellectual Property in these discussions. When he had taken out Services on a separate track, that was the time to keep Intellectual Property also on a separate track, he did not keep it on a separate track, he

made it obligatory that it would be discussed in the Uruguay round under the normal procedure. It was he who let down, not our leader.

SHRI VISHWANATH PRATAP SINGH: If I may make the record straight on this issue, in fact the plea that was given was, at that time Shri L.K. Jha, who was the Economic Adviser, he is not here, I will not comment, was told that 'you get it accelerated and agree to the US stand'. That is why we could not get much more out of that and even then there was stipulation that.

SHRI VISHWANATH PRATAP SINGH: The development and technological objectives and public interest, which has been given the go-by, will be there now.

SHRI VISHWANATH PRATAP SINGH: And of the team, the Leader of the Opposition was saying, "The team that performed very well in Punta del Este, I am proud of those officers that were there". But would you just consider where were they placed after that? It is the outside pressure, because they resisted pressure. I do not want to bring them in. Now, out of the cupboard he brought our Hubbard. I don't know who is this Hubbard. I am told he is an ex-Ambassador living in the University of California, I have never seen his face. I do not know what more is in his cupboard. But you know, he was saying that the previous Prime Minister was making all this tall-talking, as an election stance.

SHRI RAJIV GANDHI: Have you denied what he said?

SHRI VISHWANATH PRATAP SINGH: There is no question of it. I have already said it. There is no question of acceding to this. We will fight it.

SHRI BHOGENDRA JHA (Madhubani): Mr. Speaker, can't that be undone now by this Government, about the intellectual property right?

SHRI VISHWANATH PRATAP SINGH: We will try to safeguard and try to protect it as much as we can. What they have done we will try to undo.

We have given a strong expression on Panama. We stand by it. But let us remember, when the Leader of the Opposition was in office, and there was invasion of Libya, then the tail was between the legs. You did not condemn it. Did you use the word "condemn"? You did not.

SHRI RAJIV GANDHI: We did. We had a Non-aligned meeting in Delhi and we made a very strong statement at the Non-aligned meeting. It was on the same day.

SHRI VISHWANATH PRATAP SINGH: U.S. invasion in Grenada—what was the word used, when there was U.S. invasion on Grenada. You said, "India views with grave concern". That was the end of it; and Grenada gone! There is not even a word used like "deplore", "strongly deplore". No "condemn". So, please do not stand and try to project another image.

SHRI RAJIV GANDHI: You go through my statements on Libya also.

SHRI VISHWANATH PRATAP SINGH: I shall certainly go through those also and it is not long that we will be able to read between the lines.

Now, much has been said on foreign policy. I will answer each thing because everything has been raised—foreign policy, Punjab, Nepal and everything. Up to 11 O'clock, I have got my time.

19. SHRI RAJIV GANDHI: In spite of your stand? On the Libya statement, we had given a long explanation as to why it had happened and what had happened.

SHRI VISHWANATH PRATAP SINGH: You did not condemn it.

SHRI SAIFUDDIN CHOWDHARY (Katwa): Mr. B.R. Bhagat was removed for strongly condemning U.S. aggression on Libya.

SHRI VISHWANATH PRATAP SINGH: He was shut down.

SHRI SOMNATH CHATTERJEE: On his statement about the U.S. aggression on Libya, he lost his job.

SHRI VISHWANATH PRATAP SINGH: He paid the price for that statement.

20. SHRI M.P. JANARTHANAN (Tirunelveli): There is no security for Tamils. We are suffering being killed. What have you done?

SHRI VISHWANATH PRATAP SINGH: I have concern for Tamil lives. It was during this previous government that is now sitting in the Opposition that Tamil lives have been lost on both sides.

21. AN HON. MEMBER: What is your stand on Tibet?

SHRI VISHWANATH PRATAP SINGH: Tibet is an autonomous region of China. That is our stand.

SHRI RAJIV GANDHI: What is the view of your Railway Minister?

SHRI VISHWANATH PRATAP SINGH: When I am saying, I am speaking on behalf of the whole Government.

22. SHRI RAJIV GANDHI: What about kidnapping?

SHRI VISHWANATH PRATAP SINGH: I tell you what I have said. Shri Mufti Mohammed Sayeed as Home Minister has shown great courage, as father of Dr. Rubiya. When it came to his duty, he never compromised his duty. I can vouch for it.

SHRI RAJIV GANDHI: I understand that you don't contradict anything that I have said, which I said was hear say and I was not sure about.

SHRI VISHWANATH PRATAP SINGH: The great prophetic words that have been said by the hon. Leader of the Opposition have been for three hours it was difficult to keep track of all that he has said. I have to read what he has said now, in document.

23. SHRI VASANT SATHE: And collecting of arms in Gurudwara will not be allowed.

SHRI VISHWANATH PRATAP SINGH: Whatever it is, these things about misuse of temples or religious places. But let us remember, beyond this you did not take any initiative.

SHRI VASANT SATHE: You do.

SHRI VISHWANATH PRATAP SINGH: Yes, we will take it. The bridging of the gap about which as Advaniji said and as Somnathji said, this new initiative that has come, let us not lose it in the administrative cob-webs. We will go to the people, we will talk to the people, we will try to build confidence. And we will go again and try to build this confidence. Other measures are also there—action on Mishra Commission Report, 59th Amendment and other actions which are there. These are parts of the same process.

SHRI VASANT SATHE: I think you are not going to allow swords to be carried into the chamber.

SHRI VISHWANATH PRATAP SINGH: For some people sword may pose a danger while for others it may not be so. During the regime of your government gunman used to hang around in the corridors here. You did not feel scared then. This is for the Chair to decide. We will abide by the ruling from the Chair. We are not the masters of the House.

24. SHRIMATI GEETA MUKHERJEE: With the permission of the Chair and the Prime Minister, I would like to ask—about women, at least, you should say something.

SHRI VISHWANATH PRATAP SINGH: For women? I think, It is part of our developmental strategy—30 per cent reservation in local bodies. Then, they should have a share in the Departments and whatever jobs are suited for women, they should get a place in them, it is a part of our strategy. One more thing. About the problem of population growth, it is a subject which was not touched, I think, if we are to approach the problem of population growth, education of women is the most essential thing and if we link it to jobs, education is automatically given a thrust. And with these words.

An Hon. Member: what about the reservation? You make the Policy clear.

SHRI VISHWANATH PRATAP SINGH: We could pass it. There was no objection, but certainly procedural obstruction was there. But in spite of it, a Constitutional Amendment Bill on the reservation for SC, ST has been passed. I think, if we are to test what we do here, we should keep the lowest strata of people in the economic ladder and the social ladder in mind and then test what we are doing here, how it affects their lives. I think, that is the acid test for what we do here. Thank you.

## **STATEMENT REGARDING BOFORS ISSUE**

**29 December, 1989**

Sir, we are trying to take the House into confidence on the Bofors issue because the Government has taken a decision to debar Bofors from future contract and also taken a decision to review the present contract. In that context, I am sharing with the House as to what was the background in which we have come to this decision.

Sir, ever since the news broke in April, 1987 that large payments had been made as commissions by Bofors into secret Swiss bank accounts in connection with the 155 mm gun contract with the Government of India, the entire nation has been most anxious to know all the facts. The Government of India immediately came out with the statement that the news-item was false, baseless and mischievous. The then Government also said that during negotiations it had “made it clear that the Company should not pay any money to any person in connection with the contract”. Many felt assured that the Government would deal effectively with the culprits because the statement also promised that, “Any breach of this policy by anyone will be most severely dealt with”.

A few days later in April, 1987, the then Minister of Defence stated in Parliament that Government did not approve of the appointment of Indian agents acting for foreign suppliers and that the Defence Secretary had told the Companies bidding for the contract that the Government of India will disqualify a firm in case it comes to its notice that an agent had been appointed by a foreign firm.

The Report of the Swedish National Audit Bureau was made available to Government in June, 1987. Even though a vital portion of this Report was withheld by the Swedish Government, it clearly established that very large payments had been made by Bofors to various persons in connection with the Indian contract. This demolished the then Government’s case that the allegations earlier made in the media were false and baseless.

The records show that there was flurry of activity on the receipt of the Swedish National Audit Bureau Report. The then Government immediately took the decision to go about setting up a Joint Parliamentary Committee to enquire into the whole matter. The then Rajya Raksha Mantri, Shri Arun Singh,

recorded a note on 10th June, 1987, which I would like to quote in full. It reads as follows:—

“On 4 June, in meeting held in FNO, we were informed that the Swedish Government had forwarded a copy of their National Audit Bureau Report on the ‘Bofors’ case to our Government and that the Swedes were going to make the document public based on various discussions held on CCPA, Cabinet and with opposition leaders, Government of India announced its decision to establish a Parliamentary Committee to examine the Swedish findings etc. Since then no further discussion have been held with us and no further announcements made. In sum, the Swedish have confirmed the following:—

- (a) Payments of 100000 SAK per month to Anatronc General Corporation in India.
- (b) Payments of 31.5 million SAK to an account in Switzerland in November/December’ 86. The payee is not stated but could be ‘Lotus’ (whoever that is?)
- (c) Payments of something between 175-250 million SAK as ‘winding-up’ charges to ‘others’.

