

[English]

MR. SPEAKER : Well, I would like to congratulate all the lady Members who have supported this Resolution by making the speeches as well as by endorsing the spirit in the speeches. I should be allowed to say that all of them agree with the spirit and the principle of the Resolution. Not only that, but it is not disclosing anything to the House which should not be disclosed. All the leaders of all the parties have in principle explained to me that they agree to the principles which are contained in the Resolution. Over and above, the hon. Prime Minister has made it very explicit what is the stand of the Government. I am sure this House unanimously agrees to accept in principle what has been stated in the Resolution by thumping the desks.

The Resolution was adopted by thumping the desks.

[Translation]

SHRI MOHAN RAWALE (South Central Bombay) : Mr. Speaker, Sir, bomb blasts are taking place at various place in the country.....(Interruptions)*

[English]

MR. SPEAKER : At least one day allow us to conduct the business in a proper manner.

.....(Interruptions)*

MR. SPEAKER : No.

SHRI INDRAJIT GUPTA (Midnapore) : It should not be recorded.....(Interruptions)

SHRI RAM VILAS PASWAN (Rosera) : Sir, we oppose this. This should not go on record.....(Interruptions)

SHRI SOMNATH CHATTERJEE : The poisonous allegations should not be recorded.....(Interruptions)

[Translation]

SHRI MOHAN RAWALE : I am walking out in protest .

Shri Mohan Rawale then left the house.

12.28 hrs.

MOTION RE : EXPRESSION OF DISSATISFACTION OF THE GOVERNMENT'S FAILURE TO ANSWER CHARGES RELATING TO THE 'HAWALA CASE' AND TO ALLEGATIONS ABOUT ILLEGAL PAY-OFFS TO SOME MEMBERS OF PARLIAMENT -CONTD.

[English]

MR. SPEAKER : I will request the hon. Prime Minister to say a few words.

THE PRIME MINISTER (SHRI P.V.NARASIMHA RAO) : Mr. Speaker, Sir, a detailed factual reply will be given by my colleague Mrs. Alva. Meanwhile in a very brief intervention, I would like to say that the Government has never sought to interfere in any manner with the investigation. The hon. Supreme court has been overseeing the various stages of the investigations and CBI has been acting under the directions only of the Supreme Court.

AN HON. MEMBER : From when?

SHRI P.V.NARASIMHA RAO : Right from the beginning. In its order dated 1.3.1996 the Supreme Court observed and I quote,

"To eliminate any impression of bias and avoid erosion of credibility of the investigations being made by the CBI and any reasonable impression of lack of fairness and objectivity therein, it is directed that the CBI would not take any instructions from or report to or furnish any particulars thereof to any authority personally interested in or likely to be affected by the outcome of the investigation into any accusations.....(Interruptions)

Sir, I would like to be heard. Now that there has been so much insistence on my speaking here, I would like to be heard.

This direction applies even in relation to any authority which exercises administrative control over the CBI by virtue of the office he holds without any exception.

We may add that this also accords with what the learned Solicitor-General has very fairly submitted before us about the mode of functioning of the CBI in this matter.

We also place on record, the further statement made by the learned Solicitor-General on instructions from the CBI Director that neither the CBI Director nor any of his officers has been reporting to any authority about any particulars relating to these investigations.

Sir, the earlier sentence is from the Solicitor-General himself. The next para is again from the Solicitor-General, on advice from the CBI Director who was present there in the Court.

The order of the Supreme Court accords fully with the Government's view as to how the CBI should act in this case. The Supreme Court has asked the CBI not to do something which the CBI has not done, is not doing and will not do. The law of the land should be allowed to take its course; there will be no departure from this under any circumstances.

