

16.03 hrs.

STATEMENT RE: RECOGNITION TO  
NEWLY DECLARED STATE OF PALESTINE

[English]

THE MINISTER OF EXTERNAL AFFAIRS (SHRI P.V. NARASIMHA RAO): The House will be happy to know that Government have decided to accord full recognition to the newly declared State of Palestine. The denial to the Palestinians of their just rights and the illegal occupation of their homeland have been strongly condemned by successive Parliaments. All shades of public and political opinion in India have been united in expressing solidarity with the Palestinian people and their legitimate aspirations.

The establishment of an independent Palestinian State has been our cherished and singleminded objective all these years. We share the happiness of the Palestinian people on this auspicious day. We are conscious that it is not the end of the process. It is nevertheless an important milestone on the path to meeting the legitimate aspirations of Palestinians within and outside the occupied territories. We wish the Palestinians all success in the task of achieving the logical culmination of this declaration—the restoration of Palestinian land and the assertion of Palestinian sovereignty.

16.05 hrs.

DISCUSSION UNDER RULE 193

[English]

**Commission Reported to have been Paid by M/s Bofors in Howlzen Gun Deal—Contd.**

SHRI DINESH GOSWAMI (Guwahati): Mr. Chairman, Sir, since yesterday in this debate a number of important Members of both the sides have participated. It is one of those rare debates in which a number of top

functionaries of the Governments have participated; Ministers and also top party functionaries. I wish that a completely uncensored and unexpunged version of this debate should go before the people of this country, so that the people of this country may know to what level the ruling party can go down in debates on important issues. It is not that we cannot reply abuses by counter-abuses, but I have prayed since yesterday that in the worst of provocation and anger I may not be tempted to use such words against the mothers, sisters and sons of hon. Members as has been done by the ruling party Members since yesterday. This debate will remain as one of the most blackest debates in the Parliament, where we have reduced the level of debate to virtually the worst kind of debate.

I can see a panick reaction in the ruling party to Shri V.P. Singh and I am not surprised. They feel that if they can tarnish the image of Shri V.P. Singh, they may somehow survive. But political survival is never dependent on tarnishing the image of another party. Political survival is dependent on the strength of your own party and the way you have tried to tarnish the image of Shri V.P. Singh is not going to help you.

What are the issues in this debate? I thought for myself that the members of the ruling party would reply to some of the issues and cut across party lines and will strongly stand up against Bofors on the issues that we have brought forward. What are the issues? May I recall what the Defence Minister and the hon. Prime Minister said in the early part of 1987. I can quote the Prime Minister as quoted by JPC. He made it very clear that there can be no middlemen or agents involved in the dealings with Bofors. That was the confirmation which he got from Mr. Olof Palme that there would be no middlemen involved and then he put across to the opposition: "Show us any evidence that there has been involvement of middlemen or payoff or commission. Give us some material that there has been payment of commission". And what would they do? His reply was: "We will take action and we will see that

nobody, however high up, is allowed to go free." I for myself thought that such a solemn assertion given by the hon. Prime Minister would be carried to its logical end and action would be taken. But what happened? What are the facts of this case? Unfortunately, whenever we have or the press have placed material before the Government, the Government have shifted their position. The first position was that there has been a solemn understanding with Mr. Olof Palme on that that there is no middleman. Merely because some media at some point of time, or the Swiss Radio can bring out a news, that cannot be the basis of any enquiry. Then, when the National Audit Bureau report came, it was said that there may be middlemen, but the question of payment of commission has not being established. The JPC would go into the question of payment of commission. In the JPC, the Bofors chief jurist came and proclaimed that there has been no payment of commission. What they have done is merely they have paid some winding up charges. JPC treated the Bofors officials like bridegrooms. JPC has mentioned in its report that Bofors have said that it is winding up charges. "They are not prepared to give us the documents. In the absence of evidence and because they are claiming confidentiality, we have nothing but to accept that there was no payment of commission". Well, the matter almost ended there. But then subsequently documents have come which show that commissions have been paid, documents which show that the version given by the Bofors the Joint Parliamentary Committee was deliberate falsehood and that these were misleading statements. May I point out some of the statements made in the JPC by the Bofors Committee? The Bofors in the JPC very clearly said and I am quoting from the Report:

"The net result was that the Swedish Government re-confirmed the precautions taken by the Government of India to exclude the middlemen and Bofors denied making any illegitimate or illegal payments. The only payments acknowledged by Bofors in their letter of

24 April, 87 were for the reimbursement of consultancy services within the areas of marketing and counter-purchasing".

The Bofors never admitted even at that point of time that they have paid something even as winding up charges. Now, when these documents for the payment of commission came before the people, I expected the ruling party members and the Government to say that new evidence has come to light which shows that the Bofors did pay commission and that the Bofors took for a ride the Joint Parliamentary Committee and that we are not going to condone this. Unfortunately, instead of throwing stones at Bofors, all stones are being thrown at Mr. V.P. Singh. I have not heard even one member of the ruling party speaking against the Bofors. What did the Prime Minister say? The Prime Minister now introduces a new story that there may be commissions for genuine work. May I ask the Defence Minister, you supplied all the Members of Parliament with a bunch of documents. I went through that bunch word by word. I have gone through the report of the Joint Parliamentary Committee word by word yesterday to see whether at any point of time it was the position of the Government that if commissions are paid for genuine work that will be permissible. The position taken by the Government was and I am again quoting the Prime Minister, which finds place in the JPC Report also:

"You show us any evidence that there has been involvement of middlemen or pay-offs or bribes or commissions."

He has not said that you show us some payment of non-genuine commission. This was the position of the Government of India, i.e. the payment of commission is something which under the terms of the contract with the Bofors or which under the understanding with Olof Palme is not permitted, whether genuine or non-genuine. Where from this new concept of genuine payment has come? And what is the genuine payment; the Industrial Espionage. For example, the industrial espionage of looking into the

[Sh. Dinesh Goswami]

French gun. Supposing somebody looks into our own gun to find out whether there can be a better gun available, shall we call it permissible espionage for genuine cause? Or if that person says, "according to your Prime Minister this is a genuine work", shall I give him a certificate and say, "you did not commit an espionage but you did the genuine work?" Has the Prime Minister realised the implication of the statement which he made by saying that there can be a genuine commission, an industrial espionage of looking into the guns of another company is a genuine work?

I for myself had expected Mr. Shankaranand when he stood up yesterday to say that he is very sorry that the Bofors company whose reputation in the international market is none too happy, has taken his Committee for a ride. They said that they have not paid commissions but the documents reveal that they have—paid commission. I want that this Parliament should take whatever action is possible against this company for taking us for a ride. But I did not hear one word of condemnation against this company.

In fact I asked the Defence Minister in the last debate that you accuse the opposition of everything but have you got any word to say against the conduct of this company which has violated the solemn agreement with the Government of India, which has given deliberate false evidence before the JPC; which has refused to give to the JPC and the Government the documents which would have proved whether there has been payment of commission, or whether there has been payment of consultancy service charges? But you have no word to say against them. In spite of all these default no word is said against this company by the Government, am I not entitled to presume that there is something wrong in the entire relationship that the Bofors has with this Government, for which the Government is soft? I am entitled to draw this conclusion. When the Prime Minister was asked this question on commission, I expected that the Prime Minister would say that the Bofors have violated

not only a solemn commitment made to the Government of India, but they also have done disservice to a personality like Olof Palme, who was one of the respectable personalities of the international world and a commitment given by him as flouted by this concern and he would not treat it lightly. But he has invented up a new defence a new excuse. I do not know, may be the Defence Minister may defend it. But it will have very dangerous repercussions if he says that there may be genuine payment of commissions and industrial espionage into a gun is a genuine work. Tomorrow, this very statement can be used by somebody on some occasion when we haul up somebody for industrial espionage.

Mr. Chairman, Sir, I will not like to repeat what has been said. But even at this late hour, to prove the bona fide of the Government, I will expect the Defence Minister, on behalf of this Parliament, not only on behalf of the party, but on behalf of the entire House to tell the Bofors that they have violated the agreement. I have the highest regard for the Defence Minister both as a parliamentarian and as a person. I had the privilege A working with him as a partyman.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): Don't you feel sad and unfortunate not to be with him now?

SHRI DINESH GOSWAMI: Yes, I feel sad. I feel sad that because of your wrong actions in Assam, I have to part company with you. If your wrong decisions would not have been there, I would have stayed with you. I am not feeling sad for being on this side, here. I feel sad that you are nobody in Assam today. The party which even won in the worst year of 1977, has been put into the dustbin of time because of your wrong action. I feel sad that the Congress Party to which I belonged, that Congress Party would not have used the type of words which this party has used yesterday. (*Interruptions*)

I feel sad that the privilege and honour of this House has been put to mud. I feel sad

Mr. Priya Ranjan Das Munsii, when I compare the debates that have taken place today with those debates of the Constituent Assembly. I feel sad that to what extent the party has degenerated itself. I feel sad. Indeed, I feel sad. In fact, to a better part of the debate, I have kept myself away. I will tell you what I honestly felt yesterday. If you believe, I am speaking from my heart. I told to myself, "Should I come back to this House, if this is the House where all muck is interchanged?" I believe I have no place here.

AN HON. MEMBER: But who started it?