In replying to the debate in the Rajya Sabha, I had made the following basic points:—

- (a) GoI policy was that no payments were to be made to anyone as commission in relation to this contract.
- (b) This policy had been communicated both to the company (Bofors) and to the Swedish Government.
- (c) This communication had been understood by both those parties and they had recommended that understanding to us.
- (d) Therefore, if any payments had been made, “there must be something wrong with that payment”.

Taking this logic further, I then went on to say that we as Government are very interested in finding out if anything has been paid and, to quote: “If we find something has been paid, we will definitely pursue each of these questions: what? When? Where? how? to whom? and why?” It is my understanding that the National Audit Bureau Report has confirmed unequivocally that payments have been made and I stand by my statement in the Rajya Sabha



that such payments are grossly violative of all stated GoI policy as communicated to and understood by both Bofors and the Swedish Government. It must therefore follow that we as GoI must pursue this matter to a logical conclusion in terms of the questions I myself had posed in my reply to the debate. Given the above, I have taken the liberty of asking officers of the Department of Defence to draft two letters—one to Bofors and one to the Swedish Government. In these we are seeking answers to our questions. I recommend that we send these to our Ambassador in Sweden for him to deliver. He should be told that he should inform both the Swedish Government and the company that unless they give us the information we want, we will have no alternative but to cancel the contract for the FH 77 B 155 mm Howitzers.

I am fully cognisant of the fact that this cancellation will have some negative impact on our Defence preparedness but you may like to reconfirm with COAS whether we can live with that. In my view we must be prepared to go to this extent of cancellation because our very credibility as a Government is at stake and what is worse, the credibility of the entire process of Defence acquisitions is also at stake.

I would be most grateful if this note and the draft letters could be forwarded by you to the Prime Minister after you have seen them.

Shri Arun Singh put up this note to the then Raksha Mantri, Shri K.C. Pant, with the request that the note along with the draft letters proposed to be addressed to Bofors and to the Swedish Government be forwarded to the Prime Minister. Shri Pant signed this note in endorsement on 11th June '87 and put it up to the former Prime Minister.

On this, the former Prime Minister recorded a minute which reads as follows:—

“It is unfortunate that MOS/AS has put his personal prestige above the security of the nation before even evaluating all aspects. I appreciate his feelings as he had been dealing with Defence almost completely on his own with my full support but that is not adequate reason to be ready to compromise the security of the nation. Has he evaluated the actual position *vis-a-vis* security? Has he evaluated the financial loss of a cancellation? Has he evaluated the degree of breach of contract by Bofors if any? Has he evaluated the consequences for all future defence purchases if we cancel a contract unilaterally? Has he evaluated how rival manufacturers will behave in the future? Has he evaluated how GoI's prestige will plummet if we unilaterally cancel a contract that has not

been violated? To the best of my belief the Swedish Audit report upholds GoI position and does not contradict it. What we need to do is to get to the roots and find out what precisely has been happening and who all are involved. Kneejerk reactions and stomach cramps will not serve any purpose. RRM has run the Ministry fairly well but there is no reason to panic, specially if one's conscience is clear.”

Unfortunately, this minute recorded by the then Prime Minister on 15th June, 1987 was received in the Ministry of Defence only on 21st July, 1987 a few days after Shri Arun Singh demitted office on 18th July 1987. In the meantime, however, communications were sent to the Swedish Government and to Bofors. The Ministry of Defence wrote a strong letter on 16th June, 1987 to Bofors charging them with violation of the contract and breach of a solemn assurance that no agent or middleman would be employed by them and demanding full and detailed information from the Company with regard to these payments.

Towards the end of June, 1987, the Ministry also sought the opinion of the Attorney General for India. In his opinion,—I am laying that opinion on the Table of the House—received on 4th July, 1987, the AG expressed the view that “If AB Bofors have engaged an Indian agent, it is contrary to the condition precedent to the contract and Government of India has an option either to treat them as a breach and sue them for damages or to keep alive the contract and sue them for breach of warranty”. He also maintained that there could be “no other payment which they could legitimately make for winding up of any alleged agency agreement as nothing of that sort was disclosed by them to Government of India except the service contract on payment of 100,000 SEK per month”.

The AG also expressed the view that “Bofors has no right to claim that the Company has to maintain secrecy as of utmost importance especially within defence area”. He said that if the matter goes into arbitration or to Court, It would be governed by Indian law and Bofors “will be bound to disclose the particulars of the alleged middlemen and the payments made to them”. The AG went on to advise that “the Government should take a firm stand even to the extent of threatening Bofors with the consequences of termination of the contract in view of the breach committed by them of the conditions precedent to the contract”. At the same time, the AG cautioned that “In the event of cancellation, litigation by way of arbitration is inevitable. Though the Government of India has a strong case, one cannot always predict the outcome of litigation or arbitration”.

The AG also noted that the Government may have to make alternative arrangements for the purchase of guns, if required. But “if Bofors persist and continue to adopt this persistent attitude of non-disclosure, there seems to be no other option left for the Government than taking stern steps”.

Then there is the recommendation made by the former Chief of Army Staff, General Sundarji, conveyed in two notes in June-July, 1987. His note dated 15th July, 1987 which is similar to the one recorded on 13th June, 1987 reads as follows:—

“Reference discussion in RRM (A)’s office of this morning. My views on the strategic implications are contained in the succeeding paragraphs.

It is essential that we get the full information as to the moneys paid to various individuals by Bofors or their agents in connection with the gun deal. They may readily give us this information; however, we should go to the extent of threatening to cancel our contracts if they do not part with this information.

M/s Bofors have invested vast amounts, marshalled a large workforce and commissioned a number of sub-contractors to execute the contract. A threat to cancel the contract will hurt them enough to make them understand the inescapable requirement to part with complete information.

If the threat does not work, and in the worst case leads to the cancellation of the contract, I believe that the delay in procurement of 155 mm guns would perhaps be about 18 months to 2 years. I believe that we could live with this delay and take a calculated risk. Negotiations will have to be reopened soonest with France and the UK, so that we can get a near matching weapon system to fill the large void in vital artillery support to our field formations. If we negotiate with both France and the UK, the former will not be able to hike up their prices.

In sum, I recommend that in the interest of vindicating National Honour we apply full pressure on Bofors to part with the information needed for legal action against the culprits and accept the risk that this might in the worst case lead to a cancellation of the contract.”

The first and only significant disclosure by Bofors were made in their discussions with the officers of the Government of India in September, 1987. It then came out that an amount in excess of 319 million kroners, corresponding to Rs. 64 crores at the then prevailing rate of exchange, had been paid by Bofors to three companies, namely, Svenska, AE Services and Pitco-Moresco-

Molneao. Even though the record of discussion stands already published in the various newspapers, it would be useful to take note of certain facts contained in the records. While giving details, Bofors admitted that in the case of the Moresco the payments were made into code-named accounts viz. that of Lotus. They have also admitted that except for Moresco, the payments were made through normal banking channels. It is interesting that payments to Moresco were not made through banking channels. *Prima facie*, this is strong evidence to indicate the clandestine nature of those irregular payments.

Certain definite conclusions emerge from the facts recapitulated by me on the basis of the record. In brief, these are:

One, that Bofors committed a violation of the Contract and a breach of solemn assurances not to use agents or middlemen in connection with the Indian contract. This conclusion has been clearly recorded in June '87 by the Defence Secretary, by Shri Arun Singh, Minister of State, and by the Defence Minister, Shri K.C. Pant. It was also the opinion given by the Attorney General for India on 4th July, 1987.

Two, it was also established that Bofors had paid large sums of money relating to the Indian Contract and had entered into an agreement with one company, namely, AE Services, in November, 1985, well after they were clearly informed of Government of India policy in day, 1985. It is of course obvious that they did not agree to divulge this information to the Government of India despite repeated requests.

Three, Legal opinion is available on record, holding that the company's conduct amounted to an actionable wrong and that the Government were entitled to know the names of the recipients and to recover the amounts.

It is established on record that the officers and Ministers concerned at that time were all of the view that action should be taken against Bofors on these grounds. This was supported by legal opinion. In fact the Attorney General also mentioned in his opinion that if Bofors plea of secrecy were tenable then, and I quote, "they can violate the condition precedent insisted upon by the Government of India and agreed to by them to the effect that there should be no middlemen. They can with impunity enter into a contract with a middleman and on the pretext of secrecy can refuse to divulge particulars. This cannot be the true position.