Since the case is pending in the Supreme Court, it may not be advisable for me to add anything more at this stage.....(Interruptions)

SHRI GUMAN MAL LODHA (Pali) : Sir, the Supreme Court's Order is a censure against the Prime Minister.....(Interruptions) The Prime Minister should say something about this.....(Interruptions)

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal) : Sir, without saying this, they can say, what provoked the Supreme Court to pass that Order.....(Interruptions) The Supreme Court has made certain observation; there must be some reason for that....(Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur) : Sir, It should not be taken as a mere routine matter. We have been insisting on hearing from the Head of the Government. Hon. Prime Minister is further in charge of the Department which is dealing with this and which has the administrative control over the CBI. What is the consequence of the direction given by the hon. Supreme Court on the 1st of March? If the hon. Supreme Court was accepting the position of the assessment of the CBI Director, as expressed through the Solicitor-General, then such a drastic Order need not have been made by the Supreme Court at all. This is one point.

The second aspect is very important. What we have been wanting to know is, what is the effect of this Order. So far as the CBI is concerned, it has become, today, *sui juris*, there is nobody to control it in the Government. It has no political authority over it. No Minister is any longer responsible for what is happening from the 1st of March, regarding the Hawala transactions entirely. Therefore, we would like to know this. Is the Prime Minister in a position to answer anything about the CBI's functioning on and from the 1st of March, even with regard to the earlier happenings, after the Order of the Supreme Court? Does the Prime Minister think that he retains the political authority over the CBI or the administrative authority of the CBI and is it not a reflection on the Prime Minister's handling of the CBI?.....(Interruptions)

SOME HON. MEMBER : No.....(Interruptions)

SHRI SOMNATH CHATTERJEE : That is why, the Supreme Court has interdicted the Prime Minister or any other authority without exception from looking into this matter or even learning about it. The CBI cannot even report to them. This is the position....(Interruptions) I would like to know, does the hon. Prime Minister, as the Head of the Government and as the Leader of the House feel disturbed or does he not feel disturbed about it?

Can the Parliament of India today take up the question of the Prime Minister's responsibility in the matter of investigation? Sir, therefore, very important work of the Parliament cannot be discharged today because I cannot hold anybody responsible (Interruptions)....Let us not treat these matters always on a partisan basis. There is a constitutional question involved in it; propriety is involved in it. The question is whether Parliament of India can face a situation where it cannot hold the Government accountable on certain executive function also. Is this the concept of the Constitution of our country or the accountability of Ministers to Parliament of India? These are basic questions. The hon. Prime Minister does not choose to answer it. We have also read what he has read out. It is not for this only. Therefore, please do not treat it so casually. It is being treated casually; you do not mind your authority being taken away but, as a Member of Parliament, I do mind my authority being taken away. This cannot happen in this country... (Interruptions) Therefore, Sir, I earnestly request the hon. Prime Minister to respond as he is the custodian..... (Interruptions)..

SHRI P.V. NARASIMHA RAO : May I just say a few words to elaborate it?

The Supreme Court and the High Courts of different State have been entrusting several cases to the CBI for investigation. The cases include a wide variety such as alleged failure of local agencies, violation of human rights, disappearance of persons, murder, custodial deaths, atrocities against women, etc. Some of the cases are those relating to the incidents of Allahabad High Court, Uttarakhand, Muzaffarnagar, Shri J.S. Kalra, Pilibhit, illegal detention by two IPS officers of some individuals at Hissar, forgery and false affidavit submitted to an IPS officer, disappearance of persons near Gurdaspur, etc. In all these cases, the Supreme Court and the High Courts concerned have ordered CBI to submit reports to them. The CBI have accordingly been reporting to the concerned court directly...(Interruptions)

SHRI SOMNATH CHATTERJEE : No, that is not the point.....(Interruptions)

MR. SPEAKER : Let us hear him first.

