

Mr. Speaker, Sir, Mathura and Vrindavan being the birth place and the centre of activities of Lord Krishna are the greatest pilgrimage centres of India. Not only from India but from every corner of the world, every year lakhs of devotees come to visit these places to pay their reverence and the tourists converge for having a glimpse of the most ancient heritage preserved there.

The attention of the Government has been repeatedly drawn to the development of this place but this great centre of pilgrimage has always been neglected by the Government and till today, the Government have neither prepared any detailed plan in this regard nor have done any development work.

Mathura, Vrindaban, Barsana, Nandgaon, Gokul, Dauji and several other ancient places even today remind us of the 'Ras Leela' of the divine couple, Radha and Krishna and the divine playful activities of child Krishna. A large number of devotees visit these places with their heads bowed in reverence. But it is a matter of regret that because of sheer neglect of Government, these ancient religious places are losing their original identity. Consequentially not only religious sentiments of lakhs of devotees are hurt there by but it also causes a great agony in the hearts of these devatoes.

The uneven condition of the 'Brij Chaurasi Kos' parikrama route, Mathura and Vrindaban parikrama route and Govardhan parikrama route, the shattered condition of ancient temples, lakes and ponds, the highly polluted water of the sacred river Yamuna and the sight of the damaged Ghats of the Yamuna are the really heart touching features.

I request that a detailed plan for this great centre of pilgrimage be prepared in consultation with the Ministries of tourism, Environment and Forests and Human Resource Development and the Archaeological Survey of India. The plan should aim at the beautification of these religious places with the construction of parikrama routes, rennovation of ancient temples, lakes and ponds, reconstruction of Ghats along the

river Yamuna, cleaning of Yamuna and planting of trees along its banks. This beautification plan may be taken up immediately.

12.30 hrs.

DISCUSSION UNDER RULE 193

[English]

Report of the joint Committee to enquire into Bofors Contract--Contd.

MR. SPEAKER: Now we take up discussion under rule 193. We had decided yesterday to finish it off, but I think some three Members were left. Should we allow the Minister to reply or what should we do?

PROF. K.K. TEWARY (Buxar): Allow the Minister to reply, Sir.

DR. DATTA SAMANT: You promised me twice, Sir. Allow me to speak, Sir.

PROF. K.K. TEWARY: Sir, it was decided yesterday. Mr. Deputy Speaker gave his ruling that after the House adjourns, next day only the Defence Minister will reply.

[Translation]

MR. SPEAKER: Mr. Tewary, we always keep our promise.

[English]

Mr. Haroobhai Mehta: He was on his legs yesterday....

(Interruptions)

MR. SPEAKER: We called his name. I had specially asked for it.

SHRI HAROOBHAI MEHTA (Ahmedabad): Sir, after a lot of debate in the House and outside, at last we have come to a stage where we are in a position to lay the ghost of Bofors at rest once for all. The Opposition Members, for whom I have always great regards, at one stage

[Shri Haroobhai Mehta]

wanted Parliamentary enquiry, at a different stage, the house decided to give enquiry...*(Interruptions)*

[*Translation*]

SHRI RAJ KUMAR RAI (Ghosi): I should also be given a chance to speak.

MR. SPEAKER: Chance could be given only to one man and that has been given.

[*English*]

I have finished it now...

(Interruptions)

SHRI HAROOBHAI MEHTA: Ultimately, Sir, as a result of pains taken by the Committee, we have been able to arrive at certain firm conclusions--certain conclusions which might disappoint my friends on the opposite side, certain other conclusions which now shows that the extent of imagination created by some Opposition friends, unwittingly becoming tools in the hands of destabilising forces, both within our country and outside, was established without any substance ...*(Interruptions)*

We are greatly obliged to the Committee for the pains taken by them in order to arrive at the truth. I shall not take much of the time of this august House, but I shall only refer to page 2 and page 3 of the Report, in order to show what pains were taken by the Committee. This is apropos something which is supposed to be stated in a Minute of Dissent--not found in our rules--that the Committee was not serious. Let us see page 2, para 1.7: "The Committee held 50 sittings in all." Frankly speaking, when the Committee was set up, I did not anticipate the Committee to go into such details of the matter. But it has done that it is very welcome. "Of these, 30 sittings were devoted to recording the evidence of various official and unofficial witnesses. 7 sittings were exclusively devoted to study of the classified documents furnished by the Ministry of Defence. The Committee held in-house deliberations at 13 sittings.

The Attorney-General for India addressed the Committee on the legal aspects of the deal.

The total duration of the sittings of the Committee was 140.25 hours approximately. A verbatim record of the proceedings was kept. This run into 2190 pages. The minutes of the sittings of the Committee form Part-II of this Report."

Then, the witnesses were examined--official as well as non-official witnesses. The hon. Speaker will recall that the Opposition had raised a point that the Committee will not be able to examine the foreign witnesses. We had pointed out to this House, relying on the rules of Department of Parliament Affairs and others, and our own rules, that it will be competent for the Committee to examine foreign witnesses also, and it has come true. Foreign witnesses, including the President of Bofors, have been examined.

Sir, I have gone through the report carefully. Undoubtedly the record of evidence is with the hon. Speaker and without the authority of the hon. Speaker, it is not permissible for me to go into it. But reading the report, it reveals that searching questions must have been put by the Committee to the witnesses who were examined by the Committee. The Committee of course will bear testimony to this, but the Report certainly gives an impression that all witnesses including the Defence Secretary and the Finance Secretary, Mr. Ganapati, must have been kept on tenterhooks looking at the way the questions were asked. That is very clear from the Report. That is why one important truth has come out and that somebody claiming to be Super Clean in this country had approved the Bofors Deal. Even at the cost of repetition, I will point this out from page 83-84 of the Report. It is not as if everything is bad here and everything is good on the other side. Sir, some metamorphosis takes place. When somebody crosses the bank he becomes very clean and super clean. So, it is necessary to read pages 83 and 84 of the Report. Mr. Ganapati for whose integrity I don't think any Member of the Opposition has any question....

SHRI S. JAIPAL REDDY (Mahbubnagar):
We don't know him.

SHRI HAROOBHAI MEHTA: Then,
kindly see the Report, you will know him.

SHRI S. JAIPAL REDDY: I know him only
from the Report. How can I know him
(*Interruptions*).

SHRI HAROOBHAI MEHTA: Please see
page 83. Mr. Ganapati, the then Finance
Secretary says--I am referring to paragraph
6.20. Sir, I will not take the time of the
House reading paragraph after paragraph,
but only some salient features have got to
be pointed out in order to lay the last nail
on the coffin of the allegations of the Op-
position Parties. Mr. Ganapati says:

"So far as these contracts are con-
cerned, where the powers of the
Secretary were very restricted,
approval of the Minister in the
Administrative Ministry and the
Finance Minister was taken."

History will not allow us to forget the
relevant time when Mr. V.P. Singh was the
Finance Minister.

Then paragraph 6.21 says:

"When asked whether the decision
taken on 11th March 1986 to
ultimately recommend Bofors gun for
selection was unanimous, the
Secretary, Expenditure, stated:

"There has been absolutely no dis-
sent...even in discussions, final
conclusions were unanimously
subscribed by one and all, without
any mental reservations. Even after
the negotiations were concluded,
that is, in March 1986, nobody has
ever entertained any doubt about
this." --nobody including Mr. V.P.
Singh.

And till today nobody has ever enter-
tained any doubt about this.

Lastly, paragraph 6.23 says, "Absolutely
no". Sir, a question was asked to him

whether any reservation had been
expressed. Sir, a pointed specific question
was put to the witness--the witness was
the most competent witness to
speak--whether any reservation had been
expressed by the then Finance Minister,
Shri V.P. Singh "The possible star
candidate in the Allahabad election." The
then Secretary, Expenditure, replied, So,
the Committee asked whether Mr. V.P.
Singh had any reservations. The reply was:

"Absolutely no. I can say this
categorically because.... The moment
I saw the file, I immediately sent it to
the Finance Secretary saying that the
matter was very urgent. It went to
the Finance Minister. If he had the
slightest doubt, he would have asked
the Finance Secretary or me. I was
the senior officer in the Finance
Department. I was the proper
person to have been asked this
question. Till the moment of my
retirement, no question was raised."

This is about Mr. Super Clean. Therefore,
the Opposition should kindly think twice
before joining the company of anybody
claiming to be Super Clean. That is my plea
on the strength of this.

Then, Mr. Aladi Aruna has given some-
thing which is described by them as the
Note of Dissent. Sir, the hon. Speaker has
allowed. Therefore, it will form part of the
record. No question about it. But, Sir, the
Minute of Dissent reminds me of Julius
Caesar and Brutus. Mr. Aladi Aruna was in
AIADMK which was already supporting the
Congress Party. Some incident intervened
in the meanwhile--a split in the AIADMK. A
tragedy overtook Tamil Nadu with the re-
sult that we all of us, lost Mr. M.G. Ra-
machandran. This resulted into a split.

12.40 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

And thereafter, the learned Member
from AIADMK, Mr. Aladi Aruna, came on
the scene. The Chairman of the Committee
may kindly inform the House--even if there
is a tradition that the Committee Members

do not participate in the debate, at least the Committee Chairman and Members owe it to the House in order to inform the enlightened public of India, as to what was the stance of Mr. Aladi Aruna at every stage even including the stage when the final report was written. Was any question of dissent raised by him or has it not happened that even when the final report was being discussed, when it was not even formulated, at that stage, the minute of dissent was ready or was it not ready? All these questions arise in the minds of public and the hon. Chairman of the Committee owes it to the House to inform what was the stance of Mr. Aladi Aruna, before, throughout the proceedings of the Committee and what made him to try to give a note of dissent. Therefore, it reminds me of what Julius Caesar told: You Brutus too. Mr. Aladi Aruna's note of dissent reminds just of that. You too, on account of the split, did it. He joined the chorus of the Opposition.