In other words, the condition itself becomes futile if they are allowed with impunity to avoid disclosing the details.

The decision of the present Government to debar Bofors from future contracts is a natural consequence of the facts established and the views available on the records of the Defence Ministry.

As regards the existing contracts it is important to recognise that the situation prevailing in 1987 was one in which a cancellation, or the threat of cancellation, would have been very effective. In mid-1987, the fulfillment of the Contract was still in the initial stages and its cancellation, therefore, would have meant a real and significant loss of business to the supplier. Moreover, the consequent loss of employment may well have caused serious concern not merely to Bofors but also in other quarters. Of the two contracts, namely, the Supply Contract and the Licence Agreement for Licence Production in India, the Supply Contract stands nearly fulfilled and the Company has already received the bulk of the payment due to them.

The preparatory work for the implementation of this Licence Agreement is near the stage of finalisation. But its implementation has not commenced. We have now to review all relevant aspects pertaining to these contracts.

The enquiries conducted so far have failed to inspire public confidence. Only a preliminary enquiry has been instituted by the CBI as late as in November, 1988 and that too for tax evasion and concealment of income. The Public Prosecutor of Stockholm in Sweden had started enquiries in this case and had made a request for assistance through Interpol in September 1987. This request was considered in a meeting held on 1st October 1987, taken by the Home Minister, and attended by the Minister of State, Shri Chidambaram, Special Secretary (A) of PMO and Defence Secretary, and it was decided to divert this request to JPC. It seems that no response was made and no cooperation was extended to the Public Prosecutor in Stockholm, Sweden.

As regards the exercise undertaken by the JPC in which the Opposition parties declined to participate it is too well-known for me to repeat it again here. Considerable time has elapsed since the allegation first made in April 1987 and those involved in the case have had plenty of time and opportunity to cover the tracks and build up their *alibis*. This is a situation which we have inherited.

Our first step has been to expeditiously review, the relevant records and to re-assess the existing position with a view to re-vitalising the investigative effort necessary in this case. We have also issued orders to debar Bofors from

future contracts, as I said earlier, thereby putting the Company on notice that we mean business.

In conclusion, I would like to reiterate the resolve of this Government to enforce the law, recover the amounts paid and ascertain the identity of the recipients. There is no compromise on this. For if no action is taken on default of such a contract condition, parties to future contracts would not be deterred from violating such conditions in the future. We have instructed the investigative agencies to pursue their inquiries and investigations as per law. At the Government level, the review of the whole case is underway and very soon the matter is going to be taken up with the foreign Governments through diplomatic channels and with the Swiss authorities in terms of the Memorandum of Understanding between India and Switzerland. I would like to assure the House that this matter will be pursued to its logical conclusion keeping the Parliament and the people informed of progress.

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**BACK NOTE**

**II. Statement Regarding Bofors issue, 29 December, 1989**

**NIL**

**REPLY ON MOTION OF THANKS ON  
THE PRESIDENT'S ADDRESS**

**16 March, 1990**

Mr. Speaker, Sir, I would like to express my gratitude to all those hon. Members who participated in the discussion. If some hon. Members have been critical of Government, I don't mind it, since their criticism must have been well Intentioned. Mr. Gadgil had said certain things. He is not present here at the moment.

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I had said about Shri Gadgil that he was not present in the House. Shri Bhajan Lal or other Members said that whatever was said that would be conveyed to him. I mean to say that I wanted to convey to him something but he is not present in the House. You offered to convey my message. I am thankful to you that you are between Mr. Gadgil and me.

Sir, we express our views through you in this august House.

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Now, hon. Speaker has allowed.

We should proceed further. What is there. Please, at least listen to Mr. Speaker.

Shri Gadgil called me a weak person. Sir, I admit that I am an ordinary and weak person but all of you struggled with this ordinary and weak person for three and a half years. The result of this three years struggle is that our people are on the treasury benches and you are in the opposition. I think you should learn a lesson from my weakness. You have been strong all along, so remain in the opposition with the same firmness and never show the weakness to listen to others. Do not try to come to this side. If you have not followed, you can try to understand after reaching home and if there is lack of understanding then even God cannot help you. It has been said that we, particularly I, are indecisive and earlier I was called a confused person.

But my confusion has confounded you. So beware of my confusion. Do not underrate my confusion that way.

It is said that I cannot take decision promptly and the result of this state of indecision is that the Lok Pal Bill about which you could not take decision for three years, has been brought before the Parliament by us at the very first



available opportunity and the Postal Bill which had been hanging in balance for years, has also been reintroduced. We had declared that Doordarshan and All India Radio will be made autonomous bodies and now accordingly we have started implementing our words. This is also the result of our indecision that 59th Constitution Amendment Bill has been adopted with your help.

We are thankful to you because the amendment could not be carried without your cooperation. For your cooperation, we will express our gratitude. This is also the result of our indecision that the previous Government was only talking about giving interim relief to the Bhopal Gas tragedy victims but we have taken a decision in that respect. In the Bofors deal, we have filed a FIR and got the accounts sealed within 3 days which the congress (I) Government could not do in 3 years. Look at the extent of indecision on our part that we could set up Interstate Council only in 90 days for which we had made a declaration in our manifesto. Rural youth were greatly disappointed on becoming over-age for the competitive examinations, we enhanced the age limit from 26 years to 28 years. I am thankful to Shri Harish Rawat who has expressed thanks for it. You admit it because they are directly related to you. I know that he is directly connected with these youths.

Again the result of our indecision is that we have taken a decision to extend the facilities available to scheduled castes, to neo-Buddhists also, which was the dream of Baba Bhim Rao Ambedkar. Not only this, National Integration Council has also been formed and Bachawat Report on Insurance enquiry has also been prepared in this state of indecision. Now if you want to put us on test in future, you may bet. Let us behave like a soldier and see whether we fulfil our promises or not. Let there be a bet. We have made a statement about 'one rank-one pension'. Can you dare say that we will not take a decision about it. They are silent, Sir. We have promised that loans of the farmers will be waived, if you want to test us, say that we will not do that in this Budget Session. Can you say that we will not take a decision about bringing laws relating to land under schedule 9 for which we have made a commitment. Have a bet. We have also made statement about participation of workers in the management through secret Ballot. Can you bet that we will not do it? It was because of indecision that agitations were going on the issue of reservation and we have achieved it through your cooperation. I am thankful to you for this as it is a Constitution amendment. Secondly, if you want to test our state of indecision, you can test us on the question of waiving of loans. We will do it in this Budget session. Can you dare to bet on this issue. Further if you want to challenge our indecisiveness, take Panchayat Raj and decentralisation. Have a bet

whether we will do it or not with total resolve. Another test about indecision is that we will provide 30 per cent seats to women in panchayats. You can bet on this point also.

If you want to test our indecisiveness further you can take the example of right to work proposed to be made a fundamental right under the Constitution by us and if necessary, we would seek your cooperation in this regard also. There is yet another score on which we can be put to test on the charges of indecisiveness levelled against us. We have decided to channelising 50% of the resources to the rural areas under the Eighth Five Year Plan. Why don't you tell the truth? You stop talking about a weak or strong Government or State of decisiveness or indecisiveness on the part of the Government. We had declared in our manifesto that we would do it by January 1st and certainly we are in the process of doing it and we are grateful to the parties supporting the Government.

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I would like to express my gratitude to the parties supporting us as a new tradition is being created. It is not because we want to keep this Government in power. I recognise the historic contribution of the friendly parties in establishing the foundation of a new political tradition based on issues and programs, because issue-based politics is replacing personality-based politics and I believe that a thoughtful clash of thinking is healthier for a democracy than a thoughtless unanimity.

We have differences on some issues, we do not hide them, we are not afraid of expressing them, but we would like to set a tradition of achieving consensus on national issues wherever it can be achieved.

It is nice that we got their cooperation too in this regard. I would like to express my gratitude to them as well. There are issues of national importance on which they extended their support. The repeal of the 59th Constitution Amendment Act would not have been possible without their cooperation. They extended their cooperation on extending reservation facilities for SC and ST also. They extended their cooperation on the Kashmir issue as well. Hence, this tradition of give and take would continue in an atmosphere of mutual respect and cordiality.

There is an attempt to arrive at consensus on national issues. I feel that a healthy tradition is being created to safeguard the country's basic interests. A charge often levelled against us was that ours was an opportunistic alliance,

but today none of the parties supporting us are sharing power with us, neither the leftist parties nor the B.J.P. Both of them are supporting us not for the sake of power, no one is sharing power and no one can be branded opportunistic.