SHRI DINESH GOSWAMI: Maybe I have started, maybe you have started. I am not blaming anyone. I am blaming everyone including myself.

Mr. Chairman, I believe that this House should tell Bofors unitedly—and I would like the Government to be a part of this—that they have violated the agreement, that they have misled the JPC and that they are accountable for it. Secondly, this Government should demand Rs. 64 crores back from Bofors. I believe Bofors needs India, more than India needs Bofors. Are we so small, so powerless that an ordinary gun manufacturing company with little reputation in the international world can do whatever it likes and go on making false statements even before the highest forum of the Parliamentary Committee and the government? Should we go on giving certificates to it? We should ask Bofors to give back those 64 crores of rupees. We should ask Bofors for the names of the recipients whether they comply with it or not. Also, if Bofors do not agree to the payment of Rs. 64 crores, we should blacklist them right and now.

I would like to know one thing more. The CBI, according to the Prime Minister, is said to have made some inquiries. It is surprising that an investigating agency of the mighty Government of India cannot unearth information which a lady journalist can unearth in Geneva. The mighty Government of India's investigating agencies have failed to unearth what a lady journalist has unearthed—

documents after documents. If that is the position, I think there is something very wrong with the investigating agencies; or the Government have given some very wrong directions to the investigating agencies. There are two possibilities: one, something is wrong with the investigating agencies; or two, the investigating agencies have been asked to go soft. I will not like to say anything on this. (*Interruptions*) But has the Government the courage at least to place CBI's report on the investigation so far in the House, so that we may ascertain up to what stage the investigation has gone?

The debate can go on. One can go on accusing V.P. Singh; one can go on making accusations against the Prime Minister. But I think the purpose of the debate is not that. The purpose of the debate should be different, and this debate should be at the proper level: Bofors should be told in the united voice of the country that they have betrayed the trust of the Government, they have betrayed the trust of Olof Palme, and that they are accountable. They should be made accountable. If that is not done, I will go back from this House with an impression—I am not making any allegation against the Government or the Prime Minister. Somebody may do that; I have not done it in all the Bofors debates—that all is not well in the State of Denmark.

CHOUHDARY KHURSHID AHMED (Faridabad): Sir, we have been hearing this debate since yesterday; and most of the speakers from both the sides have given their views on different aspects of the question. But one thing is certain: whatever we have heard from the other side, from the ruling party, whether it was from the Ministers or some other fellow members, their target, their subject was—not the Bofors commission which is the crux of the Motion and the debate. But their attention has been only on one person, only on one statement of that person, from wheresoever he might have made it.

They have been talking all about V.P. Singh, going back not to the seventh genera-

[Choudhary Khurshid Ahmed]

tion as in Bible but upto the 40th generation of him which is unprecedented in this House, as if they are the best historians and they have all the genealogical tables for the previous forty generations of that person. Such falsehood is being traded for history that it betrays their fear, and their total fear of one man whose personality is haunting them for the forthcoming parliamentary Poll. Time and again they are mentioning the next elections. His personality is haunting them for the next elections. They feel his presence somewhere in the atmosphere, and then they come down and attack him—not only him, but his sons, his daughters-in-law, his mother, his daughter and his wife. (*Interruptions*) And Devi Lai too.

You had the taste of Devi Lal in 1987 when you contested the Haryana elections; and out of 90 seats, 85 seats had gone to Devi Lal, and you had been beaten so badly that you are still licking your wounds even today; and you come to Devi Lal's place; it is Devi Lal who would teach you a lesson, whenever you go to the polls next time. People who talk about Devi Lal should think of this. (*Interruptions*)

I would begin again. (*Interruptions*) I will not need your assistance in that case also. I have enough of friends to do that, and to take care of that situation.

So, whatever they have been explaining is total side-tracking that real issue. Whatever they have been saying today is only on one subject: Discuss V.P. Singh; forget Bofors; commissions and talk about commissions are taboo. (*Interruptions*) Haryana is not a State to be traded by people like you. (*Interruptions*) You cannot get commissions from trading Haryana. You cannot, even if you want to, discuss about the commission which has been admitted and denied by the same person in case of Bofors.

In this august House, everybody has denied it from the government side that no commission was paid up; nothing was paid;

only winding up charges were paid. But today it comes from no other person than the Chief of the Government, the Leader of this House, Mr. Prime Minister himself admits that the commission was paid, not one or two crores of rupees but Rs. 64 crores; and it was paid for a genuine cause that is industrial espionage. You should have questioned everybody, but we want to go to the statement which you have made in this House. Every Minister came here and said, no commission was paid; this was the categorical stand taken by the government in all the debates with regard to Bofors. But, today, it comes out from the mouth of the Prime Minister himself that Rs. 64 crores or more could have been paid for a genuine cause. When the documents were revealed, they indicated the account pertaining to Lotus or somebody. These amounts have been paid in correlation to the invoices through which payments were made by the Defence Secretary of India. They referred to those payments so, they referred in the word 'payment of Commissions.' Now, they have taken a stand that it was for a genuine cause; genuine cause is not to be revealed; only through innuendo it can be talked about it, can sit be presented to the nation that it was for the industrial espionage; this is a new genuine cause which has been invented for spending and paying those huge amounts. So, we only want to ask a simple question, a straight question. You have the CBI. You have all the investigating agencies at your command. It is a mighty nation of India which can find out anything about anybody. But what they have found out so far with regard to those documents which came to their notice six months back; they were in their knowledge; might have been in their knowledge even earlier. The government cannot be expected to be ignorant to such an extent that huge amount is shelled out of the Indian Exchequer and the government does not know where it is going. The *Hindu* published these documents about seven months back. By now the CBI—according to the Prime Minister in the same famous interview—says that they are looking into that; they would keep looking into it. How long would it take to look into that and to reach that target as to whom Rs. 64

crores or more have gone? We only want to know specifically about it. They say, it is not an India, it is not an Indian politician. All right. It may be anybody. We are not concerned with the family of anybody or anybody else, whosoever he is and what ever wonderful services he has rendered either to this nation or to the Bofors Company for which he had been paid this huge sum. We should know why the money of Indian tax-payers have gone to certain persons and who are those persons; whatever they have given in return to the nation. We are not discussing here anything with regard to the next election or haunting a personality of any leader who might have been chosen as a good and fit man to look after the defences of this only a few months back country, but, today, because he has deserted them, he has come to this side, he is being hounded as a man who was bad enough for the last 40 generations. But only a few years back he was the best man with them and they made him a Chief Minister of U.P. and then the central Minister entrusted with Commerce Finance and Defence Portfolios.

Under these circumstances, there is a doubt and as long as this doubt continues, we would go on questioning where this money of the Indian tax-payers is going, who are the people who are siphoning out this money and for whose welfare this fund has been siphoned out in Swiss Banks. I only wanted to ask this and this is a very relevant single question. Who is the beneficiary? Who is this Lotus? Whatever may be its Sanskrit translation, I am not concerned.

PROF. SAIFUDDIN SOZ (Baramulla): I rise to oppose this motion. There is no question of supporting the government. This is a subject on which I can speak for a very long time because I was a Member of the Bofors Committee.

SHRI SOMNATH CHATTERJEE (Bolpur): Like Mr. Buta Singh.

PROF. SAIFUDDIN SOZ: But I will not waste the time of this august House. So, I will make a couple of points, which in my mind

are very relevant.

I am sorry that the opposition did not associate itself with the Committee. I feel now it was a blunder that the main bigger parties in the opposition, who have a voice, did not join this Committee at that time and they got bogged down to terms of reference. All the time when I was in the Committee, I missed Shri Indrajit Gupta, Shri Somnath Chatterjee, Prof. Madhu Dandavate and even Mr. Unnikrishnan. I remember the day when I went to Bhagatji. I told Bhagatji that at least I should not be in the Committee, but he should try to persuade Shri Indrajit Gupta or Shri Somnath Chatterjee because they are very senior members. I also told him that he could can drop my name at any time. He said, 'we are trying to persuade'. I know how the hon. Speaker tried to persuade the opposition to join the Committee. The Defence Minister Shri K.C. Pant spent almost an hour requesting the opposition not to get bogged down. You could have genuine differences of opinion on the terms of reference. I do not want to go into that. But the question is whether you should have been in the Committee or not, I feel it was a tragedy that you missed the bus, not for yourself but for the country. You are raising a broad question for the whole country and you will now have to substantiate the charges that you are levelling against the Prime Minister or anybody in the Government. It is not a small thing. Since you have not joined the Committee, I feel that it was a mistake on your part. May be the quality of the discussion in the Committee would have been different; may be you would elicit information from the Bofors, who are called by Mr. Vasant Sathe as bluffers; may be you would have got right answers from Mr. Win Chadha. As we had insisted, the Government got them before us. I feel it is a loss to the Parliament which has instituted the Committee. Now you are asking for another Committee. You know that no new JPC can be formed and by this discussion under Rule 193, it will be finished. So, I feel very strongly that it was a great blunder on the part of the Opposition that it did not cooperate and join the Committee. I know that privately very

[Prof. Saifuddin Soz]

senior Members say that it was a mistake. Some of the opposition leaders and may be some on that side, tried to create sometimes hullabaloo in the House by looking at a section of the press. I know what appeared in Indian Express at that time. The paper said that it would not do good if the opposition joined the Committee and truth would not be found out, etc.