SHRI S. JAIPAL REDDY: This proves the point that other Congress Members gave the assent because of their loyalty to the Congress Party and not because of fairness and truthfulness of the proceedings of the Committee.

SHRI HAROQBHAI MEHTA: Now, Sir, coming to the content of the Note of Dissent, what is described is this. I only want to raise one or two points. So much something has been said in the report. What more or less can be said now will be superfluous and redundant. But look at the dissent, look at the claims made by the hon. Member, Mr. Aladi Aruna. One claim is regarding questions being not allowed, one does not understand what is the reason of this notation? The Committee has pointed out in its report on the Note of Dissent that Mr. Aladi has never asked for permission for any question which was disallowed by the Chairman. No such thing was ever put to the Chairman or the Committee. Let us see the examination part:

"My specific request that we should

be allowed to peruse these documents at home was to my shock and surprise outrightly rejected..."

"Shock and surprise" took several months to develop, so that they came to be expressed at the time of Note of Dissent. Is there any written request or oral request made to the Chairman of the Committee that these documents should be allowed to be taken home. Classified information with military intelligence cannot be allowed to be circulated like this. Therefore, the Committee Chairman wisely asked them to read only at the Committee meetings and in the Committee room. What is wrong in that?

And then, Mr. Aladi Aruna further says:

"What is more painful to state is that even the draft report was not circulated to the members for perusal. The Chairman as usual asked the Members to study the report for a few hours in the room itself."

This is highly uncharitable to the Chairman and to the Members of the Committee including Mr. Aladi. It was already decided, what should be the procedure. Everything was conducted according to the procedure decided by consensus among the committee members--not even consensus but total unanimity. Therefore, he wants to say that something had not taken place, as he desired. He says at page 218 that on February 20, 1988, he addressed a letter to the Chairman that certain witnesses be examined including Mr. Bhoopatrai Oza, His Excellency, our Ambassador at Sweden at the relevant time. He also made the grievance that the Prime Minister was not examined. What could the Prime Minister say? The Prime Minister has already made a solemn statement before the House. He was not a part of Bofors administration so that he can give certain information which Bofors refused to divulge. He says, "myself and my members of family have not received anything. We are not paid." Minus "denial" what could all these witnesses have said?

SHRI S. JAIPAL REDDY: What is the definition of his family?

[Translation]

SHRI HAROOBHAI MEHTA: "Vasudhaiv Kutumbkam".

[English]

For a man like Prime Minister, you should understand "family" means, Vasudhaiv, the whole world.

SHRI S. JAIPAL REDDY: Then, the Bofors is also included.

SHRI HAROOBHAI MEHTA: My respectful submission is, at least for the Opposition, this is not the correct way. Charity must begin at home. Something has been said about **.

(Interruptions)

MR. DEPUTY-SPEAKER: No, I do not allow it to go on record.

SHRI HAROOBHAI MEHTA: The thing is that if such offences are overlooked by that Party in their own State, with what audacity, they could make an allegation against the Prime Minister, here.

Secondly, let us take corruption itself. As we understand, corruption is inherent in a capitalist society. Where extra money can buy extra comfort, you cannot totally banish corruption. Therefore, in such societies corruption takes place. At the same time, one is prone to easily believe allegations about corruption. Was it not resorted to by Hitler in order to dislodge the Liberal bourgeois Governments of Germany by spreading false rumours about corruption?

MR. DEPUTY SPEAKER: That is all.

SHRI HAROOBHAI MEHTA: Destabilisers and disintegrators fabricate such allegations of corruption in order to spoil the image of the leaders. Hitherto I thought that among the Communist ranks, corrupt people will not enter easily. But the Times of India reports that even in CPM in Calcutta cracks are becoming evident. I was sur-

prised my friend Shri Somnath Chatterjee should have been here to listen to this.

MR. DEPUTY SPEAKER: I will have to allow two more persons and then we have to adjourn for Lunch and then the hon. Minister will have to reply afterwards.

SHRI HAROOBHAI MEHTA: Therefore, I was only going to give an illustration that**

(Interruptions)-

MR. DEPUTY SPEAKER: Don't bring all these things. I cannot allow it to go on record.

SHRI HAROOBHAI MEHTA: Therefore, the Committee has brought out the truth that no payment has been made by way of commission to any middleman. In any case, there is nothing to prove the allegations. If the Bofors have not cooperated, the Committee or the Parliament cannot be blamed. Ultimately, if the foreign parties dedicated to greed or avarice, are not willing to cooperate with the inquiry and they do not give the information, what can the Committee do? The Committee was not a star-chamber and it cannot resort to third degree methods.

MR. DEPUTY SPEAKER: You are going on speaking. You have to cooperate and wind up.

SHRI HAROOBHAI MEHTA: Methods available under the rules were only open to the Committee for finding out the truth that is, by examination, cross-examination and inspection of all documents etc. As I pointed out, witnesses could not be subjected to third degree methods. On the contrary, there is a demand before Shri Buta Singh to prevent third degree methods of police against citizens.

MR. DEPUTY SPEAKER: Everybody is going on demanding more time.

SHRI HAROOBHAI MEHTA: Even as-

** Not recorded.

[Shri Haroobhai Mehta]

suming *The Hindu* document to be correct and authentic, it proves that the so called contracts had to be cancelled by Bofors. One of the documents pertains to cancellation of the earlier agreements. It shows that at the intervention of the Prime Minister who insisted that there should be no middleman, such agreements had to be cancelled by Bofors.

I appeal to the Opposition to gracefully accept the report of the Committee. This is the first investigation committee of this type.

Therefore, I again appeal to the conscience and wisdom of the Opposition to accept the report of the Committee and help the House in setting a good precedent.

MR. DEPUTY SPEAKER: After we adjourn for lunch, we assemble at 2 O'Clock. At that time, the hon. Minister will reply.

Now, Dr. Datta Samant.

DR. DATTA SAMANT (Bombay South Central): After going through this voluminous report, I recollected one saying of Shakespeare which I would like to quote:--

"Oh! What a tangled web we weave when first we practice to deceive."

If you go through the Report page after page, the question which comes up is to whom the final payment will go. This is the common thinking on the buyers' side. The middleman is always talked about. Even the Prime Minister had made the statement that there is no middleman, etc. But, in such a type of deal, will any high-ranking politician, whoever he may be at the decision-making level, say that he is going to keep the middleman and that so much money will be taken by him? Is any intelligent politician going to do that? It is very logical that middleman will not be kept while negotiating. Therefore, that is the only point that this Committee has made. That is the only point of the Treasury

Benches. Ultimately, the middleman will again be going to share the Commission. The only thing that can be done is to talk with the party straight. It can be done.

There are a number of banks. Their credentials are very bad. The Hinduja or somebody deposited that money with the banks. They are already having their accounts pending. Their relations with the Bofors are known for the last 15 years. Their Iran dealings and Rangoon dealings are also well-known. They are having a number of bogus bank accounts. But we do not want to disclose that we are taking this money for a particular thing. What is the evidence before this Committee? I do not know. Shall we have the tape-recorded version of the evidence? I think that is not acceptable as per law. Can we call the witnesses? I do not know whether the Government or the JPC meant that a stamped receipt by the Prime Minister will be accepted as evidence. That is the only thing that we are going to accept.

Sir, the *prima facie* facts of these dealings show that it is the high ranking people who have accepted the money. Coming to the Bofors, I would like to say about the officials of the Bofors i.e. the President Mr. Morberg etc. While taking the evidence of the Bofors people, the Chairman of JPC Shri Shankaranand told the Members of the Committee that while taking the evidence, the Committee should not ask questions which would offend the country's hon guests. and the method should be gentle, persuasion and the cross-examination should not insult them. This is what he has said. What is this? Are you treating Bofors people as your son-in-law? Is this the way of getting the facts from the Bofors people? They have said that unfortunately in Sweden, there is no bank Code Number available regarding the payments for winding up co.pts. These are the replies. Shri Shankaranand has also accepted the replies. The Bofors people have said that commission and remuneration are same in Sweden. Perhaps, corruption is also same in Sweden I think, let us add this also. Therefore, these are the cross-examina-

tions on which the President of Bofors has given replies to our committee. Whereas, the Chairman of JPC has told the Members to be gentle and polite and not to ask questions which would offend them.

Now, I am coming to a very interesting question which our Chairman has asked them. He has said: "We are the buyers. You are the sellers. Without our knowledge, you have given Commission. So, is it not the duty of the buyers to know as to whom you have given the commission?". I think, this is the question that was asked. We were gentle. They were making the evidence: "We are honest; you are honest". I do not know who has taken the money. Same questions were asked. The Bofors Chairman has replied: "With the agreement I made with the Defence Ministry of India, I have not mentioned regarding the three bogus banks. Whatever agreement I have made with the three bogus banks in Sweden and Panama, I have not mentioned about India." So, this is the commercial secrecy as far as Bofors is concerned. This is the commercial secrecy as far as the three bogus banks are concerned. There is another point. What about the settlement? You have entered into a settlement with the Bofors. That settlement has not been produced. The House has got the right to know about that. What are your terms of settlement and tender while this contract was done? After going through all these inquiry reports, I feel it is a face. It is beyond white-wash. On the contrary, I would like to say that this is a conspiracy between the Government of India and the Bofors to hide out things. They desired not to give the names of persons to whom this money is going to be paid afterwards. It doesn't mean that they can be given immediately. So, this is the conspiracy on your side. For that, you are bargaining. Further, the credentials of the Bofors people are known to everybody. Even yesterday, Shri Shiv Shanker told that the Bofors Chairman has swallowed the money through the bogus bank. Therefore, this is the credentials of the Bofors. With such people they want to continue with the contract. Therefore, with such conspiracy, I am afraid, nothing is going to be revealed.