Please listen to me carefully and try to see the truth. So, this is not an opportunistic alliance. On the contrary, on the basis of programmes, we are advancing towards the politics of issues rather than following the politics of personality-cult.

I am grateful to Shri Somnath Chatterjee for expressing his views about the present Government. Shri Gadgil raised a point about planning and he also said something about the growth rate, I would like to assure the august House, that we are fully committed to accelerate the growth rate. There would be no laxity on our part, as far as the pace of development is concerned and we would like to keep it up. The difference is that, we are not content with the statistical development alone, rather, we would like to see as to who should be the real beneficiaries of the growth. We would like to make unemployment as the main concern in the Eighth Five Year Plan. It is the gravest problem being faced by our youth. Decentralisation is necessary to strengthen our people oriented policies, the Federal Structure, the people's participation and our plans do not confine only to statistics. A figure is not a pointer of development; we would like to bring about changes in the character of development and rectify its shortcomings. I believe that there has been two major shortcomings in our development strategy. The growth as reflected by statistics, during your tenure, has been impressive. We agree that statistically, the figures are correct, but the pace of development in agricultural sector was not at all satisfactory. The investment in agriculture was marked by stagnation and decline. There has been many shortcomings in the poverty alleviation programmes and the process of development did not affect the unemployment problem. I would not like to take much of your time. In this respect, if you see this graph, you will find that after 1980, the gross capital formation in the Agriculture Sector, has either remained constant or remained below the mark. It is our strategy to curb this tendency. India lives in villages and to remove this disparity, we intend to allocate 50% of our resources to the rural sector. The allocation in the Central Budget may be a little less because of the high expenditure on defence. But as far as the Plan allocations are concerned, in our Central and State Budgets, we want to have at least 50% of our national resources allocated for rural development. In case of industry we want to shift our stress from capital-intensive programmes to labour-intensive programmes. Small-scale industries and agro-based industries will be the main thrust of our industrial policy. This

will strengthen our rural as well as industrial sectors, one helping in the growth of the other. A point to be noted in this regard is that the Industrial Policy Resolution moved in this House has played an effective role in framing and shaping the country's industrial development. But I do not know the reason as to why an Agriculture Policy Resolution has not been framed in this country till now? Most of us here have a rural background and the Government may have made a policy statement on agriculture. But such a policy statement of the Government does not have that significance as the policy resolution adopted by the House has because a National Policy Resolution binds the successive Governments. We should have such an Agriculture Policy on which we may have a discussion and adopt it as our national policy, it should not be linked with the Government of a particular party or with some particular individual. Instead it should be taken and accepted as our national perspective, consensus and voice of the people living in our villages and working in our agricultural sector. This policy should be followed by whichever Government comes to power. So I would strongly favor an Agriculture Policy Resolution.

One of the problems facing us relates to the public sector's contribution. We want that instead of seeking labour's participation in management, they should be made partners in the ownership of the industries. However, the details have to be worked out for the same. That is a matter of discussion and needs our attention. If we do not take labour into confidence and do not make them partners in the management as well as in the ownership of public sector undertakings, public sector will not be able to achieve the optimum results. For this purpose we will bring in a Resolution on public sector through secret ballot in the current year itself. It is necessary that the earnings of the public sector are commensurate with the capital invested in them. We will also bring out a white paper on the public sector. So far as the current economic situation is concerned we are facing a two-dimensional problem. One problem is the internal debt and the other one is the external debt. In fact, what was done till now, was just to cover the facts about these problems by raising foreign debts. Any way we were able to conceal the factual position from the public as we managed to cover it up by drawing upon our currency reserves. But now we cannot hide it. It would be better to bring it before the House and the people of this country so that they may realise the gravity of the situation. If we see only the amount of expenditure incurred towards our debt servicing, it was to the tune of Rs. 2523 crore in 1984-85 and Rs. 7036 crore in 1988-89. If debt servicing on N.R.I. deposits is not taken into account we see that debt-servicing charges on medium and long-term loans stand at 24%, otherwise it comes to

about 30%. In the beginning of the year the foreign exchange reserves amounted to Rs. 7040 crore but when this Government came to power these reserves had shrunk to Rs. 5,500 crore. It dipped to that level within a period of only one year before the assumption of office by this Government. And the low level of foreign exchange reserves was a result of dominance of imports during the last two months. The reason why I am telling you all these things here is that I want the House to realise fully well the problems facing this Government. I shall not criticise the previous Government. Leave it there.

We would not like this country to depend on others and for that we need economic independence in future. We do not want to keep our economic liberty mortgaged with a foreign power by raising loans from them on their conditions. So we will have to take hard decisions in this regard because I have known the pressures that debt-ridden countries are subjected to. A Minister of a debt-ridden country made a statement at an international conference. It was surprising how he could gather the courage to make a statement which was vehemently resisted by certain country with the adjournment of the sitting but when the session resumed after a 15 minute gap the same Minister retracted the statement he had made earlier. We do not want to face a similar situation and we will do whatever we may have to do for it, even if it is the curtailment of expenditure on our basic requirements. The Government alone cannot do it; it needs public cooperation and we will have to tell them openly that the Government has been forced by the tight economic position to take certain hard measures in order to preserve our economic independence. In case you continue to beg, ultimately it will compel you to take those stern measures to get out of the vicious circle of indebtedness. It is for that matter that I have taken you into full confidence and I hope I will get your full support and cooperation in this matter. The present Government does not believe in self-praise because we are not the representatives of the Government but representatives of the people in the Government. So we are not interested in eulogizing the Government. At least I am not interested in doing so. I feel that my duty is just to exercise a check on its working of Government on behalf of the masses. The day we start eulogizing the Government we shall reduce ourselves to the position of a Government official and we will not be the people's representatives in the real sense of the term. Therefore, we will accept our shortcomings. It is not that we have given a faultless performance over the last 100 days. There may have been some mistakes on our part.

As to the question of appointment of Governors', it seems that some of the persons appointed as Governors have not come up to our expectations. There is no point in expecting too much from a Government or a Prime Minister. Do not give them unnecessary importance by linking the interests of the country with the very existence of a few individuals because the very fall of such individuals causes the collapse of the entire system. That is why we have no hesitation in accepting our shortcomings in this House. Only then can we hope to improve. But we will continue the struggle on the basis which we have come here. That is the yardstick with which we operate.

Hon. Shri Bhajan Lal had expressed his concern about Panchayati Raj and had said that Government was not holding a discussion on it. Here I can assure the hon. Member that we are committed to the decentralisation of power and we will come forward with a Panchayati Raj Bill in the current year itself. We are sure that since you are concerned about this matter, you will extend your support in the passage of that Bill. Hon. Shri Inderjit said that all the Members of this House should declare their assets.

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Shri Rajdev Singh and Shri Harish Rawat referred to 'one rank one pension'. The Government intends to bring a proposal. In this respect in the current session and I am confident that the opposition will lend their support to it. I do not consider the ex-servicemen as pensioners nor do I favour this principle. They sacrificed whatever they could for the country and they stood boldly to protect the country. Today, we should look towards them as a symbol of unity of the nation—whether he is from Kerala, Kashmir, Bengal, Rajasthan or Tamil Nadu, whether he is a Christian, Hindu or Sikh. When he is in his uniform he is none but an Indian. Through this august House, I would like to appeal to the ex-servicemen that they should boldly face the challenge before the country and work for the unity and integrity of the country not merely as a pensioner but give a new leadership and direction to the people. This new force would play a significant role in protecting and strengthening the country.

Now, I would like to make a brief reference to Defence because many critical remarks have been made in regard thereto, it has been stated again and again that the present Government is weak. Here, I would like to mention as to what was happening when we were facing threats from across the border. In the year 1988-89, the revised estimate of expenditure for Defence was Rs. 13,200 crore while the actual expenditure was Rs. 13,340 crore. Similarly,

during 1989-90, *i.e.* current financial year, only Rs. 13,000 crore were allocated as against previous year's actual expenditure of Rs. 13,340 crore. Consequently, when the present Government came to power in the month of January, it did not have sufficient funds in the Government Treasury even to pay salaries and therefore, we had to come with a supplementary Budget of Rs. 500 crore during the first session of Parliament. This was not the way to strengthen the country, I do not want to mention all these matters here. We want that not only in India but throughout the world, maximum funds should be utilised for developmental purposes as compared to military hardware and defence. But in view of the prevailing circumstances, I do not think that we should neglect our Defence. If we look at the escalation in foreign exchange and prices, then in actual terms there has been a reduction in the total expenditure on Defence whereas threat to our borders has been continuously increasing. In my opinion, we will have to modernise our defence equipment. It would certainly entail some burden, but we will have to bear this burden for the sake of the security of the nation.