After hearing Mr. V.P. Singh's speech, I felt very sad. I was sitting behind him. After hearing his speech, I decided that I should also participate in the debate. I was feeling rather nervous that he would just in the other minute establish a connection between Svenska and the Prime Minister. Then I felt very sorry why I had become a Member of this Committee. When he finished the last sentence, I felt very sad that a person of his eminence could not substantiate the charges that he had made on the floor of the House.

I pose a question to Mr. V.P. Singh and others. Until a connection between Svenska and the Prime Minister is established so far as the payment is concerned, it will be rated as a campaign of vilification. Now all of us will have to pay a price for that. You know that the level of this debate had gone down to a lower level. Some people are responsible for a campaign of vilification. I would appeal to the Members of the opposition, who are very responsible people that this campaign of vilification should end. And as far as Mr. V.P. Singh's charge is concerned, he must probe further. I know much more than is known to various papers here about Svenska because every minute I was with the Committee, I studied the papers. It is not proper for me to share that information because we have submitted a report. But Svenska used a couple of girls there without addresses, all smoke screen, not created by Rajiv Gandhi. We shall have to take notice of a global commercial fraud i.e. Swiss Bank. I do not know whether this Parliament could do by a resolution because this discussion will end today. But could we pass a resolution whereby we could approach the World

Court? We could take this matter to the UN and decode account numbers of the Swiss Bank. Then possibly we may know who are the people from India who deposit money there. To me it is a crime that we take money, we allow people to go to Switzerland and use Swiss Bank to cover their illegal connections. But that situation is there because of this global commercial fraud in which the Swiss Bank is involved. But that is for all deposits there. Until you do that, decode the account numbers of the Swiss Bank and establish connections between Svenska and other companies, you cannot definitely say that the Prime Minister of India has taken money. It is a campaign of vilification. And in the national interest I think that this campaign of vilification should now end.

I would now say a word about CBI. In a limited area I can take this august House into confidence. While the Committee was looking into the Bofors deal, it took the assistance of CBI. We did not meet any officers. But we found their report. They have done well. It is going on record, I am very happy. CBI people had gone abroad. You know, working in a foreign country is very difficult. Despite constraints, their report gave a lot of assistance to the Committee. And the Committee's recommendations are based on that report. Now, here I differ with my esteemed friend, Mr. Indrajit Gupta for whom I have the greatest regard because these people make Parliament — Mr. Chatterjee, Mr. Indrajit Gupta. I do not miss their speeches, I can miss the lunch. Or Madhu Dandavate. Yesterday he was speaking. I felt inclined to go whole hog with Madhu Dandavate. He is a top parliamentarian of the country and he deserves respect. Here I differ with Mr. Indrajit Gupta who said that the Prime Minister should not have made that statement. I tell you, I am speaking out of my conscience. Although you instituted a committee, that committee's report is before you, it is not the last word in the sense that you are bound by that report. Why are you discussing that? Then you should have closed the chapter. You got the motion and you are discussing it. This is a dynamic institution. Even though the JPC has given

the report, when the Hindu published some documents — Government has a permanent institution in CBI or other agencies; Government can take notice of what is happening in the country at any time, whether you raise in Parliament or whether you institute a Committee or they institute a committee — Therefore CBI at that time was asked to go into that. And, therefore, knowing CBI's good work earlier and now, I think, CBI is looking into it because so many stories have come. And it goes to the credit of the Prime Minister if he says — I read that magazine — that in a sense we have not closed the chapter, the CBI is looking into it. May be I make a wrong statement on the floor of the House because I have the privilege. But outside the precincts of Parliament I am answerable to CBI or any agency. I cannot be free. Therefore, if the Prime Minister says that CBI is looking into it, I do not think, there is anything wrong in it.

[*Translation*]

I do not like leg pulling in every matter.

[*English*]

Because CBI can look into it. Because *Hindu* said that there are the authentic documents. The documents displayed by V.P. Singh yesterday had not satisfied me, but CBI should look into them. Therefore, through you, Sir, I would request our Defence Minister who received a tribute from Shri Indrajit Gupta that he has a kind of mental aplomb he does not remain agitated, he does not lose his cool, that at some point of time, when new report from CBI is available, he should share the findings of the CBI with us at that time.

My final point is that Bofors may be a genuine company, or as Mr. Vasant Sathe said, bluffers. But I do not think at this point of time it will be possible for the Government to terminate the contract. I will not go into that, but I want to tell the hon. Defence Minister that sometimes portfolios change. One does not know. But as long as he is in the chair, he may kindly do one thing. It is

included in the terms of the contract that at some point of time, we will indigenise the production of this weapon here. So, kindly take steps and, as early as possible, produce it. It is heartening to us that from needle to Gnat, to the sophisticated arms, we can produce these things. We have the technical knowhow now. There are so many Generals. Jaswant Singh was mentioned. He could go and see the gun. We have very good experts in the artillery. I have the knowledge of that. Therefore, I would feel personally obliged to the Defence Minister that when he comes to answer this debate, he should make a commitment to the Parliament before he hands over the charge of this Ministry,—I wish him to continue as Defence Minister but one does not know when the portfolios change; maybe he goes to a very good Ministry later—he must have indigenised the gun that is now called the Bofors gun. That will become a Bharat gun at that time. Thank you very much, Sir.

SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram): Mr. Chairman, Sir, I have been through this debate during the last two days and I must mention that during my tenure as a Member of this House, I have never heard any debate sink to the depth that it did. It is only a Prof. Tewary or Sardar Buta Singh who could have taken the levels of the debate down to the level that it did, thereby tarnishing the fair image and reputation of this august House. I am sorry and sad for it but I am sure, friends in this House from all sides will share these sentiments.

The panic-stricken and indefensible attitude of this Government was evident from the tenor of the speeches that were made by Members of the ruling party. Ministers after Ministers spoke. They seemed to be possessed with the spirit of the Bofors gun, literally possessed. So panicky and jittery was their attitude that the purpose for which this debate was initiated yesterday was, as my senior colleague Indrajit Gupta Ji mentioned earlier, completely derailed and distorted.

The main theme of the ruling party

[Sh. V. Kishore Chandra S. Deo] seems to be a personal tirade against V.P. Singh. I am not here to defend what Shri V.P. Singh said, or I am not here to confirm or deny his statement, but the point is how does that exonerate this Government from the position that it is today trying to defend those who have taken the commissions. This is the crux of this discussion.

Members of this House know that this subject was debated earlier also. Why then has the subject been brought into this House again? This was raised by many friends who spike from the other side. The main reason is the inconsistency of the Prime Minister in the statements that he had made with reference to this particular subject right from the day the original broadcast was made by Swedish Radio till now. Mr. Chairman, you may recall that in the first instance, after this was broadcast by the Swedish Radio, the Defence Minister, the Prime Minister himself came and on the floor of this House dismissed all the charges as baseless, as false, as malicious, motivated and said "they have a grand design to destabilise this country". The Prime Minister assured this House that there were no middlemen in the deal. He said he had spoken to Mr. Olof Palme, the late Prime Minister of Sweden, that no commissions were paid and no middlemen were involved. The Members from the other side even asked us whether we would go by the Swedish radio broadcast or by the word of the Prime Minister of this country. Mr. Chairman, that is where the matter stood closed during the budget session of 1986. It was after that this Swedish National Audit Bureau had snapped which gave this report, submitted this report. It was not the handiwork of the Opposition and based on that this Government decided to set up the JPC. We did not ask for it. We wanted the JPC to find out whether any commissions were paid at all. You dismissed those charges outright and first refused the JPC and appointed the JPC only on the verge of snap, not what we said and certainly in the interest of the terms and reference —, I am sorry Prof. Soz is not here — which are most important and when it comes to finding out a deal as big and

sensitive as it is, nothing has been done. Mr. Chairman, you are aware that Bofors is in foreign country. Sweden is also a foreign country. It is not an integral part of India. In regard to the purchase of weapon by India, how do you expect a Committee or anybody to get information without the cooperation of the Swiss bank where the money was deposited or without examining the people from the Bofors or the Swedish bank where the deposits went. Therefore, Mr. Chairman, we do not want to be a part of the cover up operation and much less now I hope we stand vindicated of not having joined the JPC, the JPC which probably made it one of the biggest cover up operations that has been instituted by this Government.

Mr. Chairman, today, the position is that they have certain documents which say that commissions were paid. Now, these documents have been authenticated by the hon. Member of this House. Sir, according to our rules, whenever a Member desires to lay a document on the Table of the House or produces even during the course of his speech, the Member authenticates the document. Authentication does not mean that you have to produce the original documents. Nobody authenticates or certify the tribunal documents. That being the procedure, there have been several precedence and several Members from both sides of the House have earlier laid authenticated copies of various documents on the Table of the House. Now, until and unless it is proved that these documents are false or until this Government convincingly and conclusively proves the contrary to what has been said, it will be well within our rights and scope to presume that this Government and this Prime Minister are today defending those who took the commission because the Prime Minister was also the Defence Minister when contract was signed. Therefore, the option lies open to the Prime Minister of this country to prove beyond doubt that he has no interest in these commissions that have been deposited towards the purchase of these Bofors guns.