Sir, the 700 million people of this country know about this. Even the child on the street knows that this sum of Rs. 64 crores has been taken by the highest ranking people of this party. Now, I come to another point. I will not taken more than 10 minutes. Please do not ring the bell. Sir, the French SOFMA gun, up to Feb. 1985 ranked first. All your reports talk of this. It has already been mentioned in this House. I am not going to talk on this point again. The report of Gen. Mayadas--except one--, the report of Chief of the Army Staff as on July 14, 1984, the version of Gen. Sundarji--after that he became the Chief of the Army Staff-- in 1982, the report of Gen. Mahendra Singh upto 1985--he has given the reasoning. He is expert in all these purchases--indicate that they have already decided that the French gun is better because of more range. It occupies less space and all the things which are needed...(Interruptions)

THE MINISTER OF DEFENCE (Shri K.C. Pant): Are you saying that Mayadas favoured the French Gun?

MR. DATTA SAMANT:....That is Austrian gun. There were four principal guns. The Austrian gun was the first. But, Bofors gun was placed third initially. Then it was brought to the second place. If you give me half an hour, I can give all the permutation, combination and details of the report. But I am afraid of the Bell. I will make it short. Up to February, 1985, in all the reports--it is a very important point which I am going to make--it was mentioned that along with French guns, we would get ammunition, towing vehicles etc. But in the case of Bofors gun, for ammunition etc., we were to purchase it from other States. And the Swedish law is so strict that they can stop the supply of Bofors gun any time they like. Yesterday, it was said that after the meeting of the Prime Minister with Mr. Olof Palme in December 1985, in January, everything turned up. Contract with all the three companies were removed in order to give contract to Bofors. To remove the contract, Bofors have given three times the money for the contract. It is the fun which they are making in that. And then again,

[Dr. Datta Samant]

the Committee was appointed and within a month, the Committee had given better report for the Bofors gun. The only positive point which you have in this report and which has been said by the Members from the Treasury Benches is that Pakistan has brought some Radar Machine Computers by which they can see the guns going from India. That is the only point. We know that fifteen seconds are required for the French gun and Bofors gun requires 13½ seconds. So, it blows one second early and Pakistan will not be able to see it. I think *prima facie*, not *prime facie*, it cannot be believed. But ultimately, in the name of security of the country, this Government has done a very bad thing.

Coming to other point about the Bofors deal, after the meeting of Shri Rajiv Gandhi with Mr. Palme in November 1985, we find germs of favouritism gradually developing towards Bofors. Afterwards, nobody is prepared to argue regarding this.

We have talked about three companies, a lot. In one of the companies your CBI officer had gone. There was one lady. She was having an office. Her fees were not paid. But still, she is the President of that Svenska company where you have paid Rs. 40 crores. I do not know about it. This is the report of your CID. CID has done a good work. I do not know about your Committee. You should have given this work to the intelligent CBI. They would have found out everything. Only thing is, they should be kept away from all your talks.

Therefore, I am afraid all these companies are having links with PITCO. If you go through all the links that Hindujas have with PITCO, you will find that the Hindujas are the big boss. They are from Bombay. In June, they were allowed to purchase a bungalow. I don't think even the Prime Minister is having a bungalow like that. I have seen that bungalow. Their asset is Rs. 14,000 crores which is four times more than that of Tatas and Birlas. They have taken over Ashok Leyland. They are trying

to take over Haldia unit. They are such a big boss that they are having links with Iran. They have established themselves for ten years. He is a right man to tackle. You can accept this money, which is lying in this account, any time. But it cannot be proved. There won't be any stamped receipt for that. Nobody is going to give evidence against them. I will just take one minute.

Regarding Shri Amitabh Bachchan, who was the Hon. Member of this House--I am prepared even for breach of privilege--he is paying Rs. 19 lakhs out of Rs. 21 lakhs of his earnings, per year, in that he has paid Rs. 19 lakhs to Hindujas. I don't know why is he so generous and what is his links with Hindujas.

SHRIMATI BASAVARAJESWARI (Bellary): How can the Hon. Member make accusations against Shri Amitabh Bachchan without proper notice?

DR. DATTA SAMANT: To the Hindujas hospital in Bombay he is paying Rs. 19 lakhs as donation every year out of Rs. 21 lakhs income which he has shown for three years. His money is getting adjusted there.

MR. DEPUTY SPEAKER: How can you make accusations? I cannot allow.

(Interruptions)

DR. DATTA SAMANT: Out of Rs. 21 lakhs, he has paid Rs. 19 lakhs to the Hindujas Hospital in Bombay. That is there for two years. This money is getting white money which is adjusted towards his bank accounts in Switzerland and other places. Therefore all these links are shown in the Press.

One question that I am going to ask the treasury benches is that when Indian Express, The Hindu have given such a publicity may be adverse--why not the Committee had taken note of it. If they have published something against you, why are you not having the courage to prosecute them? Why Hindujas is sleeping, why Amitabh Bachchan is sleeping and why are you sleeping here? It is because you people are exposed on the front pages

by all the media. That is why the findings of the media are neglected by the Committee. It is just a white-washing Committee as one Hon. Member has said. It is a conspiracy to hide everything. If corruptions is done in defence deals it is highly discreditable for this country. You may give any Report, or hold further inquiries, but even a child of this country of 7,00 million people will definitely say that this Government is involved in corruption.

MR. DEPUTY SPEAKER: The Minister will reply at 2. p.m. Therefore we adjourn for lunch to re-assemble at 2 p.m.

13.03 hrs.

*The Lok Sabha adjourned for Lunch till
Fourteen of the clock.*

14.03 hrs.

*The Lok Sabha re-assembled after Lunch at
three minutes past fourteen of the clock.*

[MR. DEPUTY SEPAKER *in the Chair*]

[*English*]

DISCUSSION UNDER RULE 193

Report of the Joint Committee to enquire into Bofors Contract (Contd.)

MR. DEPUTY SPEAKER: Mr. Eduardo Faleiro will make a brief intervention.

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): Mr. Deputy Speaker, I am making a brief intervention in this debate just to clarify the mis-conception that has arisen in the mind of Mr. Somnath Chatterjee and might have gone into other minds as well because it is on the record. Mr. Somnath Chatterjee gave the impression yesterday while concluding his speech that no progress has been made in the negotiations between Government of India and the Government of Switzerland as far as exchange of information on criminal matters is concerned. This impression is incorrect. It is not true. Progress has been

made and immediately in the course of this Session itself Government will bring forth an amendment to Section 105 of the Criminal Procedure Code which is necessary for the purpose of this exchange of information. But let me give further details.

In September 1987, that was after the Finance Minister made a statement, which was quoted by Mr. Somnath Chatterjee--the statement was of August 1987--a delegation of the Government of India visited Switzerland. After this visit, an understanding was reached with the Government of Switzerland that letters would be exchanged for mutual cooperation in criminal matters. Such agreement will be reached by means of exchange of letters. It will cover cooperation between judicial authorities and the investigating agencies. Such cooperation will also be extended to each other by both the countries. That means that there will be a reciprocal cooperation. The cooperation will also extend to production of documents and service of documents. I have mentioned that during the course of this session itself, Government will introduce in Parliament a legislation to amend section 105 of the Criminal Procedure Code. This amendment is necessary.

SHRI S. JAIPAL REDDY: Will it have retrospective effect?

SHRI EDUARDO FALEIRO: This amendment is necessary. What the hon. Member and my friend means?

SHRI S. JAIPAL REDDY: Will it have retrospective effect or will it only have prospective effect?

SHRI EDUARDO FALEIRO: The position will be as follows. After this amendment is brought in, we will be in a position to obtain--in the manner that it will describe immediately--information from the Swiss Government on all matters of criminal nature which obviously will be matters which occurred at any time in the past.

As I was submitting, as far as production of documents and service of documents is

[Shri Eduardo Faleiro]

concerned, section- 105 of the Criminal Procedure Code provide that a court situated in India can issue summons for production and service of documents. This section will require an amendment to include that summons received not only from a court located in India but also from any court situated outside India be served. Further, a provision will also have to be added in the Bill stating that when summons are received for production of any document, the court shall receive documents—objects or valuables—and shall transfer them to the court where the summons or warrants have been received.

As I have submitted, let me say formally, the Government intends to introduce a amendment, on the lines I have said, in the current session of Parliament. After the amendments to the Criminal Procedure Code have been made, and necessary notification issued, letters will be exchanged with the Government of Switzerland for mutual cooperation in criminal matters. Therefore, all the matters that Mr. Jaipal Reddy has in mind and other matters will thereby be covered by this cooperation.

SHRI C. MADHAV REDDY (Adilabad): Are you also amending the FERA? In connection with the same matter, Ghosh Committee's recommendations are before you. Are you going to take any action on that?

SHRI EDUARDO FALEIRO: Sir, I will definitely look at the Ghosh Committee's recommendations. I don't have in mind. I must agree with that. (*Interruptions*) I don't remember what are the Ghosh Committee's recommendations. (*Interruptions*) I am surely prepared to give all the information. But I should think that the information which I have given now, will be welcomed by all sides of the House.

MR. DEPUTY-SPEAKER: Now, Mr. K.C. Pant.

THE MINISTER OF DEFENCE (SHRI K.C. PANT): Mr. Deputy Speaker, Sir, I would like to thank Members on both sides

of the House who have participated in the debate, particularly Members on this side of the House who have met the points raised by friends opposite very effectively.