Shri Handoo referred to the situation in Jammu and Kashmir. The matter was discussed in detail. Shri Fernandes has already gone to Srinagar and he would review the situation there. After that, he would go to Jammu and stay there for 3-4 days. An All Party Meeting is also scheduled to be held. The situation is alarming, and in view of this, I do not want to make any contradictory comments which may further worsen the situation. All of us should try to avoid it. In this connection, I would like to thank the Leader of the Opposition too, who has extended constructive cooperation in this regard.

Shri Rajdev raised the issue of Punjab. Cases of killings and kidnappings have increased in Punjab recently. The residents of Abohar came to me and I have been told that violence is at the same level as it was during the year 1988, and this, of course, is a matter of great concern. The Government will control the situation firmly. We will not let any innocent person to be killed. The Government would use all the might at its command. The Government have already taken measures to check the feeling of injustice prevailing there. Shri Rajdev also referred to the riots of 1984 and the 59th Constitution Amendment. Special courts were set up within a period of 90-100 days. Deserters have been released and rehabilitated. They have been given employment. A proposal has been mooted to provide some more relief to the widows. That would be considered. But unless a congenial atmosphere is created, the situation cannot improve. Recently an All Party meeting on Punjab was held. It was a good step in that direction. The Government have approved the constitution of an All

Party Committee to assist the Governor of Punjab. The need of the hour is to restore peace there and I am glad that all the major political parties except Akali Dal (Mann) participated in the meeting. They included BJP, Communist Party, Congress, Janata Dal, Akali Dal (Barnala), Akali Dal (Badal) etc. All of them agreed that the important task at present was to create a congenial atmosphere in Punjab.

The Government wants to have a national consensus on Ram Janam Bhoomi-Babri Masjid issue to solve the dispute. We want the cooperation of all the political parties in this regard. A committee has also been constituted, which will hold its meeting very soon. There was a little delay in the matter first due to the elections and then due to the situation in Jammu and Kashmir. But the committee will start its work very soon. We hope that some solution will be found, if we proceed wisely.

You will be pleased to know that the pension of the widows of the 1984 victims has been increased from Rs. 400 to Rs. 1000 per month.

As regard the foreign policy, Shri Gadgil stated that the present Government is very weak and small countries like Sri Lanka, Nepal and Bangladesh have also started speaking against India.

Such attitude is surprising as well as shocking. At least foreign policy should be an area which should not be affected by narrow party considerations. It is the policy of the nation and not of a particular political party. It is not the monopoly of a single party. It belongs to the whole country. It was formulated during the freedom struggle and it has stood the test of time. Not only we—the Government but also the people of the country have accepted it. I would like to quote Pt. Jawaharlal Nehru, who played a significant role in framing the foreign policy. I quote:

We believe that each country should solve its own problems, develop its own genius. We do not believe in any country dominating in the colonial or economic or the cultural sense of other countries.

What was the basis of our foreign policy. It was equality, mutual trust and the basic concept was of 'Panchsheel'. In view of those principles, would it be justified on our part to question the friendship of Nepal and Sri Lanka who are speaking against us. Would it not be a fatal attack on that policy. We have been capable of challenging the big countries because we never followed the policy of suppressing the smaller nations. If we look towards them with such contempt, we would bow before the bigger nations. Our mentality would



force us to do so. We would continue to follow the same foreign policy. The arrival of the President of Maldives in this context is quite significant. The first Head of the State to visit India after we came to power, has been from the smallest country. Luckily, the Opposition has not scoffed at that. The first foreign visit of our External Affairs Minister was also to Maldives, though some consider only visit to big countries as significant. Now he is to visit Namibia. Population should not be the criterion to judge whether a nation is great. No country is small or big. Values make them so. Our foreign policy is value based, it should not be distorted. Today, allegations are being made that Pakistan is increasingly interfering in our affairs because it thinks that our Government is weak. The Previous Government had also been harping on Pakistan's interference earlier. Was it weak? When the issue of Siachin was raised, were you weak? I don't say that the previous Government was weak. The facts should not be distorted. Nepal adopted hostile attitude during the tenure of the previous Government, whereas now at least they appreciate some aspects of our approach like the security of our country etc. Strength does not lie in pride, strength lies in unity. I think that the threat to our foreign policy posed by Jammu and Kashmir problem, has subsided and we have been successful. We should be proud rather than being apologetic for it.

Previously, Pakistan tried to rake up the issue of Simla Agreement. Is Simla Agreement not relevant today? We have told Pakistan that if the Agreement has become irrelevant for them it will not be a one sided affair. Pakistan should understand as to what would happen if Simla Agreement is not there. Efforts are being made to scrap the Agreement which provided base for peace between the two countries. We have succeeded in mobilising support from various countries of the world on this issue. I do not say that it is all because of our Government policy rather credit should go to long standing traditions of our foreign policy which we have been following since independence. Pakistan could not succeed in its attempt to internationalise the Kashmir Issue.

I do not want to say more but in the end I would say that in the present political scenario of our country a great political experiment is being made. The Congress party has been a big political party in our country since independence. A developing and newly independent country needs stability. Decade after decade passed but there was no political alternative available to the people. In a democracy, if political alternative is not there, it cannot flourish. In order to provide an alternative, a beginning has been made. I am calling it a beginning because contradictions are still there among us and with these contradictions we have to move ahead with courage. Presently the position

is optimistic but we cannot say that we have overcome all hurdles. We have yet to go far ahead to reach our goal for which responsibility lies on all of us. We are accountable to the people also.

Keeping this hope in mind we will try to work and will seek your cooperation in it too.

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## BACK NOTE

### III. Reply on Motion of Thanks on the President's Address, 16 March, 1990

1. SHRI BHAJAN LAL (Faridabad): I shall convey your views to him.

SHRI VISHWANATH PRATAP SINGH: Sir, there are middlemen in hearing also.

SHRI K.S. RAO (Machilipatnam): It is most unfortunate.....it is unparliamentary.

SHRI VISHWANATH PRATAP SINGH:

'Bicholia' is not an unparliamentary word.

SHRI K.S. RAO: Please withdraw that statement.

SHRI VISHWANATH PRATAP SINGH: I am fully confident.

SHRI K.S. RAO: Please withdraw that statement. We are not middlemen. We are Members of Parliament.

SHRI A. CHARLES (Trivandrum): We are Members of Parliament. We are not middlemen.

SHRI K.S. RAO: The hon. Prime Minister should withdraw his words calling us as middlemen.

THE MINISTER OF ENERGY AND MINISTER OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN): No; he has not called you so.

MR. SPEAKER: Mr. Prime Minister.

SHRI VISHWANATH PRATAP SINGH: Sir, I was just saying that had Mr. Gadgil been here. I would have told him something. The hon. Member has been kind enough to agree to convey my views to Mr. Gadgil. He said that he would convey, which means that he will act between Mr. Gadgil and me.

SHRI P.R. KUMARAMANGALAM (Salem): The Prime Minister should have the grace, not to speak in this manner. It does not increase the dignity of the House. It is not proper on his part.

AN HON. MEMBER: We are not middlemen.

MR. SPEAKER: I do not know what he said.

SHRI P. CHIDAMBARAM (Sivaganga): He used the word bicholia.

AN HON. MEMBER: Is 'middlemen' unparliamentary?

SHRI VISHWANATH PRATAP SINGH: Sir, is the word middlemen an unparliamentary expression?

Sir, you are the final authority. If "middlemen" is an unparliamentary expression, I shall not use it.

MR. SPEAKER: Please take your seats.

MR. SPEAKER: No. I think the Prime Minister has said it in a light vein. There is nothing unparliamentary.

MR. SPEAKER: Please take your seat. Mr. Rao.

MR. SPEAKER: No I am on my legs. You must sit down. Take your seats, please. I am on my legs.

MR. SPEAKER: I think that although the Prime Minister has spoken something in a light-hearted manner, he has actually said nothing unparliamentary. I am convinced that there is nothing unparliamentary, which he has said.

Now the Prime Minister.

MR. SPEAKER: You tell me what unparliamentary word he has used?

SHRI BHAJAN LAL: Mr. Speaker, Sir, When Hon. Prime Minister rose to speak after speaking a few words, he has said in your presence that the Leader of the Opposition is not present in the House and had he been present, he would have told him something. I said to him that we were expecting him any moment but if he did not come, we will not down the points and convey them to our leader.

MR. SPEAKER: Mr. Rao, why do you stand up when I have allowed Mr. Bhajan Lal to speak?

SHRI NIRMAL KANTI CHATTERJI (Dumdum): In their party, there are no middlemen. They have a top and a bottom.

SHRI BHAJAN LAL: It is insult of the whole House and all of its members. We give full respect to Hon. Prime Minister. We only want to say that he has insulted House, so he may kindly withdraw his words.

MR. SPEAKER: I have heard Shri Bhajan Lal. I shall ask the Hon. Prime Minister, to continue his speech.