Mr. Chairman, I would like to mention

here that smearing the image of a man is not going to exonerate you from something that you have been guilty of. In politics there is no murder. There is only suicide. You cannot politically murder a person. Politically you can only commit suicide and let me warn the Members on the other side that everything that you have said all the charges that you have made against the Members on this side will boomerang and speak on you one fine day that you will have to bear the brunt for having tried to deal with this debate in this kind of shoddy manner. Mr. Chairman, it is a matter of shame that Minister after Minister whenever they got up to speak very little on the subject that we are discussing today. If they feel that Mr. V.P. Singh has done something wrong, they should institute an inquiry against him. Let there be a separate motion in this House to debate his conduct, we are not against it.

Now, what Mr. V.P. Singh said, whether a certain account belongs to Rajiv Gandhi, is between him and the Government, but just because Mr. V.P. Singh has not been able to prove or pin-point that this Account is not Rajiv Gandhi's Account does not mean to say that Rajiv Gandhi is above board. This is my charge in defence.

Pantji is going to reply to the debate today. He has dealt with these debates on this issue. But he was not the Minister when this contract was signed. Pantji, it was not you who spoke to Olof Palme about getting no middlemen, it was the Prime Minister himself and today we feel, today the country feels it is our duty here to ventilate the feelings of the people of this country that there is something to hide as far as the commissions of Bofors are concerned. And, Mr. Chairman, elections or no elections, I mean, whether this Government is going to take up this issue or not, is not going to take away from the people's mind this doubt that is today haunting the minds of the people of this country. Bofors, Mr. Chairman, is a household word today even in the villages and it is in the interest of this Government to remove that. Why don't you do it? It will be in your own interest, you will not be helping us,

you will be helping yourself. You will be helping yourself by telling the country who took the commission. Otherwise you will be raising the doubts that are there in the minds of the people.

Mr. Chairman, we have been told that these documents have been handed over to the CBI. What do you expect us to get from the CBI? After Mr. Mohan Kathuria has been given an extension — we do not know how many more extensions he will be given and for what purpose, and why do you need the C.B.I. for this?

16.52 hrs.

[MR. SPEAKER *in the Chair*]

I still don't accept the review of the commercial confidentiality between a customer and a seller. Where does the question of commercial confidentiality arise between a buyer and a seller? Now, you say that 'you find it out with the help of the CBI.' I would like to know from you, Mr. Defence Minister, whether the Government has written to the Swiss Bank asking them whether these documents are genuine or not. Now, you are aware that in the case of Marcos, after he fled from Philippines, his accounts were frozen, which were there in the Swiss Bank. Even according to the Swiss bank rules I am told that if a Government writes and tells the Swiss Bank that certain moneys which have been deposited were illegal, the Swiss Bank has responded and the recent case which is there before you is the case of Marcos. So, have you written to the Swiss Bank at all? Have you asked the Swiss Bank authorities whether these documents are genuine? So, what will the CBI do? And you handed over the case to the CBI, you keep giving extensions to the CBI Chief and you expect the truth to come out? Therefore, Mr. Defence Minister, what I would like to tell you is that smearing the image of Mr. V.P. Singh will not exonerate you and your Government from the guilt as far as this issue is concerned.

So, I would like the hon. Minister to be

[Sh. V. Kishore Chandra S. Deo] forthright and also to assure us that he would write to the Swiss Bank and find out from them whether these documents are genuine, that you would blacklist Bofors. In today's competitive world Bofors may be a good gun, but it need not necessarily be the best gun, I don't want to debate on it at all now. But why are you fighting shy of blacklisting Bofors or telling them that you will have nothing to do with them since they have violated certain terms that they have agreed upon?

I would not like to take the time of the House. I only expect that the hon. Minister, Shri K.C. Pant, would reply on the specific points of the issue which is there before the House today. Thank you.

THE MINISTER OF DEFENCE (SHRI K.C. PANT): Mr. Speaker, Sir, I am grateful to the hon. Members for participating in the debate though I realise that many of them have had to repeat what they said earlier. But they did it with a certain purpose and today it has fallen to my lot again — once again, if I may say so — to reply to this long debate. Since I came to this Ministry, in every Session I have replied to this debate, sometimes more than once. I have listened very carefully to the hon. Members to see whether new facts are brought in, whether any new evidence is brought in, any suggestions are made which we could consider and take into account, and if any such suggestions are made I can assure them, we do take them into account.

Now on the *Hindu* documents, the *Hindu* papers, the *Hindu* materials—whatever you like to call—some reference has been made. I only want to say this that I wish they had been submitted a little earlier than they were. Had they been published a little earlier than they were, while the JPC was still in session, while the JPC was still in a position to consider them, my own feeling is that if they had come earlier, if JPC had gone into them, with the same thoroughness with which it had gone into the other matters, much more would have come to light. Today

whether we sit on this side of the House or on the other side of the House, the basic material on which we base ourselves is mostly JPC report. So, to that extent, factually we would have got useful materials and it would perhaps have saved us some of the arguments which have been placed before us today.

The hon. Member, Shri Indrajit Gupta has gone away now. He asked us or explained to us as to why this debate was necessary. Now he gave some reasons but I was surprised that he tended to slur over the main reason of this debate, which is that a charge was made by Shri Vishwanath Pratap Singh and he made a promise to furnish evidence to support that charge. He made it publicly. It was not made privately. It was reported in the Press. It was not a vague charge. For instance, just now my very dear friend, Shri Kishore Chandra Deo spoke in a manner which has become now customary in this House and he made a reference to the Prime Minister and said, "I still do not exonerate the Prime Minister words to that effect. Sir, it is unfortunate that without caring to substantiate these words, without caring to go into these words, without caring to produce evidence, *obiter dicta* of this kind was delivered. But the difference in this case is that Shri Vishwanath Pratap Singh did not make a vague reference, that he made a precise reference, that he made a specific reference and not only that, but he promised to prove it. So, for the first time since we have been debating this issue last year, a new situation has arisen. Now we were told that "you are guilty. You prove your innocence." For the first time, at least somebody had the courage to say, "I will prove your guilt". This is your guilt, I will prove it." This in itself is an occasion which needed a debate and I am glad the debate had come up.

I am surprised that my hon. friends had not given as much attention to this fact as they ought to have because accusation is against no one less than the Prime Minister of this country. So, if you look at it that way, then anybody who makes this specific charge cannot escape the responsibility of

proving it and if it is not proved, if it is not substantiated, then the charge falls.

17.00 hrs.

Then, it is obvious that the charge was baseless and that all the emotions that were aroused on this issue are proved to be mis-directed, because then my hon. friends must in all fairness agree that if the charge is not substantiated, it has to be rejected totally. So, we have to understand the backdrop of this debate and we have to understand that the serious allegation that has been made has not been made either by a foreign radio or by a foreign press. It has been made by one of our colleagues in the House. It has been made by an erstwhile colleague on this side. It has been made by a person who is President of a Party which is in the process of taking shape. What shape it takes, no one can say. I am reminded of a story, a children's toy in which they have glass pieces and you look at it through a lens. All my friends must have seen it. And the moment you turn it, it assumes new colours and new shapes, a kaleidoscope. That is the Janata Dal today. And so, every day we are turning this. We are not precisely turning it. You know who are turning it. But ultimately we shall see what final shape it takes. But the point I am making is that a senior Member of the House has publicly made an allegation against the Prime Minister, a sensational allegation and he has promised to support, produce evidence in support of that sensational allegation. Not only that. He said "I shall retrieve that evidence from my electronic memory recorder".

Well, this makes it all the more precise and the disclosure which he has made on 4th November is that there is a precise account number of the Swiss bank in which Prime Minister had retained amounts paid by M/s. Bofors. It is a very specific thing. There is nothing vague about it. And naturally when an hon. Member of this House says this, it becomes widely circulated, newspapers pick it up and it becomes the talk of the country.

Now, the only saving grace in this is that the hon. friend who made this accusation also made an offer "If I am proved wrong, I shall take to Sanyas. If I am proved wrong, then I offer to retire from political life. If I fail to produce conclusive evidence in support of my charge that the Prime Minister maintained an Account No. 99921-TU in the Swiss bank, then I retire from public life."

So, these are the things that have been said and this has lent it a certain air of earnestness that here is an honest man who is prepared to go to this length and since Parliament was in Session, it was bound to come up and it has come up and being either in the forefront or in the back of people's minds and in the minds of the Members here, some people spoke about it, some people did not speak about it at such length, but the shadow of the statement has been hanging over this debate and I think none of us should try to dismiss it lightly.

The charge is a grave one and the newspaper reading public of this country, at any rate, has been exposed to this charge. Let me repeat that charge and let me examine the material on the basis of which it is sought to be sustained and since this has been publicly made and reported, I can do no better than to quote from the report. A newspaper published on 5th November 1988 reported that while speaking in Patna on the 4th of November, Shri V.P. Singh said and I am here quoting the *Indian Express* which has become very popular among friends opposite. It has reported the charge in the following words in its issue of the 5th November 1988 and I quote:

"The Janata Dal President Mr. Vishwanath Pratap Singh on Friday came out with the account number in the Swiss Bank in which commission from Bofors deal had been deposited thrice totalling 3.2 crores Swedish Kroners."