It is now over one year since the allegation was first made that Bofors had made illegal payments for winning the Indian contract for the supply of 155 mm howitzer guns. This had created a lot of debate inside the House, in the country. It had also created some misunderstandings, misconceptions, confusions. I hope my friends opposite won't mind if I say that in spite of the clarifications issued from time to time, their interest was in seeing that the confusions persist and so, instead of assisting us in removing the confusions and getting us the truth, they were more interested in seeing that they get political capital out of this matter. Now, we have the Report of the Joint Parliamentary Committee which was entrusted with the task of conducting a comprehensive inquiry into the whole matter. The events of the last year are well known to the House and I will not take the time of the House in repeating all that they know and all that has been said earlier but in order to put the whole matter in perspective, I hope the House will show me the indulgence to allow me to refresh their memory about the facts of the case. On 20th April, I had informed this House that while negotiating for the Bofors gun, the weapons system, the Government of India had stipulated that the negotiations will be directly with the foreign supplier. Now, I would like to quote from the statement issued by Mr. Carl Johan Aberg, which I have done earlier also, on 17th April. He is the permanent Under Secretary of State in the Ministry of Foreign Affairs, Government of Sweden and this is what he says. I quote:

"Indian Prime Minister Rajiv Gandhi himself during his talks in 1985 with Olof Palme said that one of the pre-conditions that the Bofors, should satisfy in connection with the Howitzer contract was that the company should have no middlemen. The deal should be drawn directly between Bofors and the Indian Defence Ministry. The company informed the Swedish Government representative

in autumn 1985 that there would be no middlemen involved and that they would deal directly with the Indian Defence Ministry. This was conveyed by Olof Palme in his personal conversation to Rajiv Gandhi in 1986."

There can be nothing more clear, unambiguous and categorical than this. One hon. Member referred to the fact that Olof Palme had discussed this matter with our Prime Minister and he expressed some surprise at this. I am surprised that he is surprised. This was the large order and the Swedish Government and the Swedish Prime Minister were interested in the sale of this gun to India. I don't think that there is anything abnormal or unnatural in this and our Prime Minister took the opportunity of explaining our point of view in the matter. Now, should one object to this or should one appreciate this fact that the Prime Minister explained this particular point clearly to no one else than the Prime Minister of Sweden? And I take it that all of us respect him on both sides of the House. So, this is, in fact, a confirmation of the position which the Government has been taking on an important aspect of this whole matter and I think there can be nobody in the House who would doubt Mr. Palme's work in this matter. It is quite customary for Prime Ministers to take up such issues when they meet. I hope my hon. friend, before long, will have an opportunity to work in the Government, if not here, then in the States and see the inner workings of the Government, then he will not ask such questions.

Sir, the background and the quotation which I placed before the House became necessary in order to explain why the Government did not readily accept what the Swedish Radio said way back in the middle of April last year because of the facts which I just mentioned. I do not think, the Government can be blamed in the light of those facts, in the light of that background if they did not consider the allegations of the Swedish Radio as being credible because there had been discussions at the Government level. The company concerned had assured their Government in

the matter, but once this matter was raised, the Government of India took it up. They made enquiries with the various concerned quarters and I have at great length explained in my last intervention in the House on this subject as to how systematic enquiries were made with the Swedish Government, with Bofors and even with the Swedish Radio. I do not want to repeat that, but I would remind the House to refresh its memory only with regard to what the various parties told us at that time. The Swedish Government re-confirmed their understanding with the Government of India regarding the non-involvement of agents. In their letter of April 24, 1987, Bofors reported that the Swedish media had made a mistake and that the payments made by them were legitimate, and had nothing to do whatsoever with the Indian contract. This letter along with the entire correspondence which the Government had with the Swedish Government as well as the Bofors Company has already been placed on the table of the House.

*(Interruptions)***

SHRI K.C. PANT: I am not yielding....*(Interruptions)***

MR. DEPUTY-SPEAKER: No interruptions please. Any clarifications you require you can ask at the end. I am not allowing anybody. Nothing will go on record.

You may please continue.

SHRI K. C. PANT: What I was saying, if he had the patience to listen, was that this entire correspondence of the Government of India with the Swedish Government and the Bofors Company has already been placed on the table of the House. Therefore, whatever I am saying can be checked by you; you can look up the letter, you can see the record. There is nothing else; I have only stated what is stated there....*(Interruptions)*.

MR. DEPUTY-SPEAKER: I request the Members not to interrupt when the Minister is speaking. You can ask clarifications at the end, if required.

SHRI K.C. PANT: In the middle of April this matter came up. Swedish Radio made some charges, some allegations and we pursued the matter vigorously with the Swedish Government with the result that the House will recall that within fifteen days, by the end of April, they had instituted the Swedish National Audit Bureau enquiry. That was set up within 15 days. Thereafter, the report came. When the report of the National Audit Bureau was received, then we found that it mentioned that Bofors had made large payments. Large sums have been paid, described as winding up payments. And when we asked the Swedish Government; "Why have you not given us those names? Why you expunged certain portions?", we were told by the Swedish Government that because of their laws in regard to secrecy, they could not provide us the details of the recipients as contained in the Swedish/National Audit Bureau Report. It is not, as the House will recall, as though we did not try to get the names from them or that we were not interested. We were equally interested on both sides of the House that we should get the names, and, therefore, we took it up with them. This is the reply we got and this reply I placed before the House. I placed it or the Government placed it. I do not know how it came up. But it did come up in the House also. And today, I would like once again to repeat what I have said on that occasion, namely that the Swedish National Audit Bureau enquiry was set up because of the insistence of the Government of India, because of the persistence of the Government of India, because the Government of India was interested in arriving at the truth and because we felt that the best way of dealing with this matter was to ask the Swedish Government, let us have the facts. They can use their agency but we would like to know the facts. It is not our friends opposite; it is we who did it on our own. I would like to make this perfectly clear.

SHRI S. JAIPAL REDDY: Because of our unremitting pressure that you acted.

SHRI K.C. PANT: If you had so much confidence in your pressure you would have joined the Committee.

Sir, now again, I would like to recall that the day we received the report of the Swedish National Audit Bureau which indicated payments of large sums, we did three things. (1) We called the Opposition leaders and we had an immediate discussion with them on that very day. (2) We gave the Press note in which the facts, the substance, the gist whatever you like, was given to the country and (3) We took a decision that we will go in for a Joint Parliamentary Committee and this decision was taken in the light of the earlier insistence by friends opposite that we should set up such a Committee to enquire into this matter. Are these the steps of the Government which is afraid of the truth? Are these the steps of the Government which is shying away from the truth? It is we who did this. Initiative is all along with us. We have taken the initiative.

SHRI THAMPAN THOMAS (Mavelikara): What is the result, Sir?

SHRI K.C. PANT: And today you have gumption to stand up and say that we are indulging in white washing. It is we who have taken steps each time before you could raise your voice.

SHRI THAMPAN THOMAS: Has any thought been given to it?

SHRI K.C. PANT: These are facts; no one can get round these facts. *(Interruptions)*

I will come to everything. When it is inconvenient, do not shout, but listen. Now, Sir, simultaneously, on the one hand the JPC was set up or rather we took a decision to set it up, it was set up by the Parliament subsequently, and on the other hand we repeated our request to the Swedish Government to supply us the full particulars of the recipients after such investigation as they consider necessary.

And, Sir, ultimately, as again, my friends know that our continued pressure resulted in an investigation being undertaken by the Swedish Public Prosecutor.

SHRI SAIFUDDIN CHOWDHARY: Oh, is it so?

SHRI K.C. PANT: Yes, certainly. And, therefore, this was one more step which was taken by the Swedish Government at our insistence. These are the backgrounds that we have to see how we moved forward in uncovering all the facts about this matter.

Shri Indrajit Gupta quoted yesterday from a letter of the Defence Ministry. He read out some of the questions from that letter. Last time also, I think some members read it out. In that, we had asked very searching questions. There was not a single member in this House who could improve upon the formulation of those questions. They were frank and forthright questions. We wanted the truth and we said that we wanted prompt replies from the Bofors. I am glad that the House even on that occasion appreciated the fact that we had covered the necessary ground. The Government on this matter had done its work.

SHRI INDRAJIT GUPTA (Basirhat): They were very commendable points. But you refused to do it. (*Interruptions*)

SHRI K.C. PANT: They were not part of the terms of reference. That was the point that you made. I do not think, you were saying that they were not good just because they were not included in the terms of reference. They are still valid as part of my letter.

SHRI INDRAJIT GUPTA: But the Committee had not been asked to go into it.

SHRI K.C. PANT: But that does not make them invalid so far as communication to Sweden is concerned and communication to Bofors is concerned.

SHRI SAIFUDDIN CHOWDHARY (Katwa): But what is the result of that communication?

SHRI K.C. PANT: It does not lie in the mouth of those who did not join the Committee to question the terms of reference of that Committee today.

PROF. MADHU DANDAVATE (Rajapur): If he utters only that argument, that is sufficient for the reply.

SHRI K.C. PANT: Prof. Madhu Dandavate is feeling unnecessarily uncomfortable. The plea of the Bofors had all along been that they were bound to their counterparts by legally impossible secrecy agreements, violation of which would be detrimental to their business interests. This has been stated in the report also and this is the stand that they had taken all along.

SHRI SAIFUDDIN CHOWDHARY: But how could you get the names?

SHRI K.C. PANT: As the House knows we persisted in our pressure over them. Then the motion came before the House. I again remind the House about the motion which was discussed in this august House and in the Rajya Sabha. We found that those who were vociferous in demanding a Parliamentary Committee in the Budget Session of 1987 turned a somersault and in the Autumn Session of 1987 they said that they would not participate. (*Interruptions*)

SHRI SURESH KURUP (Kottayam): We had valid reasons.