SHRI K.S. RAO: He said, there are middlemen calling us so. Assuming that he has said it in a lighter tone—I agree—now I request that the hon. Prime Minister should withdraw that statement because it is insulting us.

That means, he did say and he wanted to support himself that it is not unparliamentary and that 'middlemen' is a parliamentary word. It is like this. In Telugu, when we ask, 'how is your father' how it looks like if we say: 'how is your mother's husband' — *Amma Mogudu*

If he has got any respect for the Members of Parliament, let him say that he did not say this word or let him say that he withdraws this word instead of enquiring whether this word is parliamentary or unparliamentary. It insults all the Members of Parliament. We do not want to proceed with this unless he says so. It is insulting every Member of Parliament. Either he must say that he regrets or he must say that he, withdraws this word, one of the two. He cannot say, whether it is parliamentary or unparliamentary. What is this Sir?

SHRI P. CHIDAMBARAM: My submission is this. This is a serious debate. The Prime Minister was replying to a very serious debate and we definitely expected that he would start and go through his reply in a vein of seriousness. Now Sir, I heard it in translation, he used the Hindi word 'Bicholia', which, I believe, means middlemen. Sir, you have said - the Prime Minister has not said it — that the Prime Minister has used it in a lighter vein. We feel offended, if the Hon. Members of Parliament are offended, what stops the Prime Minister saying that "if you are offended, I withdraw the word".

MR. SPEAKER: I think the word 'Bicholia' is not unparliamentary. But I request the Prime Minister—if by using this word friends on this side have been hurt—to use some other word.

SHRI VISHWANATH PRATAP SINGH: Mr. Speaker, Sir, I fully comply with your orders, perhaps there is some mistake in interpretation.

MR. SPEAKER: You may use words which don't hurt the feelings of others.

SHRI VISHWANATH PRATAP SINGH: Sir, I shall be the last person to hurt the feelings of others. Sir, I did not say it about the Leader of the Opposition but Shri Gadgil. He is not present in the House. He raised this issue in detail during the debate.

2 SHRI HARISH RAWAT (Almora): We will definitely convey our views to Hon. Prime Minister through hon. Speaker but we will not use the word

'Bicholia' for the hon. Speaker. You have used the word 'Bicholia' which does not behove you.

SHRI BHAJAN LAL: Either he should say that he has not said so or he should withdraw his words.

3. SHRI M. BAGA REDDY: Mr. Speaker, Sir, the Prime Minister referred to the implementation of the many decisions taken by the Government. A much publicized and very important decision of this Government is about the waiver of loans upto Rs. 10,000/- which was mentioned even in their manifesto. It is really surprising that no mention has been made in the Address about this important matter off-repeated by them and their Chief Ministers.

SHRI VISHWANATH PRATAP SINGH: Mr. Speaker, Sir, let there be a bet on this issue also and see whether we bring a proposal in this respect in this very budget session or not.

In this regard, I would like to express my gratitude to the parties supporting the Government.

SHRI MADAN LAL KHURANA (South Delhi): Please also announce that a bill granting statehood to Delhi would be introduced in this very session.

AN HON. MEMBER: Please make a statement on the Mandal Commission report also.

SHRI VISHWANATH PRATAP SINGH: I will come to the Mandal Commission report. Please do not worry. Nothing would be left.

4. SHRI BHAJAN LAL: I had expressed concern over the happenings in Meham.

SHRI VISHWANATH PRATAP SINGH: We cannot support the incidents of violence be it in Meham, Rai Bareilly or Amethi. And for the first time any party has.

SHRI P. CHIDAMBARAM: What about Meham? Your man is sitting there till now.

SHRI Y.S. RAJASEKHAR REDDY (Cuddapah): Do you know what is happening in Haryana?

SHRI VISHWANATH PRATAP SINGH: Let me finish what I am saying. I shall tell you the reason. Let us not bring Amethi into the picture. Now please be seated. That matter is over. Sir, for the first time a political party has on its own asked for repoll from the Election Commission. If a similar demand

had been made in respect of Amethi, the shape of things would have been different. It might have improved.

SHRI BHAJAN LAL: They said so but the election has been countermanded.

SHRI VISHWANATH PRATAP SINGH: Shri Bhajan Lal, why are you talking unnecessarily. We were there together in Garhwal. So let us now work together towards finding out a solution to this problem. Hon. Shri Inderjit said that all the hon. Members should declare their assets.

I think he has given a very good suggestion and it would set a healthy tradition. I hope the Government would consider it in a positive manner.

SHRI R.N. RAKESH (Chail): You should, first of all, tell how much property do you own.

SHRI VISHWANATH PRATAP SINGH: We are well known to each other and there is nothing to hide from you. Prof. Vijay Kumar Malhotra has mentioned one thing in particular here that we must follow certain guidelines in our day to day affairs and decisions should not be taken in a discretionary manner. Vijay Kumarji, I will certainly discuss this matter with you, I am also of the opinion that certain guidelines or conventions should be followed. You are welcome to discuss this matter and we are ready to cooperate in this regard.

## STATEMENT REGARDING VISIT TO NAMIBIA

30 March, 1990

I had the privilege of visiting Windhoek from the 20th to the 21st March, to participate in the celebrations of Namibia's independence.

There could not have been a more befitting occasion for my first visit abroad as Prime Minister than to witness Namibia's proud and joyous emergence as a sovereign, independent State. It was a memorable experience for all of us to be part of a historic occasion which marked the end of colonialism in Africa and the retreat of apartheid to its final crumbling bastion in South Africa.

The presence of our multi-Party delegation which included Shri Atal Bihari Vajpayee, comrade Surjeet, Shri Indrajit Gupta and Shri Narayanan from, the Congress-I in Namibia demonstrated that India's principled and unwavering commitment to the anti-apartheid, anti-colonial struggle transcends party affiliations and ideologies. This is not just our national policy. It has been a part of our national psyche since the days of our own freedom struggle.

Immediately after the mid-night hour, India established diplomatic relations with Namibia, withdrew all sanctions and established a resident High Commission. We shared in the moment of great elation of the people of Namibia, who had struggled valiantly for 23 long years for their independence, under the banner of SWAPO and the leadership of President Sam Nujoma.

India is proud to have been in the fore-front of the international effort to assist the Namibian people in their quest for freedom. We extended moral, material and political support to SWAPO during its days of exile. In the transition phase to independence, India made available to the United Nations Transition Assistance Group the services of a military peace keeping contingent, police monitors and election supervisors. I am happy to inform the House that our men in Namibia earned special praise for their diligence, discipline and dedication. I am sure that this House will join me in applauding our citizens who assisted Namibia in its transition to independence. At Namibia's request, we have agreed to the continuance for three months of 50 Indian police monitors, at our cost.

During my call on President Sam Nujoma, I promised India's cooperation in their nation building efforts. We offered to assist in their human resource development, with training facilities in fields such as civil administration and teacher training. We offered the services of advisors in the areas of planning,



finance, water resources development and for the preparation of feasibility studies for the development of small-scale industries. We will extend concessional credit for the supply of goods and services. We have earmarked a sum of approximately Rs. 20 crores as our total assistance package.

The visit to Namibia provided me with the opportunity of having a useful exchange of views with President Kenneth Kaunda, Chairman of the Frontline States, President Hosni Mubarak, Chairman of the Organisation of African Unity, President Janez Dronovsek, Chairman of the Non-aligned Movement and also with President Masire of Botswana, President Mwinyi of Tanzania, President Arafat of the State of Palestine, Prime Minister Jugnauth of Mauritius and Prime Minister Kazi Zafar Ahmed of Bangladesh. I had productive meetings with US Secretary of State James Baker and with Soviet Foreign Minister Shevardnadze. It was a happy coincidence that my first meeting with U.N. Secretary General Perez de Cuellar was at a moment of great fulfilment for the United Nations, which had supervised with remarkable efficiency and impartiality the transition of Namibia to independence.

Our meeting with Dr. Nelson Mandela was a moving and memorable occasion for me and all the members of my delegation. He spoke warmly of the unbroken Indian tradition of active support to the anti-apartheid cause from the pioneering role of Mahatma Gandhi to the present day. In spite of three decades of incarceration, Dr. Mandela's clarity of purpose, integrity of vision and firm determination to liberate his people from apartheid, remains undiminished. I reiterated our invitation to him to visit India at his earliest convenience. He has accepted this invitation. I assured Dr. Mandela that India will not relax its sanctions and shall continue to mobilise international opinion to maintain pressures on the Pretoria regime at this critical stage. We shall continue to coordinate our policies with the African National Congress and contribute additional assistance to it in a joint endeavour to dismantle apartheid.