It goes on to say mentioning:

"that the account number 99921-PU of the Swiss Bank Corporation, Geneva

[Sh. K.C. Pant]

stood in the name of Lotus, he said that Lotus and Rajiv were the same. Mr. Singh said that meaning of the word "Lotus" in Hindi was "Rajiv".

Then, next, that is on 5th November, Shri V.P. Singh was in Lucknow. His statement again was carried by the Press. I quote from the *Indian Express* of 6th November, 1988:

"The former Finance Minister and Defence Minister on Friday disclosed in Patna the account number of the Prime Minister, held in the name of "Lotus" in a Swiss Bank and also the various amount credited to it. Mr. V.P. Singh claimed here, in Lucknow, Saturday that though he had the information, he did not consider the time appropriate for its disclosure so far. "But now is the time to tell the nation that with positive evidence of the commission having been taken by the Prime Minister in Defence deals," I repeat, "with positive evidence of the Commission having been taken by the Prime Minister in Defence deals"..."

It is important to be clear about the precise levelling of the charges. I would like to enumerate it. The first charge is that Shri V.P. Singh seeks to establish that 3.2 crores Kroners was paid by M/s Bofors into the Swiss Banking Corporation by way of Commission. Secondly, that this amount was deposited in the account number 99921-PU in the code name of Lotus. Thirdly, that the Lotus account is that of the Prime Minister. I am making this point slowly and deliberately so that there is no scope for any confusion whatsoever about the allegations enumerated by me as these are based on Shri Singh's had reported in the Press. I would also like to give the small extract from an editorial in *The Tribune* of the 7th November just to show that this was not a subjective appreciation of what he said but this is how *The Tribune* Editor was understood. I quote:

"The Janata Dal President told a rally of striking Government employees on Fri-

day in Patna that as much as 3.21 crores Swedish Kroner was deposited by Bofors with the Swish Banking Corporation between December 1986 and March 1987. This amount was by way of commission for the Howitzer deal between Bofors and the Government of India. Mr. V.P. Singh was startlingly specific in his disclosure. The money was deposited in account number 99921-PU in the code name of Lotus which, according to the former Defence Minister, was held by the Prime Minister himself".

Therefore, this is the charge and this has been made, this has been understood and this has been placed before me, before the House by me. Now we come to the evidence. The whole country was waiting with bated breath for the evidence which he has promised because I read that out to you. He has promised conclusive evidence to prove the charge and even otherwise it would be unthinkable for any responsible political leader to have levelled such serious charges against any one, against any Member of the House even outside, leave alone the Prime Minister, if he did not have very unimpeachable evidence in his possession. It will be unthinkable. And having been the Finance Minister, he was not unversed with financial matters nor did he know how not to sift evidence. He was accustomed to both. He could sift financial matters as well as evidence and so we have to take the charges he has made in that light. The long awaited evidence found the light of day on 9th November, 1988 when the newspaper published three documents carefully marked 'A' 'B' and 'C' in support of the charges made. Now let us look at these documents closely.

Document 'A' is apparently an advice dated 21st January, 1987 from Bofors to Svenska Limited. It may be observed that the contract number referred to in Document 'A' is not connected with the purchase of 155 mm Howitzer gun from Bofors but to an other contract of the Bofors — Point 1. The more important point is that even if the documents were to be taken at phase value, the amount

of the commission is 283751 kroners and not four million and 729 thousand etc. kroners. The latter amount of 4.4 million kroners represents the value of the supplies. I am only going by Document 'A', what it says.

Secondly, it is at once apparent that the account number 99921-PU is the account of Svenska Incorporated in Swiss Bank Corporation. Neither this document nor the account number 99921-PU appeared to have anything whatsoever to do with 'Lotus'.

Document 'B' is similar to Document 'A' and I don't think I need to take the House repeating the details of it.

Finally, there is Document 'C'. This purports to be an advice issued by M/s Bofors on 18th December, 1986 to the Swiss Bank Corporation for the attention of one Mr. Lafend with a reference to Lotus. And the important feature of this Document is that it nowhere mentions the account number 9921-PU relied upon by Shri Singh. (*Inter-ruptions*)

SHRI H.A. DORA (Srikakulam): The other Document has got that number.

SHRI K.C. PANT: One Document has got the number. I have said so. Now, therefore, let us see, if the evidence bears out the charges because that is the main point that the House has been debating and the charges have been repeated by me as made in the press and the material has been placed before you and you are now to draw your own conclusions. The first charge is commission of the amount of 3.21 crores of kroners paid to the Swiss Bank Corporation. Now if we total up the entire commission figures appearing in Documents 'A', 'B' and 'C', we come to a figure of about 16.4 lakh kroners which comes to about 40 lakhs of rupees and not 3.2 crores of kroners as alleged. Logically speaking, even this proposition is difficult to sustain on the basis of the material which was published on the 9th November, 1988 because Document 'B' does not anywhere refer to the Swiss Bank Corporation. Therefore, the fact remains

that the figures contained in the supporting material were exaggerated twenty times over. And since the allegation came from the former Finance Minister, it cannot be argued as ignorance. The fact that it was made publicly and in all seriousness prevents any inference that the charge was made inadvertently. The only conclusion that can be drawn is that the figures were deliberately exaggerated by 20 times for motives which are less than noble.

The next allegation is that this entire alleged amount of 3.2 crore Kroners were paid into Account No. 99921. Again, Documents A, B & C do not substantiate this contention. The Account Number 99921 is referred to in one of these documents; viz., Document A and the commission amount therein indicated as payable — it is by no means clear that it is paid — is 283000 Swedish Kroners, a figure which would need to be multiplied by more than 110 times to yield the figure of 3.2 crore Kroners. The former Finance Minister has a personal computer to the best of my knowledge and I cannot understand how he could make this kind of a calculation.

The third part of the allegation is that all these sums were paid into the accounts of the Prime Minister who is synonymous with Lotus. I don't want to go into the puerile argument that Lotus means Rajiv in Hindi. That means all the Rajivs are involved in this! That is really no evidence. The so called evidence furnished — and please note this — does not even establish that the assumed amount of 3.2 crores of Kroners were paid into the Lotus account on which so much has been made; word play of various kinds; nor that the Account No. 99921 is that of Lotus. It will be seen that Documents A & B do not relate to Lotus at all; but instead relate to Svenska. Only Document C relates to Lotus and that reflects a commission of 10.92 lakhs of Kroners only and not 3.2 crores of Kroners.

Moreover this document nowhere refers to 99921 as being the number of the Lotus account. So I have placed the facts

[Sh. K.C. Pant]

before you. I have placed the interpretation of Documents A, B & C before you. It is in black and white. It is not something which needs any great intelligence to go into this and come to the same conclusion, all of you will come to this conclusion — anyone of you with an open mind who reads this. So, it is important and that I repeat this just to make it absolutely clear. The Documents A, B and C do not establish the charges. Please take note of this. Firstly all the three documents taken together do not add upto payment of 3.2 crores of Kroners; but bearily 16 lakhs of Kroners.

17.18 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

SHRIS. JAIPAL REDDY: One point Sir.

MR. DEPUTY SPEAKER: No, let him finish. At the end you may ask him.

SHRI K.C. PANT: Account No. 99921, whether 'PU' as initially alleged or 'TU' as subsequently stated has nothing to do with Lotus; it relates to Svenska. Most important of all, Shri V.P. Singh has not produced a shred of evidence. Please note this. I underline this, he has not produced an iota of evidence to even suggest, much less establish, that the Lotus account is that of the Prime Minister; much less that 3.2 crores of Kroners were paid into it.

SHRI V. KISHORE CHANDRA S. DEO: He has given more than four documents authenticated.

SHRI S. JAIPAL REDDY: Is it that the other documents were not made available to you?

SHRI K.C. PANT: I shall come to that and I shall come to what Shri Jaipal Reddy is saying also.

I have seen what he has put in. I want to

tell you a very simple thing. I am a simple man. I don't complicate the issue of authentication at all. I say that a specific accusation was made by Shri V.P. Singh outside the House. I have shown you that it has not been substantiated. None of you can get up and say that it has been substantiated. Now you say that he has evidence in support on his allegation. Let him produce the evidence.

SHRI S. JAIPAL REDDY: What happened to Swiss bank account? (*Interruptions*)

MR. DEPUTY SPEAKER: Mr. Jaipal Reddy, he is not yielding. What can I do? Not allowed.

(*Interruptions*)

SHRI K.C. PANT: Sir, the conclusion is inescapable that Shri V.P. Singh does not have any evidence. There is no other conclusion possible and...

SHRI V. KISHORE CHANDRA S. DEO: If you yield for a moment. Shri V.P. Singh may not have had produced the evidence but how do you prove the contrary?

SHRI S. JAIPAL REDDY: What happened to CBI report? (*Interruptions*)

MR. DEPUTY SPEAKER: Order. Order.

SHRI K.C. PANT: You see, Sir, unwittingly Shri V. Kishore Chandra S. Deo has let the cat out of the bag. All along, right from the beginning, the attempt of friends opposite has been to say we accuse you. You prove yourself innocent." Now the cat is out of the bag. He says how do you prove the negative?

(*Interruptions*)

MR. DEPUTY SPEAKER: Not allowed.

SHRI K.C. PANT: Shri Somnath Chat-

terjee will remember that the Attorney General has said that negative cannot be proved. Now Shri Deo says you prove the negative.