SHRI K.C. PANT: It was a somersault. It was a *volte-face!* Is there any one of you, who can deny that? It is in the records.

SHRI THAMPAN THOMAS: So far as our stand is concerned, what we did proved to be correct. The dissenters were not permitted to give...(*Interruptions*) What sort of a committee was that?

SHRI SAIFUDDIN CHOWDHARY: It was a meaningless committee...

SHRI S. JAIPAL REDDY: We were consistent in our demand and our stand has been vindicated...(*Interruptions*)

SHRI K.C. PANT: In the Spring of 1987

[Shri K. C. Pant]

we were asked, "Why don't you have a Committee?" *(Interruptions)*

SHRI K.C. PANT: My young friend must learn to listen also.

SHRI SAIFUDDIN CHOWDHARY: I have been listening...*(Interruptions)*

SHRI K.C. PANT: Yes, Yes. You have to listen in this House. I come to listen to you and you come to listen to me. Whatever you may say, I may not agree with you, but I listen to you. I sit right through and listen to you...*(Interruptions)*

You will not go anywhere like this. If you discipline yourself, you will go further...*(Interruptions)*

MR. DEPUTY SPEAKER: Do not interrupt him please. Let him finish his reply.

SHRI K.C. PANT: The point that I am making is that on very flimsy excuses, they did not join the Committee. I tried to persuade them as much as possible. I personally tried. I tried to accommodate them. One of my hon. friends opposite was generous enough yesterday to refer to the fact that I did my best to persuade them. And he is a person who seldom pays compliment. He is a member of his party and even he paid me this unexpected compliment yesterday. But today he is standing up and interrupting me.

PROF. MADHU DANDAVATE: He has not withdrawn his compliment!

SHRI K.C. PANT: So, Sir, at that stage, without going into many details, I did promise to modify the Government's position on a number of issues and in fact when I came up with the motion, we had already modified many of the terms of reference. If you remember, even after the Parliament had approved of this motion, again I urged my friends in the Opposition to join the Committee. Let me quote what I said at that time:

"Parliament reflects the whole

country. The Parliamentary Committee reflects the Parliament and that is what we would like it to be." You think that we like this Committee without your participation. But I would very much have you in it. In all honesty, there is no doubt about this matter. The Government is unhappy that you are not in it."

This is what I had said. This is what I had honestly meant. And I still mean it and I still feel it that would have been far better. After all both sides—the Opposition and the Treasury Benches—had agreed on one basic fact and that was to try to find out who received these payments and the other questions related to that. Both sides of the House were one on that. Therefore, I had thought and I still think that it would have been a good thing. I still think that it would have been a good thing, if my hon. friends had joined this Committee.

SHRI SAIFUDDIN CHOWDHARY: How would that have helped?

SHRI K.C. PANT: He says, how would have that helped? One thing is that you have quoted from Mr. Aladi Aruna. You have said that there are certain things which he had mentioned and you agreed on that. You have quoted from him. Suppose, there were more of you, you could have brought out your facts more clearly. Your point of view would have been included here. That is number one.

The second thing is that you might—although the chances are slim—have been converted; you might have been convinced, although that would have meant a bigger objectivity which is difficult to discern. But nevertheless, one does not lose hope in human nature. Maybe you would have been convinced by the truth, by what you saw there inside; maybe you would have had a chance to cross-examine; maybe you would have increased the number of witnesses; maybe you would have said, "No, this is not enough, we would like so and so to come." Maybe you would have said....

SHRI INDRAJIT GUPTA: That is true.

SHRI K.C. PANT: You asked me a question, I am answering you. You asked me a question, what would be the advantage? I am trying to tell you what would be the advantage, from your angle.

Then, suppose, if the Government had given you certain assurances and the Government went back on those assurances, you could have exposed the Government to the people of this country. You could have said, the Government has not struck to its words and thereby we would have had to face the people. But you did not do any of this. You could have walked out of the Committee if the Committee had not been working well. You did not do that. Today you stand exposed. Today before the courts....

SHRI SAIFUDDIN CHOWDHARY: Whether our joining the JPC would have enabled you to get the names from Bofors ...*(Interruptions)*

SHRI K.C. PANT: Sir, if we had not been serious about the J.P.C., I would not have appealed to my friends even after the Motion was carried. I would not have said "please join this Committee." I would not have. Why would I have done that? Why would I have unnecessarily purchased trouble for the Government, if we are not serious about including you in the Committee and accepting the fact that we may still have faced more problems, if you were in the Committee. But we thought that because you had said that like the Public Accounts Committee and the Estimates Committee--you gave examples--we work by consensus. We work together for the public good. Therefore, in that spirit, I have thought, if both sides were in it we would work together for the public good. That is why, people have sent us. But instead of that, you ran away from your responsibility.

SHRI SAIFUDDIN CHOWDHARY: No. No. *(Interruptions)*

SHRI K.C. PANT: Yes, you ran away from your responsibility. Then, why were you not in? Today, you have the gumption to criticise that Committee. Today, before the bar of the people, you are exposed as

people who ran away from the responsibility. *(Interruptions)*

If you have joined the Committee and exposed it....*(Interruptions)*

SHRI K.C. PANT: You should have said that the Committee did not function properly. Who was stopping you? That is what Parliament is for. *(Interruptions)*

SHRI K.C. PANT: I think my hon. friends do not seem to realise that this is a Joint Committee of the Parliament. If they condemn it, they condemn themselves. Don't let them forget this. This Committee represents this House. If you condemn your own Committee, you are condemning yourself....*(Interruptions)*

SHRI SAIFUDDIN CHOWDHARY: How can they allow a Committee like this to be humiliated by Bofors? *(Interruptions)*

SHRI K.C. PANT: Today you sit with colleagues from this side on various Committees and to you cast doubts on their objectivity? You should seriously examine this point. This is one. Secondly, Sir, if they do not cast doubts on their objectivity, then they are accepting this Report, and they are accepting the objectivity of this Committee. You cannot have it both ways. *(Interruptions)*

DR. DATTA SAMANT: This Committee was there to find out corruption. It is different from PAC. *(Interruptions)*

You want to hide it.

SHRI K.C. PANT: I would like to ask the leaders of the Opposition; Dr Datta Samant's level of the debate is beyond me. I cannot argue at that level, but I would like to invite the attention of some of the leaders of the Opposition. Here is the Executive, for the first time in independent India willing to give up some of its powers to Parliament. They say: All right, let us appoint a Parliamentary Committee which will investigate this matter. It will hold an inquiry into this matter, which is ordinarily a function of the Executive. For the first time, the Executive does this, at their in-

[Shri K. C. Pant]

stance; and they do not join it. I have been a Member of Parliament; I have not always been a Minister. And for them to deliberately give up this chance, or to miss this chance, of enhancing the powers of Parliament vis-a-vis the Executive is something which they will regret to the end of their political days, because I think they are interested in seeing that there is a proper balance between the Executive and the Parliament. But when a concrete instance came up, they slipped up, and this is something for which history will judge them. *(Interruptions)*

Dr. Datta Samant, I am not expecting you to understand this. That is why I said....

DR. DATTA SAMANT: Did you want me to join that?

SHRI K.C. PANT: I do not want you to join anything that is enduring.

(Interruptions)

I made a commitment in this House, and that commitment was that the Government would furnish all the documents to the Committee, and that the Government would allow its investigating agencies to be at the behest of this Committee, and even depart from a long-established policy, to let the Committee have a look at sensitive documents. I would like to assure the House—it has been mentioned in the Report also—that we stuck by our assurance and that we gave all the documents required by the Committee. Secondly, the Committee wanted to examine various persons. I will not go into all the details—whether it was the Defence Secretary or the Army personnel, the Chief of the Army Staff, retired functionaries, present functionaries of the Ministry of Defence and the Army, all of them were examined, as the JPC wanted, in relation to the procedures which had been followed, technical evaluations, commercial negotiations, i.e. all the three aspects. *(Interruptions)*

They also examined Bofors on two occasions, as well as Mr. Win Chadha of the

Anatronic General Corporation. My friends know it. They have been repeating these names like a *mantra*. So, I am sure they know this.

DR. DATTA SAMANT: Mr Win Chadha has not told you the names. Bofors have not given them to the Committee. *(Interruptions)*

MR. DEPUTY SPEAKER: Already I gave a chance for 15 minutes... Mr. Datta Samant, you give a privilege motion. If the Minister is misleading, you give a privilege motion against the Minister. Do not waste time.

(Interruptions)

SHRI K.C. PANT: Sir, you should see that giving Dr. Datta Samant a chance to speak does not improve it. Therefore, the lesson is obvious.

DR. DATTA SAMANT: Sir, he is misleading.

MR. DEPUTY SPEAKER: Dr. Datta Samant, listen to me. Do you feel that he is misleading the House?

(Interruptions)

SHRI K.C. PANT: Even a cursory examination of this Report will show that it has gone into this whole matter in an exhaustive manner. The Chairman is sitting here. The witnesses from the Defence Ministry and the Army have answered all the questions which were put to them. I think, a verbatim record runs into over 2000 pages. I forgot to mention it. The number of pages is given here. The number of pages is 2500 or so.

SHRI DINESH GOSWAMI (Guwahati): Did Bofors answer the questions?

SHRI K.C. PANT: Have you seen the Report?

SHRI DINESH GOSWAMI: Yes.