.....(Interruptions)

SHRI P.V.NARASIMHA RAO : No reports are sent to the Government or any other authority in these cases, only when a prosecution is needed or information is to be provided to Parliament, is information supplied for that specific purpose. There is nothing unusual in the CBI reporting to the Supreme Court or a High Court directly in compliance with the direction of the concerned court. The Government have not called for reports from the CBI nor otherwise interfered in such cases. The whole exercise, in such cases, has been as per the due process of law....(Interruptions)

SHRI INDRAJIT GUPTA (Midnapore) : The House has been awaiting with great interest and great impatience for the last few days to get the response of the Government and particularly of the Prime Minister, his reaction to, I should say, unprecedented order of the Supreme Court dated the 1st of March.

Sir, whether I am correct in doing so or not, I wish to place on record on the floor of the House our deep appreciation of the role which is being played in this *Havala* affair by these three justices of the Supreme Court, M/s. Verma Bharucha and Sen and also four petitioners of the Public Interest litigation case, Mr. Vineet Narain, Mr. Rajinder Puri and two others. But for that, but for their vigilance, but for their persistence, these matters would never have come to light. They would have been suppressed and who would have suppressed them, Sir, is anybody's guess.

This list of names which have been disclosed from the so-called Jain diary is dating for the last four years. They were revealed four years ago. But nothing was happening about it. Despite the fact that these reports about these people and about this money, the sources of this money, where these funds were coming from - apart from the question of who has been receiving them - where the funds were coming from; for what purposes these funds were being spent here in the country, has distinct tones of subversion, of links with foreign subversive forces which would like to destabilize the system in our country. Apart from that the linking with some militants, at least who have been operating in Kashmir, the people who are now talking very loudly about morals and about their cleanliness in this matter and all that are people also who know very well that these funds were also being used in order to finance terrorist outfits who were working openly against the integrity of our country. And also, Sir, as I had mentioned earlier during the Question Hour, these *Havala* funds have been responsible for a large scale destabilization, I should say, of our whole economic system. The loss to the country which runs into millions and millions of dollars, which is a direct result of malpractices and illegal practices

being carried out by various people in this country, whether it is through evasion of taxes, or stashing away funds illegally in foreign banks, or through under-invoicing and over-invoicing all is connected this massive operation of the *havala*. In spite of all these, are we to take it that none of these reports were available to the CBI when these names were divulged through the famous diary? Did they know nothing about it? Are we now to assume as the Prime Minister said, that none of these reports were made available to the Government? The Government did not know anything about what was happening! If so, then the CBI has also failed in its duty. Certainly, the CBI which enjoyed a reputation at one time of being perhaps the only independent investigative agency in this country at the highest level has failed in its duty if it did not keep the Government apprised of this very dangerous angle to this whole operation which was going on.

It is not a question only of morals and immorality. I do not want to discuss this thing only on this plane - who is clean and who is not clean. I could talk about it of course. I have nothing to fear about. But it is not the only question that you can go into. This was an operation being carried out by certain foreign forces-- foreign powers, I would say -- who through these various conduits are financing people in this country in order to destabilize the whole system:

Sir, We are living in a parliamentary democracy whether we like it or not, some people do not like it. Some people do not like it, occasionally they talk about their preference for military rule and all that kind of a thing. What I am saying is, Sir, in a parliamentary democratic system, unless you decide to change it, the Executive is responsible and is accountable to the Parliament.

Over the last three-four years we have been having numerous examples of how accountability is being completely denigrated and destroyed. Nobody is held to be accountable for major scams which are taking place for thousands of crores of rupees of public money which is being embezzled and lost; nobody is made accountable for it. This is system we are now working under. As I have said on a previous occasion, if accountability is given a burial, then you might as well say goodbye to this parliamentary democracy. It has not meaning without the principle of accountability which is the bedrock on which it rests.

Here we find from what the hon. Prime Minister has said just now, if I understand anything from what he has said, that the Government has never been accountable for what the CBI is unearthing and discovering or for not taking action on that. This is an astounding thing, Sir, which I am not able to follow at all. If all these things