SHRI SOMNATH CHATTERJEE: I need not go to Attorney General.

SHRI K.C. PANT: You need not, I agree. In fact, I have so much respect for your legal acumen that I heard you very carefully and I know that you distanced yourself from these charges. You very carefully distanced yourself. You did not own up and you only said it is for V.P. Singh to prove or disprove. I compliment you on the skill with which you distanced yourself. (*Interruptions*)

So, Sir, the reason why some of my friends — Shri Chatterjee is not amongst them as I said he distanced himself but there are others — are somewhat troubled by this matter because for the first time they have made a mistake of making a positive accusation. Now it is for them to prove it. They say "We have evidence." Is it unreasonable for us to say as you have made a charge and you say you have evidence, "please give us the evidence".? Will the country not ask him that you have declared in public meeting that this is a charge and you have evidence. What is that evidence?" Will he come to the house? The House is in Session. Mr. V.P. Singh makes a long speech. All my friends have heard him. Has he repeated that charge? Has he given you the evidence? I ask all of you: "Has he repeated the charge here? Has he given the evidence?" Yes, he has made the charge publicly. (*Interruptions*)

SHRI V. KISHORE CHANDRA S. DEO: Are you prepared to deny that commissions were paid?

SHRI K.C. PANT: I am not going to make it so easy for you. I am not going to let you wriggle away so easily from this. You will now have to clinch this issue or you will have to admit that what you said was wrong. (*Interruptions*) There is no way out. There was nobody from this side to ask Mr. Vish-

wanath Pratap Singh to make that public statement. We did not force him. We did not compel him. We did not say, "You please make the statement". He chose to make a statement. There are certain norms of public morality which apply to all of us.

SHRI SOMNATH CHATTERJEE: He has not proved it. Therefore, how do you explain the real purpose of the debate? (*Interruptions*)

SHRI K.C. PANT: To my mind, Sir, the debate has proved one thing. And for that alone, this debate will be long remembered. That is, the charge made outside was not repeated in the House. Every day, you accuse the Government. Parliament is sitting. You make a statement outside the House. You must first make it in the House. Every day, you accuse us. Now, one of the leaders of the Opposition makes a statement outside the House. He does not have the guts to make a statement in the House. (*Interruptions*)

SHRI SOMNATH CHATTERJEE: If the Prime Minister feels defamed, he can take action. (*Interruptions*)

SHRI K.C. PANT: The trouble is that the people of this country are intelligent enough to understand what has happened. Publicly a statement is made. It is a serious matter. You get irritated. You get agitated if a statement is made against any of you. Rightly so. I never make those statements. I will not say anything. When a statement is made against your Chief Minister, you get agitated. When we say something, you get up and say: "We are not here at your charity. We have won the elections. We represent ten lakhs of people."

But you forget that the Prime Minister represents 80 crores — 800 million people. You forget that.

AN HON. MEMBER: How?

SHRI K.C. PANT: What is 'how'?

SHRI SOMNATH CHATTERJEE: You got a minority of votes.

SHRI S. JAIPAL REDDY: We challenge you to hold the elections now.

MR. DEPUTY SPEAKER: No challenge here.

*(Interruptions)*

SHRI S. JAIPAL REDDY: We challenge for the election. Are you ready? *(Interruptions)* Let them have a poll. *(Interruptions)*

MR. DEPUTY SPEAKER: Let him finish. *(Interruptions)* Please order.

SHRI K.C. PANT: Sir, Shri Jaipal Reddy is high-spirited. *(Interruptions)*

He is a high-spirited person, at least young unlike Shri Somnath Chatterjee; so I can excuse him... *(Interruptions)*. But I may tell him with some experience that what has happened in this House by Shri V.P. Singh not repeating the charge on the floor of the House and by refusing to produce evidence in the House is not a thing that can be shouted away. He makes a public charge, he does not care to make it here and produce evidence here. The conclusion is inescapable that there is no evidence and the charge is false... *(Interruptions)*

MR. DEPUTY-SPEAKER: No interruptions. Please do not interrupt. At the end I will allow you to ask clarifications, if any. I cannot allow like this. Please obey the Chair. He is on his legs.... Without his yielding, I cannot allow.

*(Interruptions)*

MR. DEPUTY-SPEAKER: Nothing will go on record.

SHRI K.C. PANT: When Shri V.P. Singh said that he had some evidence, the documents A, B and C, which I have cited earlier, then an impression was created that this is something new; some new evidence

has come forth. Wrongly or rightly, this was the impression that was created because of the fanfare that accompanied this whole matter; the fanfare of the allegations and the evidence... *(Interruptions)*.

SHRIMATI GEETA MUKHERJEE (Panskura): You yourself in your speech said that Shri V.P. Singh's statement outside has created a new situation and he had made it clear that he was not repeating his statement here. This is your own statement. On the basis of this, a commonsense question arises: Why don't you go in for a defamation case? I am not a lawyer.... *(Interruptions)*

SHRI K.C. PANT: Is that an honest question? *(Interruptions)*

A Member of the House...

SHRI NARAYAN CHOUBEY (Midnapore): Why are you fighting shy of it? You are here to defend the country.

MR. DEPUTY SPEAKER: Please order, order.

SHRI K.C. PANT: Now, Sir, since.... *(Interruptions)*

MR. DEPUTY SPEAKER: I have only allowed the Minister to reply. Why are you making noise?

SHRI K.C. PANT: Since I have great respect for the lady Member; therefore, I sat down and her neighbour took advantage of it. That is not fair. I only sat down for her. Now, Sir, she says...

SHRI NARAYAN CHOUBEY: You are chivalrous.

SHRI K.C. PANT: Of course, I am chivalrous. *(Interruptions)*

Now, Sir, he should not stretch the meaning of chivalry.

SHRI NARAYAN CHOUBEY: Only towards the woman, Sir.

SHRI K.C. PANT: That is what it is supposed to be my friend.

Now, Sir, the lady Member makes a very serious point. She says, "Why should he make a statement here?" What an amazing statement you have made here. (*Interruptions*)

Now, please sit down. I do not yield every time. (*Interruptions*)

SHRIMATI GEETA MUKHERJEE: This is absolutely uncharitable.

SHRI K.C. PANT: Is it charitable? Madam, is it charitable to make a specific charge against the Prime Minister of the country and say that in account numbers such and such money has been paid by Bofors? Is that charitable? You talk of charity.

Now, when that kind of allegation is made outside I could understand. If he was not present also I could understand, he comes, he sits, he speaks and he does not make any reference to this. Can you ever justify this except that he neither has the evidence nor is his charge true? That is the only conclusion, there can be no other conclusion. No amount of shouting can change this.

Document A, Sir, was published by the Hindu on 23rd June, 1988, at page 6. Document B was published by the Hindu on the same day on the front page. (*Interruptions*)

I think the situation in Darjeeling has improved, therefore, my friend is now speaking here.

SHRI H.A. DORA: How do you explain Document A? You please read the entire document.

SHRI K.C. PANT: I have gone into great detail. If now at this stage you want me to go

back and explain again, I think this is a little too much.

Document B was published in the Hindu on the same day. (*Interruptions*)

Why confuse the issue now? He could have got up and explained what the documents is. I did not stop him. Mr. V.P. Singh could have done it. You do not enter the picture, let him explain it next time. Document C was likewise published on 23rd at page 7 by the same paper. So, the three documents, A, B and C were published 5 months ago by the Hindu. This material which was produced by Mr. V.P. Singh with such fanfare, I want the House to take a note of this. He is absent now.

Now, Sir, I will repeat what he had said on the 5th November. I repeat that because it is worth repetition. I quote. Mr. V.P. Singh claimed here on Saturday, that though he had the information he did not consider the time appropriate for its disclosure so far. But now is the time to tell the nation with positive evidence of the commission having been taken by the Prime Minister in Defence deal.

If this is not gimmickry and dramatisation, which is unworthy of any political leader of this country, then what is it?

If you look into your hearts, you will see. If we want to keep democracy going on in this country, all of us have to observe certain norms of public behaviour. If these are the kind of norms that you want to establish in this country, it is simply astonishing. Shri V.P. Singh makes slanderous allegations against the Prime Minister on a public platform without even a shred of evidence. Is it not amazing? Is it not astonishing?

SHRI H.A. DORA: Why all this redundancy? Why are you repeating the same things?

SHRI K.C. PANT: Are you taking it lightly? I am not taking it lightly. Just because it makes you uncomfortable, should I not

[Sh. K.C. Pant]

repeat it? You are also talking of authentication. I know what that authentication is. The documents that he authenticated are a later modified version of the documents which suggested that commissions were paid. That is what he has given. But he carefully avoids authentication of his insidious personal accusation against the Prime Minister knowing that it is false and without any basis. Let there be no confusion on this. (*Interruptions*)

SHRI S. JAIPAL REDDY (Mahbubnagar): Those comments can be authenticated. Shri V.P. Singh wants the Prime Minister to authenticate. Did the Prime Minister authenticate? (*Interruptions*)

MR. DEPUTY SPEAKER: Now, the discussion is this. When the news appeared, let the person who made the statement refute or accept. Let him say whether it is correct or not.