SHRI K.C. PANT: I am dealing with the Report. The examination of the Report would show that certain issues have been

cleared beyond doubt. For all those my friends who have no time to study this Report. If they like, I can attempt to go into some of these aspects. It has been established that the selection of a major weapon system by the Army is an exacting and time consuming process as was explained in the House on an earlier occasion; it is governed by rigorous procedure in which a large number of functionalities at various levels are involved; and many of the friends who spoke on this side of the House yesterday explained that there was a need for the gun; they explained the threat perception which led to a need they felt and they explained that this was an institutional method for selection, not dependent on an individual. All this has been explained. So, I will not go into that. But there is a process laid down and my friend, Shri Indrajit Gupta, was particular that in terms of reference this should be included; this was included. We have gone into the whole process, how the philosophy, how the papers were prepared with regard to the gun; how the field trials were held; how the Report was prepared. Ultimately, the short listing took place. I will not go into all those aspects. But the fact is that, after going through this process in 1982, a clear short listing of four systems was ultimately done; and these were: French, Swedish, and the system offered by the British and the Austrine system in the same order. By December 1983, the Army was in favour of altogether ruling out the Austrine Firm and confining the acquisition to a short list of three, namely, French, Swedish and the British system in that order. The Ministry of Defence decided to retain the Austrine system and short list for gaining the maximum competitive advantage. It was in this background that the Cabinet approval was sought for the purchase of 155 mm gun system from any of the four sources that I have mentioned. The responsibility of negotiation was entrusted to a Committee headed by the Defence Secretary. The names of the members of that Committee have been given in this House. So, I will not repeat those names. But I would like to emphasise that they covered the Secretary of Defence Production; they covered the Finance Ministry; they covered R&D on the Defence side. All these important func-

tionaries were associated with this Committee. In August 1984, the Army recommended a further short listing of those obtaining four offers to two offers and the real contenders were, namely, French and the Swedish. The Army reiterated this view in early 1985. Although the Negotiating Committee continued to exploit the competitive advantage and formalised the short listing to two sources only at the end of October 1985; they could have done it much earlier at the end of 1984 or in early 1985. They had not been interested in creating a competitive atmosphere, but, because of that, they delayed it in October 1985. Certain developments took place across the border and the Army re-ordered its *inter-se* preference between the French and the Swedish system. This is a point which I think Shri Jaipal Reddy and some other friends also raised.

SHRI INDRAJIT GUPTA: When was that?

SHRI K.C. PANT: I do not know the exact month, but the Chief of the Army gives this.

SHRI S. JAIPAL REDDY: The Committee was not given.

SHRI K.C. PANT: But he has given details. Nobody is disputing the fact that there was a re-ordering of the priority. I do not have the date with me now.

SHRI S. JAIPAL REDDY (Mahboobnagar): I asked for the date.

SHRI K.C. PANT: May be. There are many people who asked for many things. The main point is, the point you raised was about the gun, whether it is the French gun and the Swedish gun. That is the point.

Now, as brought out in the report itself, the fire finding radar has appeared on the horizon. The radar has the capability of tracking projectiles in flight and pin point the location from which these had been fired within a matter of seconds. This meant that the retaliatory fire could be ef-

[Shri K. C. Pant]

fectively unleashed within a matter of minutes. This development necessitated the acquisition of a system which could unleash an effective salvo with great speed and then be capable of immediately leaving from its location. In military jargon these two pre-requisites are known as 'first salvo effectiveness' and 'shoot and scoot'. Because of its greater automation, the Bofors system scored on both these counts over the French. Again, because of its greater automation, the operational potential of Bofors system could be sustained more efficiently than the French system despite crow-fitting or casualty.

This is a point which cannot be brushed aside. This is the point of view of an expert of the eminence of the Chief of Army Staff, and if I were to try to put it to you, in lay man's language, as I understand it, it meant this, that if our gun fires, the shell could be picked up in flight by the gun on the other side, they could fire back, unless our gun moves out of the way before their shell reaches us, this gun would be destroyed. This is a common sense reading of the thing, and, therefore, it became necessary to ensure two things: One, that the firing here would be rapid, right in the beginning not over a period of minutes, but over a period of a few seconds, rapid fire and the moment the fire took place, it would shift from there so it would escape the inevitable retaliation that would come. That is the meaning of it, and once the experts felt that this became an important consideration, we attach proper weight to it. That is what the Chief has said and that is what I have understood. It is relevant to observe that by this point of time the import of the self-propelled gun had been abandoned and consequently the commonality factor which had weighed in favour of the French was no longer valid. This again has been explained in the report.

Keeping these considerations in view, the Army advised the Ministry in February 1986 that it would prefer the Bofors gun which had a clear edge over the French system. The former Chief of Army Staff, General Sundarji had unambiguously stated

before the JPC that the final preference of the Army was based on the reasons, which I have just mentioned.

I think, to put the matter to rest, I would like to read from the testimony of the Chief of Army Staff, just a small paragraph. I quote:--

"In the light of some of these changed circumstances, I re-evaluated the *inter-se* placement and decided that..."

mark the words 'decided'

"the Bofors gun in these conditions had a edge over the French gun though fundamentally both guns were acceptable for the Army. This was the sequence and I would like to repeat under oath, what I told the hon. Members when I briefed them in the Army Headquarters some months back."

He says, "I want to repeat under oath".

Now, after this, are there any lingering doubts in this matter?

Then the question whether he was influenced in this matter, whether anybody influenced him in taking this decision comes. Now, again, I quote the Chief of Army Staff, --what he says--from page 75 of the report:--

"At no stage of this assessment of mine for the final short listing and indicating of the Army's *inter-se* preference between the Bofors and the French gun, in no way, was any suggestion or influence applied on me or any of my staff from the Ministry of Defence or Minister of Defence or anybody in any position of authority. It was our own free exercise of judgement that we changed the *inter-se* placement because of objective analysis of what we thought was a very exceedingly vital factor which had undergone changes between December, 1982 and February, 1986."

I do hope that after this, this particular aspect will at least receive a decent burial.

The question of who should make the choice of weapons also came up. I would like to clarify that the choice of weapons and systems is the prerogative of the users, and in this case, it would be the Army. In other cases, it might be the Airforce or the Navy. Government takes the final decision, but it attaches great weight to the opinion of the experts in this matter because they stake their lives, they use these weapon systems, their men use these weapon systems; and who else can turn to for advice, who are better than them. That is the point you have to bear in mind. If the Chief of the Army does not give an honest opinion on the gun, then on whom are we to rely for an honest opinion on the gun.

Therefore, Sir, I felt rather hurt that uncharitable remarks were made even about the Chief of Army Staff; and certain doubts were raised or implied or innuendoes were expressed in this House with regard to his integrity, intellectual integrity if you like but the fact that he changed his opinion was sought to be made out, as though he did this for extraneous consideration, just because he became the Chief of Army Staff, he changed his opinion, etc. etc. This is very unfortunate. He retired after a distinguished service of forty years or so. He has done the country proud in many capacities. (*Interruptions*)

SHRI S. JAIPAL REDDY (Mahboobnagar): I had already, made my position very clear on this point.

SHRI K.C. PANT: I am not blaming any single person. I am not talking about Mr. Jaipal Reddy as such. But, he did say this and in fact I told him personally. As the House knows, I have a certain affection for him, for which there is no explanation (*Interruptions*)

PROF. K.K. TEWARY (Buxar): Very misplaced affection I must say.

PROF. MADHU DANDAVATE (Rajapur): You can explain under Rule 193.

SHRI K.C. PANT: Therefore, I told him that this was not fair. This is what I told him. I am not going to say anything more. I am not going to rub it. But, I did feel hurt because I have worked with the Chief of Army Staff and I think it is highly unfair particularly, after the kind of sentiments which he expressed and which I have just read out, which are included in the report as a part of the report. Therefore, I would like to fully endorse the JPC's conclusions. I quote:

"The committee is fully convinced with the decision taken in February 1986 to place the Bofors gun over the French gun, in what might otherwise appear as a sudden reversal of priorities was intrinsically sound. The Army Chief would have failed in his duty to the country had he ignored the change in the security environment during the preceding months..."

In the final round of negotiations, in February and early March, the Negotiating Committee skilfully maintained and fully exploited the intense competition between the competing suppliers so that they both reduce their price for the entire package. Several members have mentioned the figure by around Rs. 200 crores. Prof. Ranga yesterday came to me and asked me, 'how did they do it?'. Reducing the price by Rs. 200 crores, just think of it; and also improved other commercial terms. Now, if the Government is interested in anything but the interest of the country, would it go to the extent to reduce the price by Rs. 200 crores. Can you cite one instance, where any Government--this was a large order no doubt--succeeded in getting the price reduced through competitive bidding by as much as Rs. 200 crores. (*Interruptions*)

SHRI S. JAIPAL REDDY (Mahboobnagar): It does every time. (*Interruptions*)

SHRI K.C. PANT: If you just pause to think what Rs. 200 crore is...

SHRI V. KISHORE CHANDRA S. DEO: Rs. 200 crores minus kickbacks.

SHRI K.C. PANT: That is where you have to be a little objective. Even at your young age, you have to be objective; no use of becoming objective later on.

Finally on March 12, 1986 the Negotiating Committee recommended placement of a letter of intent in favour of Bofors. They were over Rs. 97 crores cheaper than the French.

SHRI INDRAJIT GUPTA: Rs. 9.7 crores?

SHRI K.C. PANT: No, it is Rs. 97 crores. You are talking about the later phase. I am talking about the letter of intent. I am not talking about the contract.

SHRI S. JAIPAL REDDY: The computation is incorrect.

SHRI K.C. PANT: No, it is not correct.

SHRI S. JAIPAL REDDY: It was never done by the C&AG.

SHRI K.C. PANT: How can accounts be audited at the time when the letter of intent is placed? At least that you should understand.