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**BACK NOTE**

**IV. Statement Regarding visit to Namibia, 30 March, 1990**

**NIL**

## STATEMENT REGARDING MURDER OF MAULVI FAROOQ IN SRINAGAR

22 May, 1990

May I express my deep anguish and grief at the killing of Maulana Mirwaiz Farooq. This is a sentiment that is shared by the House all across. He was a very respected religious leader. That he has been the target of the bullets of the terrorists discloses the designs of the terrorists very clearly. And we see the targets have been the people who have been either moderates or nationalists. These have been the targets of terrorists apart from police personnel or para military forces, politically. So we must understand by this politically where the bullet is aimed at. The list which we have got is Gulam Mustaffa Mir, Abdul Sattar Ranjoor of CPI—a freedom fighter, Seikh Mansoor, M.L.A., Gulam Nabi Khullar. Dr. Farooq Abdulah's life is also in danger. May I say that many of the people of National Conference, of Communist Parties, of Congress are targets of these terrorists? BJP is also an area of their attack. There are areas. Even one worker matters. Rawatji, is this the time of intervention? You tear me to pieces on other issues—there are 101 of them. Let us address ourselves to this issue.

May I say that all the people and the parties have proved their patriotism by the blood that they spilt on the soil of this land. And these are the forces that we have to bring together. This is the divide where the acid test is. This is the divide that we have namely those who are for secession and those who are for the country. Any other divide there may be, but we should forget it. There may be shades of religious faiths etc. whatever may be, but this is the divide. Therefore, they are the targets and, therefore, it is equally our responsibility to see that these forces come together and it is for us to protect them. And that is a challenge we accept clearly and it is part of our duty. And Shri Satheji has said this: whether a citizen asks for security or does not ask for security, that is not the issue. It is part of the duty of the Government to provide fullest security irrespective of whether he asks for it or not. Certainly when a certain security is offered, it becomes easier for the task of the Government if the security is accepted. But, if it is not accepted—in this case it was offered and not accepted—even then the responsibility of the Government remains, it is not absolved of it. Regarding what the Home Minister has said, certainly as Mr. Saifuddin Soz said, the facts can be verified. But whatever facts have come to us are that the body of Maulvi Farooq was taken in procession to Mirwaiz Manzil. There is no mention of

curfew. On the way near Islamia College, a section of the crowd attacked the security forces picket at that place. Taking advantage of the situation the militants mingled with the attacking crowd and started shooting at the security forces with AK 47 and other fire arms. So, it is not the picture as if the crowd had been shot into, but this was the situation when the cross fire took place. It is a fact that when cross fire takes place, though it is aimed at where the cross fire is coming from, but other casualties also take place. And we have to be very very careful to minimise any such incidents. But when faced with AK 47 Rifles and such a situation, their response has to be there as to how to rebut it. The real issue is the people of Kashmir, and finally the solution has to come from the people of Kashmir. We are clear and we have to address ourselves to the grievances, if there are legitimate grievances which they have, we wish to address ourselves to them and satisfy them as regards development and other problems. This is because I see no solution without the people of Kashmir being involved. At the same time, let us not underestimate the very deep-rooted conspiracy across the border. There is an ill intentioned, design plan, for secession and for tearing our country apart. Across the border there are camps; there is admission of camps there and the people in various capitals of the countries have now realised that this is so. And that is the one thing that we are faced with. It is in Punjab also. The real agenda is this. It has local addresses care of Punjab, care of Jammu and Kashmir. As a threat to our security and integrity there, we have to face it very firmly and we are determined to do it. About that we are very clear.

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At the same time, we have to be sensitive to human rights, to the human aspect, to the peoples' problems and involving the people. I think there is no contradiction in this combined approach and the Government will do fullest justice in this regard.

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## **BACK NOTE**

### **V. Statement Regarding Murder of Moulvi Farooq in Srinagar, 22 May, 1990**

1. AN HON. MEMBER: What about sealing of borders?

SHRI VISHWANATH PRATAP SINGH: Yes, we have said it. The Government has made up its mind to seal the borders with whatever strength we have.

**STATEMENT ON RECENT DEVELOPMENTS  
IN HARYANA  
22 May, 1990**

Sir, yesterday the issue of Meham was raised. The Leader of the Opposition here, on the floor of the House, asked the Government decision to be pronounced here and now. Those were the words in which he asked me. I had then said that I would take up the matter in the Cabinet and then come to the House again today. It is my bounden duty to come back to the House and to report. Sir, may I share with the House that the President of the Janata Dal, Shri Bommai, requested the Chief Minister of Haryana, Shri Om Prakash Chautala, that in view of the recent developments, he should step down from the office of the Chief Minister, to maintain the dignity of this office and to uphold the values of democracy to which Janata Dal is committed. The Chief Minister of Haryana told him that as a disciplined member of the Party, he would abide by the advice of the President of the Party and would immediately step down from the office. I have been further informed that Shri Bommai has received the resignation of Shri Chautala and he is forwarding it to the Governor of Haryana. I have been further informed that the meeting of the Janata Dal Party, Haryana, is being held tomorrow to elect a new leader and there will be a new Government in Haryana tomorrow. The Chief Minister of Haryana, Shri Chautala and the Janata Dal in the highest traditions of public life and in spite of the majority being there, in spite of the fact that they have been elected and could continue confidently for five years, but to uphold the democratic traditions the Chief Minister of Haryana has submitted his resignation and I think we should thank him. So, Sir, the appeal of the President of the Janata Dal, Shri Bommai, he has responded fully.

Mr. Sathe, I know your enthusiasm. Just hold it till it is put to use. I know it will be put to good use; though it may not be presently, but it will be. The point is that so far as any action, etc. is concerned, the enquiry of a Supreme Court Judge is there and all enquiries have been ordered and we have moved. So far as any as action is concerned, of course, it is under scrutiny.

**BACK NOTE**

**VI. Statement on Recent Developments in Haryana, 22 May, 1990**

**NIL**

**STATEMENT ON FIRING BY PAKISTANI FORCES AT  
INDIAN POSTS IN MACHHAL SUB-SECTOR OF  
KUPWARA SECTOR, THE LINE OF CONTROL  
IN JAMMU AND KASHMIR**

**21 August, 1990**

Sir, the Kupwara Sector, on the Line of Control in Jammu & Kashmir, is one of the areas in which there have been continued attempts at infiltrations by Pakistan trained terrorists in recent months.

The Machhal sub-Sector, within the Kupwara Sector, is situated opposite village Kel in Pakistan Occupied Kashmir. Recently, our troops noted an intrusion in this area. On 12th August, 1990 our troops took appropriate action and eliminated this intrusion. The Pakistani Army attempted to interfere with these operations, using heavy weapons, including mortars and artillery. However, our troops succeeded in entirely clearing this area of the intrusion.

This incident was reported by the Pakistani media as an attack launched by our troops on their posts in that area. This was refuted by us.

After a lull, the Pakistani forces commenced artillery fire at a r of our posts in the Machhal sub-sector, from 20th August. Our troops in the area retaliated with appropriate fire. The exchange of fire is continuing, confined to this sub-sector.

As per the existing arrangements, Diectors General, Military Operations of the two countries are in touch with each other. There is no cause for any undue concern since we trust that these localized incidents will be contained and the situation diffused. Our forces are fully prepared to effectively deal with an eventuality.

It is our sincere hope that there will be no recurrence of such incidents and that the Government of Pakistan will realize the need to fully abide by the Simla Agreement. This would be in keeping with the dialogue which we have initiated with the Government of Pakistan.



**BACK NOTE**

**VII. Statement on Firing by Pakistani Forces at Indian Posts in Machhal sub-sector of Kupwara Sector, the Line of Control in Jammu and Kashmir, 21 August, 1990**

**NIL**

## STATEMENT ON SETTING UP OF NATIONAL SECURITY COUNCIL

24 August, 1990

The Government had announced their intention to set up a National Security Council to consider all aspects of national security in a coordinated and comprehensive manner. The Council will take a holistic view of national security issues in the light of the external, economic, political and military situations and their linkages with our domestic concerns and objectives.

The need for a holistic approach is especially important today, as both the external geo-strategic environment and the internal situation in the country are changing rapidly. The international environment has undergone dramatic changes which will inevitably lead to the establishment of new equilibria of power in different regions of the globe. Economic considerations are increasingly determining international political dynamics, and economic power is now more significant than military strength. The domestic situation is also changing as the process of development releases new energies and raises aspirations which in many regions, have strained the social fabric and the administrative structure. In some parts of the country, these strains are compounded by external forces aiding and abetting militant and terrorist groups in their unlawful and subversive activities. These trends, if allowed to go unchecked could undermine the nation's integrity and unity.