(*Interruptions*)

SHRI S. JAIPAL REDDY: What happened to the Prime Minister? Why did he fail to authenticate? (*Interruptions*)

SHRI SOMNATH CHATTERJEE: The Prime Minister still has two External Affairs Ministers. Ministers have already spoken on the same thing. Other members have also spoken on the same thing. He has been speaking for nearly an hour or so. Why does not he come to the 'Sunday' interview? We are waiting for that. (*Interruptions*)

SHRI K.C. PANT: My dear friends, please do not provoke me. All I can say is that no Minister in this Government has written against the Prime Minister, unlike in your State.

SHRI S. JAIPAL REDDY: None of you has the moral courage to do so. (*Interruptions*)

SHRI V. KISHORE CHANDRA S. DEO:

That is because yours is the only servile government! (*Interruptions*)

SHRI DINESH GOSWAMI: That statement is false and wrong. Shri V.P. Singh has written and spoken against your Government and he has been driven off for the same reason.

SHRI K.C. PANT: That is not correct. My friend Shri Dinesh Goswami should speak to the non-CPI (M) members of the Government of West Bengal to know the truth!

SHRI SOMNATH CHATTERJEE: You are a party of 2000 people with 2000 groups and 2000 views. You don't tell us about our party. You look after yourselves.

SHRI K.C. PANT: Mamata can do.

(*Interruptions*)

MR. DEPUTY SPEAKER: Order please. Please take your seats. Mr. Das Munsi, I am not allowing anybody, except the Minister. Only the Minister is allowed to speak. Nothing will go on record if others speak. Only the Minister will speak.

(*Interruptions*)\*

MR. DEPUTY SPEAKER: I am not allowing. Please take your seats.

(*Interruptions*)

MR. DEPUTY SPEAKER: Please take your seats. I am not allowing.

(*Interruptions*)

17.46 hrs.

[SHRI SOMNATH CHATTERJEE *in the Chair*]

(*Interruptions*)\*

SHRI K.C. PANT: One point was made

with regard to the price negotiations; and indirectly, yesterday a remark was made about the demoralization of the Army. (*Interruptions*) Mr V.P. Singh might remark, 'Oh! (*Interruptions*)

If you go through it carefully, one thing which has been established, which is generally understood in this House is that the quality of the gun is not questioned. That is generally accepted that the price was beaten down, and it is the low price, is generally accepted. Between the two guns, some people have one opinion, and the others another. (*Interruptions*)

These matters are really beyond any controversy. (*Interruptions*)

SHRI SOMNATH CHATTERJEE: He cannot afford to answer.

SHRI K.C. PANT: One point which deserves an answer is this.

(*Interruptions*)

SHRI V. KISHORE CHANDRA S. DEO: It is not beyond controversy, because the Mayadas Committee's report has not been laid on the Table of the House. That is the only evaluation committee. It had 16 members. (*Interruptions*)

MR. CHAIRMAN: You can speak later. Please allow the Minister to reply. (*Interruptions*)

SHRI K.C. PANT: Do not say anything against Gen. Mayadas. Gen. Mayadas is a gentleman. There is no question of attributing any motives. But as a matter of fact—although I do not want to enter into something which the JPC has gone into threadbare—Gen. Mayadas was supporting the Austrian, and not the French gun, the final selection was between the French and the Swedish guns.

Therefore, if you want to know, these are the facts.

There was a suggestion by some hon. Members that there should be a cancellation of the contract. I do not want to go into the long implications... (*Interruptions*)

SHRI H.A. DORA (Srikakulam): If you yield, I would like you to know this. Document 'B' here clearly states: 'Commission due to you on the materials supplied to the Secretary.... (*Interruptions*)

SHRI K.C. PANT: No, Sir; I am not yielding. I am not yielding on that. I will finish. I do not want to go back into all that... (*Interruptions*)

SHRI H.A. DORA: It says that they have paid commissions to the Secretary, Government of India in the Ministry. This is the document. (*Interruptions*)

SHRI K.C. PANT: I have seen the documents. (*Interruptions*) If my hon. friend will kindly read my speech carefully, he will understand. You are an intelligent man; you will understand what I have said. Please read my speech, which is a carefully-prepared speech. (*Interruptions*) I do not want to go on with this. I want to finish. (*Interruptions*) Send me also, if you want. (*Interruptions*) If you had your way, every day will be a Sunday, and there would be no work done in this country. That is what you are doing.

MR. CHAIRMAN: Hear the Minister. (*Interruptions*) Mr Jaipal Reddy, there cannot be a sentence-by-sentence debate. You should allow the hon. Minister to reply.

(*Interruptions*)

MR. CHAIRMAN: No comments will be allowed. I have already stated that a sentence-by-sentence debate cannot be allowed. You can clarify your points later on, not now, Don't interrupt him.

(*Interruptions*)

MR. CHAIRMAN: It will not go on record whatever they say.

*(Interruptions)\**

MR. CHAIRMAN: Whatever the hon. Members say, except the Minister, will not go on record.

*(Interruptions)\**

SHRI K.C. PANT: I happened to be one of the most peaceful members of this House, one of the most peace loving members of this House. I realise that even when there is a certain amount of an emotion in a debate, it must be controlled by the mind so that we can understand each other; if that is not done, then understanding each other is not possible. So, if they want to hear me, they will have to be patient because they will have to do me the courtesy at least of listening to me. I did not interrupt you. You always speak to the point. I never interrupt you. Therefore, why should you try to interrupt me especially when you know that no amount of interruption will make any difference to me? I will stay here and speak. So, why not end your agony earlier? After all, the more I speak the more uncomfortable you become. *(Interruptions)* Therefore, a suggestion has been made that the contract should be cancelled. This is a matter which I had dealt with earlier. We have gone into this aspect. It has legal implications; it has financial implications; it has commercial implications; it has the implication of credibility; also it has security implications. I personally feel that if my hon. friends know what the security implications are, they would not want to reduce the defence preparedness of the country; I am sure of that. So, I can discuss it with any one of them at any time. I don't think they would at all make any suggestion if they know the repercussions and the implications of them. I certainly give them that much credit and I know most of them. I don't question their bonafide in the matter at all. *(Interruptions)* Now a charge has been made that the government is misleading the House, that the government is shifting its position. I know of no other case where the government had been so forthcoming, had taken the House into confi-

dence at every stage, had told the House exactly where the matter stood right from April 1987; and at each state it has given the House a full account of the position as it stands in the evolving situation because the government has neither concealed anything nor has it attempted to colour anything. Therefore, the thing has been placed before the House. If the situation has changed, we have told the House that it has changed; we have not prevaricated; we have not quibbled; we have placed everything before you. *(Interruptions)*

Therefore, I am taking you step by step. Why don't you listen?

Sir, the point which just now Shri Dinesh Goswami has made was that we said "no middlemen and we talked to Palme", the Prime Minister talked to the Prime Minister of Sweden and he assured that no middlemen will be there. Now, is there anybody amongst you who objects to the Government's efforts not to have middlemen? You object to that.... *(Interruptions)* Do not say 'yes' out of habit.... *(Interruptions)* I know that your party is very strong, but do not say 'yes' out of habit... Also learn to say 'no' sometimes.

Sir, the point that I am making is that none of these debates would have been necessary if the Government had not said 'do not have middlemen'. Now the Government said 'do not have middlemen' and the Swedish Government had agreed at the level of the Prime Minister and an agreement has been arrived at; they told Bofors and confirmed it. Is it a bad thing? Initially and basically this lies at the root of the whole question. If you agree with that, then we can deal with other matters. But atleast you give the credit to the Government and the Prime Minister for having taken a right step. There should be no dispute on this... *(Interruptions)*

SHRI S. JAIPAL REDDY (Mahbubnagar): The Prime Minister justified the commission in the *Sunday* interview... *(Interruptions)*

SHRI K.C. PANT: I will come to that also. Have some patience. Now Sir, when certain charges were made — I will remind the House and although I do not want to repeat so many times... (*Interruptions*) What can I do? Because you want to know the whole thing, I have to repeat... (*Interruptions*) When I tried to deal with only the new subject that came up, you are all the time wanting me to go back. Therefore, you have to hear the whole thing... (*Interruptions*)

SHRI SAIFUDDIN CHOWDHARY (Katwa): No need of hearing the whole thing... (*Interruptions*)

SHRI K.C. PANT: Unfortunately, the Parliament is meant for that purpose... (*Interruptions*)

SHRI DINESH GOSWAMI (Guwahati): I have not interrupted you. So I hope you will not be unfair to me. I said that middlemen are not permitted by the Government of India. That is the position. Now a new position has been taken that a middlemen for genuine work are permitted. Please come to that point... (*Interruptions*)

SHRI K.C. PANT: I will come to that in my own good time... (*Interruptions*)

SHRI DINESH GOSWAMI: I do not mind. (*Interruptions*)

SHRI K.C. PANT: Now Sir, we made enquiries with the Swedish Government. The Swedish Government set up SNAB (Swedish National Audit Bureau) and they prepared a report. The House knows about it. That was the time when certain payments were seemed to have been made. They called them winding up charges. They did not tell us the names of the parties to whom these payments were made. The House knows all these things. The day we received information, we called the leaders of the opposition and we told them these facts; we gave it to the press and we decided to appoint a Joint Parliamentary Committee. Is

this shifting of the position? Now JPC was set up. My friend Prof. Soz today expressed his regret that opposition members did not join the Committee. That was his opinion. I am repeating his opinion. He was a member of that Committee. He is not a member of the Congress party... (*Interruptions*)

MR. CHAIRMAN: Nothing will go on record.