It is significant to observe that this recommendation of the Negotiating Committee—many Members have said this—was seen and approved by the Finance Secretary, the two Ministers of State in Defence Ministry, viz. Shri Arun Singh and Shri Sukh Ram, and the Finance Minister.

SHRI V. KISHORE CHANDRA S. DEO: Shri Sukh Ram?

SHRI K.C. PANT: Sukh Ramji was not the Finance Minister. Shri V.P. Singh was the Finance Minister.

SHRI S. JAIPAL REDDY: The file remained with him only for a few hours.

SHRI K.C. PANT: That shows how much attention he had to files. Therefore, all of them saw it. Thereafter, the Prime Minister also saw it, also for routine inspection.

Naturally, if you think that all Ministers just make a routine inspection, Prime Minister also made a routine inspection. He was the Defence Minister and he saw it and approved and he endorsed the decision of the Finance Minister. If Jaipal had told him at that time that he did not look at the file properly, he might have looked at it properly. Consequently, the letter of intent was issued to Bofors.

Now, the evidence of Shri Ganapathi has been quoted by some hon. friends because Shri Ganapathi was the Expenditure Secretary, was a member of this Negotiating Committee. Although that is a personal matter, the officer had worked with me when I was in the Finance Ministry years ago. He is really a first-rate officer. He is now retired. In his evidence before the JPC he stated:

“Financially it (Bofors) was the cheaper offer. Commercially the terms were more to our advantage than Sofma offer. The third deciding factor was the credit terms i.e. Swedish Kroner vs. the French credit terms. Credit terms were evaluated as practically the same. Whichever angle you look at it—from the point of view of technical factors or financial factors or commercial factors—Bofors offer had a distinct advantage over the Sofma offer.”

This is what the Expenditure Secretary, Shri Ganapathi, said. Then somebody in the JPC asked him: “Can you recollect if any reservations have been expressed by the then Finance Minister, Shri V.P. Singh?” This is what he said:

“Absolutely no.” This is quoted by some other friend also this morning.

“I can say this categorically because...the moment I saw the file, I immediately sent it to the Finance Secretary....It went to Finance Minister. If he had the slightest doubt, he would have asked the Finance Secretary or me. I was the senior officer in the Finance Department. I was the proper person to have been asked this

question. Till the moment of my retirement, no question was raised."

So, this matter now should be absolutely clear to all the Members either on this side or that side. But the story does not end with the placement of the letter of intent. As I said, at that stage, the Bofors offer was cheaper by about Rs. 100 crores than the French offer at that time.

15.00 hrs.

The Government decided that although the letter of Intent was issued, we will continue the competition which we had generated, and the severe competition was continued. Realising that they would be otherwise eliminated, the French made yet another offer. On March 21, their final offer came, reducing their bid by Rs. 101 crores over their previous quotation. The Negotiating Committees did not stop here. They asked Bofors again to reduce their price further and consequently Bofors agreed to supply guns worth about Rs. ten crores free of charge. That is how, as my friend Mr. Indrajit rightly remembers, at the final reckoning, the Bofors offer stood at Rs. 1,427 crores against that of the French, which was Rs. 1,436 crores.

SHRI V. SOBHANADREESWARA RAO (Vijayawada): Sofma also offered.

SHRI K.C. PANT: Yes, certainly. Sofma also offered. That is how I said they reduced their bid by about Rs. 101 crores.

SHRI V. SOBHANADREESWARA RAO: They offered to give some guns free of cost.

SHRI K.C. PANT: I, of course, did not have the advantage of discussing with Sofma or their agents. I do not know anything else beyond what I get from the Ministry. If my hon. friend...*(Interruptions)*.

SHRI V. SOBHANADREESWARA RAO: That is there in the Report.

SHRI K.C. PANT: Even if you tell me something from outside the Report, I do not mind.

PROF. MADHU DANDAVATE: It is there in the Report. You must have read the Report. You are not the Chairman of the Committee.

SHRI V. SOBHANADREESWARA RAO: Not only Bofors, but Sofma also offered.

SHRI K.C. PANT: Sofma and Bofors we had gone into at some length. Now, the other question that was raised was with regard to the quality. I know that some hon. friends from the Opposition expressed their views strongly about the quality of the gun being good. This criticism which was raised after the Swedish Radio announcement or the first news report, and again after the Swedish National Audit Bureau's Report, quietened down considerably. But there is no doubt that a canard was circulated at an earlier stage, and the canard that was floated included doubts being raised about the quality of the gun. Do I have to tell my hon. friends--I am not blaming any of you but you also would know probably that in one State election at least at that time, this issue was raised and it was said that this gun is a *nakli gun nakli gun hai, nakli top hai*. What do you mean by *nakli gun hai*? I am not blaming you. But if you are going to take the responsibility for everybody, God help you. This happened and it is very unfortunate that such things are exploited for political purposes and for petty political advantages.

[Translation]

PROF. MADHU DANDAVATE: I have said about the contradiction that it is *nakli*.

[English]

SHRI K.C. PANT: If you are going to joke about a serious matter like this, then I must say humour is misplaced in this case.

PROF. MADHU DANDAVATE: I am telling you that actually this word was used in that context, and you can check the record also.

SHRI K.C. PANT: No, it is not a question of record. It is in a public meeting, in a

[Shri K. C. Pant]

public speech that these things were said. Therefore, all I am saying is--and I have said it earlier also in this House--that you can criticise us, but if you plant such doubts in the minds of the soldiers, whose life depends on the functioning of these guns, on the quality of these guns, then you are doing immense disservice to this country. This is what I said, and I repeat this today because their survival depends on the quality of the weapons. If you and I were also using these weapons at the front, guarding the borders of this country, we would also have felt equally let down if somebody said this gun is a wrong gun, the quality is bad, and so on and so forth. Therefore, I was greatly encouraged by the fact that some responsible Members of the Opposition did come out openly and said these were good guns. Their names have been quoted here. They are respected people. They are not with us. They are opposed to us politically. But they have said so. Also, I think, Gen. Manekshaw's name was mentioned. I do not want to mention names. I do not want to score a debating point on this. This is far too serious to score a debating point on this.

But I would suggest to you with all seriousness that raising such doubts is against the interest of the country against the interest of the security and it is not something which should be done by anybody in this House.

Then, Sir, somebody finally mentioned as to why the JPC has gone into this question of quality at all. Now, I was really not able to understand the logic behind this question, the relevance of this question. The JPC was called upon to go into the allegations of kickbacks, that certain kickbacks were paid. This was the allegation. They were asked to go into it. Now, I think if the gun is shoddy, bad in quality and you pay a high price for it and kickbacks are involved or you pay too high a price for the gun, kickbacks are involved, I can understand this kind of reasoning and this kind of thinking and then try to pin down the facts. But here the quality is good. We have shown that it is purchased after keen competition at a low price. But then these

points on the basis of which such charges are made may get weakened. This is why I think the quality aspect is important even from this point of view. Apart from the fact, as I said earlier, once the charges are made, they should be dispelled; they should be buried so that the security of the country is not affected. So, I thought the JPC was not only within its right but duty bound to go into this question of quality.

Sir, my friends, have quoted from Shri Aruna's note, from what he has chosen to append to the report and the facts on which he goes are basically the same facts on which the JPC goes. He has not furnished new facts and I would say that on going through the report, nobody in this House can say that the JPC has not conducted this exercise with great thoroughness, with meticulous care and from the very outset it has been very very careful, in the way it has collected these facts of which I spoke and on the basis of which it has reached certain conclusions.

Now, for instance, I will give one example of where Mr. Aruna has not been able to make assertions which are in conformity with the facts. One of the points he has made is that the French gun is capable of being named by JPC at an enormous speed of 30 to 35 Kms. per hour against 7 or 8 Kms per hour achieved by other three gun systems. Now, the basis of Shri Aruna's claim is not borne out of the records of the facts of the evidence before the JPC and I would like my friends on the Opposite to verify this fact and go into this and then they will see the fact. But however such a claim was made only in respect of the Austrian gun. Perhaps in his hurry, Shri Aruna, has confused the case of Austrian gun with that of the French gun and in his wisdom Shri Datta Samant chose to do the same today.

DR. DATTA SAMANT: But your logic is not correct.

SHRI K. C. PANT: I am sorry you said Australia, not even Austria. I stand corrected.

PROF. MADHU DANDAVATE: It is only geographically wrong.

SHRI V. KISHORE CHANDRA S. DEO: It is only a slip of the tongue.

SHRI K. C. PANT: Sir, a slip of the tongue is a very big slip if he takes you to Australia instead of Austria. Sir, he said "the documents provided to the Committee and the examination of the witnesses disproved all these claims beyond reasonable doubt". What are these claims? These claims relate to the Prime Minister's statement in Parliament on April 20, 1987. What did the Prime Minister say? He said, "I have informed the Prime Minister of Sweden that (i) the guns must be technically accepted and superior to all the others; (2) the cost must be less than the other competitors and (3) there must be a guarantee that there is no middleman or agency. These are the points and Shri Aruna says that he cannot agree with this. The exact words he uses are: "disprove all these claims beyond reasonable doubt." Please mark the words, "disprove all these claims beyond all reasonable doubt."

Now, let us go into the Attorney General's opinion. The Attorney General has given his opinion on various aspects of this matter to the JPC and one important point he made, which was referred to by the other Members was that the negative cannot be proved and that the onus of proving the charge must be in those making it and not the other way round. This is quite obvious. All lawyers understand it. Even I have begun to understand it, although I am not a lawyer.

SHRI S. JAIPAL REDDY: What is the charge which he is making? *(Interruptions)*

SHRI V. KISHORE CHANDRA S. DEO: This is the National Audit Bureau's Report. Their Report should have been pursued at the Committee.