The Government have, therefore, decided to set up a National Security Council comprising the following:

Prime Minister	-	<i>Chairman</i>
Minister of Defence	-	<i>Member</i>
Minister of Finance	-	<i>Member</i>
Minister of Home Affairs	-	<i>Member</i>
Minister of External Affairs	-	<i>Member</i>

The council may, as necessary request other Union Ministers and any Chief Ministers of a State to attend meetings of the Council. The Council may also invite experts and specialists to attend its meetings as necessary.

The main endeavour of the National Security Council will be to evolve an integrated approach to policy-making as it affects national security, taking account of the linkages between the evolving external situation in the political,

military and economic fields and our domestic situation. This should lead to the identification of strategies which optimize our efforts in defence, internal security and foreign affairs. The Council will ensure that medium-term and long-term assessments are made of the internal and geo-strategic environments to serve as a perspective for shaping Government policy in related matters. The subjects submitted for the consideration of the Council will broadly cover the following:

- (a) external threat scenario;
- (b) strategic defence policies;
- (c) other security threats, specially those involving atomic energy, space and high technology;
- (d) internal security covering aspects such as counter-insurgency, counter-terrorism and counter-intelligence;
- (e) patterns of alienation likely to emerge within the country, especially those with a social, communal or regional dimension;
- (f) security implications of evolving trends in the world economy on India's economic and foreign policies;
- (g) external economic threats in areas such as energy, commerce , food and finance;
- (h) threats posed by trans-border crimes such as smuggling and traffic in arms, drugs and narcotics;
- (i) evolving a national consensus on strategic and security issues.

The National Security Council shall be assisted by a Strategic Core Group comprising the Cabinet Secretary as Chairman and representatives of the three Services and the Ministries concerned. The Strategic Core Group will supervise the submission of appropriate studies, papers and reports to the National Security Council from the Ministries or other agencies of the Government, or from Special Task Forces.

The National Security Council will have a separate Secretariat which will be headed by a Secretary who will be an officer in the rank of Secretary to the Government of India. This Secretariat will also service the Strategic Core Group.

For in-depth study of different aspects concerning national security, Task Forces may be established as may decided by the Chairman of the Council. Each Task Force will be concerned with specific areas of security

and its membership will be drawn from the Ministries and agencies dealing with the security issues within the Government. Each Task Force will be headed by an experienced person well-versed in matters assigned to that Task Force. While the Task Forces will be administratively attached to the Secretariat of the National Security Council, they may request for expert assistance from agencies within or outside the Government.

The National Security Council will also oversee efforts to increase public awareness on important national security problems with a view to promoting the widest possible consensus within the country on issues affecting the nation's security. Towards this end, a National Security Advisory Board will be constituted comprising members drawn from among Chief Ministers, Members of Parliament, academics, scientists and persons having rich experience of service in the administration, armed forces, press and the media. The Board will meet at least twice a year and keep a record of its proceedings. The Board will essentially serve as a mechanism for obtaining a board range of informed views and options on national security issues. This will form an important input into studies and papers submitted for the consideration of the National Security Council. The Board will be serviced by the Secretariat of the National Security Council.

Sir, I have already read out the text of the Resolution regarding constitution of the National Security Council. Now I lay on the Table of the House a copy of a brief statement in the same connection.

## **STATEMENT**

Government have decided to set up a National Security Council to take a comprehensive and coordinated view of all matters relating to the country's security. The Council will be headed by the Prime Minister and will include the Ministers of Defence, Finance, Home Affairs and External Affairs. Other Union Ministers and Chief Minister(s) of States will also be associated as and when necessary. The Council will also invite experts and specialists to attend its meetings.

2. The need for such a structure has been felt necessary in the context of the rapidly changing external environment and the internal situation in the country. The Council will endeavour to evolve an integrated approach to policy making as it affects national security, taking into account both military and non-military threats. They will help in identification of strategies to optimize our efforts in defence, internal security and foreign affairs and

develop medium-term and long-term assessments to serve as a perspective for shaping Government policy.

3. One of the objectives of the National Security Council is also to evolve a national consensus and public awareness on strategic and security issues. To achieve this, it is proposed to constitute a National Security Advisory Board comprising members drawn from among the Chief Ministers, Members of Parliament, academics, scientists and persons having rich experience of service in the administration, armed forces, press and the media. The Board will meet at least twice a year and serve as a mechanism for obtaining a broad range of informed views and options on national security issues.

4. The National Security Council will have a separate Secretariat. It will be assisted by a Strategic Core Group comprising of the representatives of the three services and the Ministers concerned.

5. A Resolution setting up the National Security Council along with its functions and scope is placed on the Table of the House for the information of Hon'ble Members.

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**BACK NOTE**

**VIII. Statement on setting up of National Security Council,  
24 August, 1990**

**NIL**

**STATEMENT REGARDING MEASURES FOR PROMOTION  
OF EMPLOYMENT FOR THE YOUTH  
27 August, 1990**

On 7th August, 1990, I announced in this House the decision taken by my Government to implement the Mandal Commission's Report.

As the House is aware, the Mandal Commission submitted its report on 31st December, 1980 to the President. Thereafter, this has been discussed a number of times in both the Houses and there was substantial support and forceful demands for the implementation of the Mandal Commission's Report. The National Front had declared in its manifesto that it will implement the Mandal Commission's report at the earliest and during the elections it had made a solemn commitment to the people to implement it within a year of its coming to office.

When this Government took office, the President stated in his address that the Government is committed to the implementation of the Mandal Commission's report. In both the Houses, there was persistent demand from a large section of the Members for its implementation. In the last Session I had assured in the Rajya Sabha that the Government will take its decision expeditiously.

This Government has taken a number of decisions to render justice to Scheduled Castes, Scheduled Tribes, Women, Minorities, Labourers and Other Weaker Sections. The decision of the Government on the Mandal Commission Report, in accordance with its prior commitment to render justice to the Socially and Educationally Backward Classes who constitute 52% of our population, is part of these measures in this "Year Of Social Justice", Baba Sabeb Dr. B.R. Ambedkar Centenary Year.

In extending reservation to them, the intention of the Government is to give them social justice and a share in the governance and shaping of the country in fulfilment of our Constitution obligations. As Members are aware, a number of State have already provided reservation for the backward Classes in their services. This Government's decision on the Mandal Commission's recommendations is in respect of service under the Government of India and the Public sector Undertakings.

The Mandal Commission's Report is only with regard to Socially and Educationally Backward Classes. Introduction of economic criteria into it will dilute its purpose. So, the Government wants to make it clear that it is not possible to make any dilution of the 27% reservation for the Socially and

Educationally Backward Classes and 22.5% for Scheduled Castes and Scheduled Tribes.

At the same time, the Government is equally concerned about the future of our Youth in general. In the Rajya Sabha, there was a suggestion from the Members to provide reservation for the poor over and above the reservation for the Socially and Educationally Backward Classes, and I had said that we would sympathetically consider some reservation for the poor, irrespective of social groups. This was reiterated by the Finance Minister, Prof. Madhu Dandavateji in his intervention in the Lok Sabha. We propose to provide an additional reservation of 5% to 10% for the poor irrespective of social groups, entirely on the basis of appropriate economic criteria, after taking the sense of this august House.

It was another solemn commitment of the National Front to enshrine the Right to Work as a Fundamental Right in the Constitution. The Government intends, after interacting with political parties, to introduce in this session a Constitutional Amendment Bill to make the Right to Work a Fundamental Right within the available resources and seeks the cooperation of all parties in passing it after due deliberations.

Arising from our concern for our Youth is our decision to make employment the central thrust of the Eighth Plan. The Approach Paper to the 8th Plan has spelt out the Central task of the Plan as expanding of opportunities for productive employment at a rapid rate. The Plan target has been fixed in terms of annual rate of increase in employment and has been fixed at 3% increase per annum over the next decade. It is through vastly and rapidly expanding employment opportunities, particularly professional and commercial self-employment, and through all-round productive employment-oriented growth of the economy that the problem of unemployment of the educated as well as of the poor can really be resolved.

Here it will not be out of place to mention that the Government intends to establish a National Youth Council to ensure the involvement of the Youth in the building of the Nation and to focus on the problems of the Youth. In the light of this Government's concern for the employment prospects and the future of our educated youth in general, on 15th August, 1990, I announced our decision to increase the flow of resources for various programmes of youth from Rs. 20 crore to Rs. 265 crore, mainly for self-employment, higher studies, and for involvement of youth in literacy programmes. This was done in



the light of the fact that Government jobs alone cannot solve the unemployment problem and other avenues of gainful employment have to be enhanced.

Appreciating these facts in true perspective, I trust that all sections of the country, and Hon'ble Members of Parliament will fully cooperate with us in the fulfilment of our social and Constitutional obligations and in our march towards social justice.

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**BACK NOTE**

**IX. Statement Regarding Measures for Promotion of Employment  
for the Youth, 27 August, 1990**

**NIL**