(*Interruptions*)\*

SHRI K.C. PANT: Sir, this is the intolerance of my friends — if anybody dare to express an opinion against him. It is really most pitiable. It is sad that in this Parliament, an hon. Member cannot express his opinion without any motivation being caused. He said that it was unfortunate. I agree that it was unfortunate.

18.00 hrs.

Now that they had missed the bus then, they had missed their chance, since when they have been trying to somehow get into this picture. How can they get into this? They had a chance. We told them to get into it. Everything was open to them. (*Interruptions*)

[*Translation*]

You could know the entire thing, you did not go deep into it.

[*English*]

Because you did not want to make a commitment, you had committed the blunder of the highest order. Today you regret it.

The next point is the JPC's conclusions; I have already told you and everybody knows that no Indian is involved, according to JPC. This is what the JPC said. It is not said by the Government. It is a committee of this House. Are you going to scoff a committee of this House just because you do not agree with the political fortunes of the

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\*Not recorded.

[Sh. K.C. Pant]

moment for your political motivations. Is this the kind of outlook you have on your own committee? I am amazed and surprised at this. To run down the findings of a committee of this House is something which my hon. friends should ponder over deeply because they are trilling with the committees of this House and that is very unfortunate.

*The Hindu* published certain papers. And that is what my hon. friends are referring to. In that certain figures were given that certain commissions were paid. I dealt with that matter in the last session. I said, we were making enquiries into this. And, therefore, at that particular point of time, I said what was the position then. Where is the shifting of positions? Shifting of position is simply not there. It is simply reporting to the House the position of the moment. I do not think, you can blame us. I think, it will be highly unfair if you blame us for telling you the truth as it is at the moment.

Nov., there is a suggestion for another JPC. How can you have another JPC? There had been a JPC. It had gone into the whole matter. JPC is not an investigating agency. So JPC cannot again do the work which the earlier committee has done, and particularly when you yourselves are downgrading the JPC. You are casting aspersions on the JPC. You have no answer about that. You just get up and say whatever you like about JPC as though they have come from the Moon. They are members of the House.

SHRI V. SOBHANADREESWARA  
RAO: What is the result of the enquiry for the last five months?

SHRI K.C. PANT: You wait. Do not pick up your bag. The Courts are closed now.

SHRI SOMNATH CHATTERJEE: He is avoiding the High Court of Parliament. What can I do? I have to go away.

SHRI K.C. PANT: Do not go away; the courts are closed now.

SHRI SOMNATH CHATTERJEE: I want to expose you not before that court but before the court of the people.

SHRI K.C. PANT: What has happened so far?

SHRI SOMNATH CHATTERJEE: You are not answering a simple question.

SHRI K.C. PANT: Now about the question of CBI enquiry and about the question of Swiss Bank....

SHRI SAIFUDDIN CHOWDHARY:  
Commission has been paid... (*Interruptions*)

SHRI K.C. PANT: He is a young man. He will learn the discipline of the House in due course if he gets re-elected.

CBI has made enquiries. It has gone to Sweden, Switzerland and London. Some friends asked whether it was an official enquiry or non-official one. It is clarified that the visit was official. The appointment was formally arranged through the Indian Embassy and the enquiries commenced with discussion in the Swedish Ministry of Justice. This is what you wanted to know. (*Interruptions*)

Indian Embassy I said. Can you not understand?... (*Interruptions*). Is this the way to debate on a serious matter.

In respect of Switzerland, a question was asked by hon. friends. They know perfectly well. Somebody said — I think Kishore Chandra Deo — that with Switzerland you can easily get this done, that is, you can get information from Swiss Bank. Now, the fact of the matter is you have to have an exchange of letters, but before that you have to amend your law. We have amended the law and now we are pursuing the matter. There has been delay and I went into this as to why there has been delay. The Swiss Federal Council was on its long summer recess till the third week of August and consequently there was delay in proceeding further. Only as recently as 4th November, our Ambassa-

dor in Bern held discussions in the matter with the Swiss Federal Foreign Office and was advised that the action was being initiated to procure the Federal's approval. The Ministry of External Affairs are vigorously pursuing the matter. This is one important question which has been asked by my hon. friends and I have tried to give them the answer.

Now, some friends spoke about *Sunday*. I think they should at least read the whole of what the Prime Minister has said on this subject. He has said, I read the question: "Your deal with Bofors may be quite clear. There would be no middlemen, so there could be no genuine work." He said, "No, not genuine work in terms of middlemen. Genuine work gathering information against the French weapon, for example. That is industrial espionage. Then the questioner said: "But 64 crores? For industrial espionage?" So, he said: "There are three or four payments. Could be... I am not saying it is... The whole thing may not be." Then he said a word which nobody has quoted — 'hypothetically'. He used the word 'hypothetically'. He said: "... hypothetically I am saying the whole amount could have been paid for genuine work."... (*Interruptions*). Please listen to me. The whole country knows, all of you know that certain payments have been made. The CBI is enquiring into it. We are trying to find out where it went. Many friends opposite also tried to find out. Swedish Government also tried to find out. The Swiss Banks do not reveal this information and all of you know this. Now, he has thought aloud that yes, hypothetically many things are possible. You may not agree with him. I am not asking you to agree with him, but hypothetically if he thinks aloud and says many things are possible, what is there to object in it? It is not as though we are slackening in our efforts... (*Interruptions*)

**SHRI DINESH GOSWAMI:** Do you agree to that hypothetical proposition?

**SHRI K.C. PANT:** Yes. Hypothetically anything is possible. You are a lawyer and you know hypothetically many things are

possible. Hypothesis is hypothesis.

Mr. Indrajit Gupta has quoted him at three or four points and what has emerged is that the Prime Minister is approaching this with an open mind. If you read what Mr. Indrajit Gupta has said, you will get a clearer picture of what he has said, and I do not think it is a laughing matter at all. If you had the honesty, you would have read the word 'hypothetically'. Then straightaway the things would become clear... (*Interruptions*). For instance, nobody has read out what he said in the next column. He says: "If our assessment is that we got a good price, then we really need to chase only the fact whether any Indian has made money or whether money has been used to influence decision-making. This is what the Prime Minister said "which would be the two very serious things". Nobody quoted that. This is what the Prime Minister said. (*Interruptions*) Please listen now. You don't like to listen to the truth. I am sorry for you, but you have got to listen to this. I am going to read out (*Interruptions*) For half-an-hour, you have been asking me to deal with *The Sunday* you have tested me all along. Now, I start reading out *The Sunday*. But you want me to go on to *Monday*. (*Interruptions*) I said to you read it again. Some of you may be benefited. The Prime Minister says "If our assessment is that we got a good price, then we really need to chase only the fact whether any Indian has made money or whether money has been used to influence decision-making—which would be the two very serious things." And then he says "To the best of my knowledge, money has not been used to influence the decision-making process. So far, we have not been able to establish whether any money has come to any Indian." Then he goes on saying "Inquiries have been made". He says all those things. Therefore, where is the question...? Why try to quote him out of context? You read the whole thing. You read the whole interview. It says many things and if you read the whole thing, you cannot... (*Interruptions*)

Sir, this has been a noisy debate and I would not like to end it on a noisy note. Sir,

[Sh. K.C. Pant]

the fact of the matter is that regardless of the heat of the moment, all of us are responsible for sustaining and maintaining the democratic structure of this country. To that extent, whichever party we belong to, we are responsible for not making unsubstantiated charges. It will bring down the tone of political life if each of us sling mud at each other without evidence and that is something for which we are accountable to the people. It has nothing to do with this House. The whole country will see whether or not we sling mud at each other and whether or not we have evidence to back up what we say and if we don't have evidence let me tell you today you throw mud at me, tomorrow I throw mud at you, ultimately the people will take us for a group of people who are only interested in self-aggrandisement, who are interested in small thing and if that happens, then the democratic structure cannot last. If all of us are discredited, who remains? I charge you and charge me. Therefore, please remember that democracy can only survive in this country with the consent of the people and the consent of the people is based on the basic sense of responsibility that in spite of our political differences — we will have political differences and have conflicting ambitions, you want to occupy these seats we know that — there are certain norms which

have got to be observed and if you don't observe those norms and without evidence make charges which you cannot substantiate, then I can tell you that this democratic structure cannot last in a vacuum. It is this which you must seriously ponder over: You must ponder over this (*Interruptions*) I say this with a full sense of responsibility. Some day, Shri Jaipal Reddy, I shall even give you the instances of cases I know myself — where these principles have been sustained — I know of cases — where the friends sitting on the Opposite have not been charged publicly because it would have brought down the tone of public life in this country. That is what the leaders on this side have done. This is not the time to name names. But I know it from my personal knowledge. Therefore, let us not drive everything down into the mud, let us maintain some standards. Only then can we carry this country and its people forward. Thank you.

MR. CHAIRMAN: The House stands adjourned to meet tomorrow at 11 A.M.

18.15 hrs.

*The Lok Sabha then adjourned till Eleven  
of the Clock on Thursday, November 17  
1988/Kartika 26, 1910 (Saka)*