(Interruptions)

SHRI K. C. PANT: The fact which all of us know is that Bofors made the payments,

all of us know it, and the JPC was set up for that purpose.,

SHRI S. JAIPAL REDDY: We did not make that charge.

SHRI K. C. PANT: No, no. I am not saying why is every cap fitting you. I didn't say that Jaipal Reddy said this.

SHRI DINESH GOSWAMI: Just for a minute. When it is admitted that Bofors made payment of Rs.64 crores, was it not incumbent upon you to prove that it was not 'commission', but 'winding up charges'?

SHRI K. C. PANT: I will come to it. *(Interruptions)*

SHRI DINESH GOSWAMI: Please answer that question.

SHRI K. C. PANT: I will clarify. *(Interruptions)*

I will not be deflected and therefore, please have some patience. What I am saying is, Bofors did make substantial payments and they did not disclose the particulars of recipients.

SHRI DINESH GOSWAMI: They did not disclose.

SHRI K. C. PANT: That is why the Committee, because they did not disclose. If they had disclosed it, why this Committee? You don't even understand this. And there is now no doubt that the Government had conveyed it to them that there will be no middlemen because this is a matter of record, I have just read out the statement of a senior representative of the Swedish Government and so there is no doubt about this. Even the media now acknowledged this fact.

I hope that I have managed to establish at least one thing that the Negotiating Committee in the manner in which it went about negotiating the price succeeded in generating the competitive atmosphere because of which the price was reduced considerably and the country gained some-

[Shri K. C. Pant]

thing like Rs.200 crores, maybe more, maybe a little less, I do not know, I am not going by those exact figures, but there is substantial reduction in price and this is again something which establishes that no quarter was given to Bofors on the question of price. This is a very important basic point that no favour was shown to them in respect of the technical choice and no quarter was given to them in respect of price. Where is your case? *(Interruptions)*

Now, in spite of this, Shri Aruna chooses to say that payments were made to middlemen is a charge which has been proved beyond reasonable doubt. After this he says it. And he seems to argue that even if no evidence is available, the JPC could conjure up evidence in support of his worst suspicions. That is his only charge against the JPC -- 'Why have you not produced any evidence because I have reached certain conclusions?' Is this the way to go about it? You read the conclusions and then you set up a Committee to manufacture the evidence -- I do not know which of my hon. Members would like to take this path. We don't do it and we will never do it.

SHRI V. KISHORE CHANDRA S. DEO: The charge was made. You formed the Committee. Have you been able to prove to the contrary?

SHRI K. C. PANT: You should see the Attorney General's opinion. A negative cannot be proved, that is what he has said. *(Interruptions)*

I charge you that you have done something....

SHRI DINESH GOSWAMI: But you have not answered my question.

SHRI K. C. PANT: I will not answer any question now.

SHRI DINESH GOSWAMI: That is the problem. It is not the negative. *(Interruptions)*

Rs.64 crores of winding up charges can

be proved. Where is the negative? It is a positive case which can be proved. *(Interruptions)*

MR. DEPUTY-SPEAKER: Please, Order.

SHRI K. C. PANT: Some hon. friends said, what has this Committee done. This Committee was set up after the Swedish National Audit Bureau report. At that time, we knew certain payments had been made. We did not know to whom they were made. *(Interruptions)*

I am saying the same thing. We are on the same side. Why are you getting excited?

SHRI SAIFUDDIN CHOWDHARY: There is a difference. Before the National Audit Bureau, you never accepted that money has been paid. You never accepted that money has been paid. *(Interruptions)*

MR. DEPUTY-SPEAKER: Please, Order. Mr. Chowdhary, why can't you go to the Minister's Chamber and discuss like this. If you want the Minister's reply and if you go on interfering, how will he reply?

SHRI SAIFUDDIN CHOWDHARY: He is misleading the House.

MR. DEPUTY-SPEAKER: In the end, if you want any clarifications, you can ask.

SHRI K. C. PANT: Do you want me to suffer the same fate in the Chamber also, Sir!

SHRI INDRAJIT GUPTA: Excuse me. The National Audit Bureau report says that that amount was paid in connection with this deal, in connection with selling the guns to India. What is your reaction to that *(Interruptions)*

SHRI K. C. PANT: Unless you hear me, you cannot understand. You will know my reaction only after I speak. Please let me speak.

Now, Sir, I was saying, SNAB report says, certain payments have been made. This is what all my friends have said. We

wanted to know who the recipients are. We did not know. The Committee was set up. They say, what has the Committee done. The Committee has come out with some names, of some three names. They said, three foreign companies, without disclosing the complete details of the recipients. This is the position. This is the position on which all sides of the House agree. Yes, this is the position. There can be no two opinions on this. The point is..

SHRI SAIFUDDIN CHOWDHARY: Was that legal payment?

SHRI K. C. PANT: The point is, in spite of what I will later explain, in spite of the resistance, because Bofors had an explanation, you may not accept it; you may accept it. But what was their explanation. They said, they had various types of consultancy arrangements, some dating back to late '70s, which they were compelled to terminate because of Government of India's insistence that there must be no agency or middleman. This is what they said. In this context, it is to be observed that despite the investigation made by SNAB, and the Swedish Public Prosecutor, the JPC assisted by the Central Investigative agency and the private enquiries carried out by the energetic personalities of the media and some of my energetic friends in the Opposition, no evidence has so far emerged to contradict the Bofors explanation. If they have the evidence, let them give the evidence. This is the position.

It is significant to observe that even though... *(Interruptions)*

I cannot, I would not manufacture evidence. I can only give you what is there in the report. *(Interruptions)*

I am not Bofors. I am not in the dock. *(Interruptions)*

Therefore, you are asking somebody to prove the negative.

SHRI DINESH GOSWAMI: The positive fact is Bofors have made the payments.

SHRI K. C. PANT: I do not plead for anybody. *(Interruptions)*

By making noise, you are not going to alter the facts. The facts cannot be altered by making a noise. I am trying to place before you the facts as they exist. I am placing the facts before you. If you do not agree, I cannot make you agree. But I can place the facts. I have the liberty to place the facts. You have not put us here. We have been elected by the people. We have a large majority. We do not shout you down. But the point is, there must be a certain limit and you must listen to us also as we listened to you.

It is significant to observe that even though the Swedish Government withheld from us the details of the recipients—Swedish Government did withhold the details contained in the SNAB report, which I said again and again, that the SNAB, on the basis of whatever materials available to it indicated, that the payments were winding up costs made to Bofors representative. This is what the Swedish National Audit Bureau said. This is what I am saying. You do not listen to me. *(Interruptions)*

Please listen to me. Then the Swedish Public Prosecutor looked for material to establish a prima facie case of illegality on the basis of which the court proceedings could be initiated. At that stage, I remember, many hon. Members pinned their faith on the Swedish Public Prosecutor. *(Interruptions)*

You pinned a lot of faith on the Public Prosecutor. *(Interruptions)*

I am not yielding. *(Interruptions)*

MR. DEPUTY SPEAKER: No. No. Not allowed. I am not allowing.

SHRI K. C. PANT: The Swedish Public Prosecutor failed to find any... *(Interruptions)*

I am not here to answer for you. I am only telling you that he did not find anything and he closed his inquiry. You asked him. But he closed his inquiry. It is seen

[Shri K. C. Pant]

from the JPC report that on being approached by the Central Investigative Agencies Maj. Wilson of AE Services of UK has explained that the payments received by this company were for the cancellation of these prior agreements with Bofors. It would thus be seen that so far no evidence has become available...*(Interruptions)*

You see I am giving you the facts. Please have patience. Listen to the facts.

If you don't agree, you don't agree.
(Interruptions)

MR. DEPUTY SPEAKER: I will not allow you. Nothing will go on record.

SHRI K. C. PANT: It would thus be seen that so far, no evidence has become available from any quarter to contradict Bofors' explanation. Ascertaining the identities of the recipients is one of the specific terms of reference of JPC. All of us agreed on that. In the discharge of this responsibility, what has the JPC done? The JPC was provided full assistance by the Central Investigative Agency. A team of senior investigators representing various agencies pursued inquiries overseas following all available leads. However, they failed to penetrate the veil of secrecy and anonymity permitted by the law of concerned countries. We do not control those countries. We do not make their laws. We must appreciate this fact. Even Shri Jaipal Reddy has stated that CBI has tried to do a good job. Whatever the work, he said, they have done something. He could never be fully satisfied. Even half compliment from him, I take it as full compliment. But the fact is that in spite of the CBI's efforts, they could not penetrate the veil of secrecy. This also is a fact. The investigative agencies consequently reported that they have been unable to identify the real owners of the three companies which had been registered in tax heavens "for the purpose of tax avoidance in secrecy." Where did you get the fact? From our agencies. Today you are standing and talking about these companies because our agencies got these facts. JPC was meticulous in following up the lead.

Therefore, they told you this. That is how you know. If you have other sources of information, please let us know. If you have any contacts, please let us know.

SHRI INDRAJIT GUPTA: The names of the three companies were given by Bofors knowing full well that they are all fraudulent companies. We have been pursuing only those three companies.

SHRI K.C.PANT: You follow somebody else also. The CBI is there, the other agencies are there, we write to the Swedish Government and we write to Bofors. We follow all leads. If you have any other positive suggestions, by all means tell us. JPC examined Bofors representatives at great length making all possible efforts to extract the required information. There were several Members there. It is not as though this is a secret. There are several Members. They all know what happened inside.

However, Bofors still declined to disclose the names of beneficiaries or furnish copies of agreements which they had with their consultants...*(Interruptions)*

Yesterday, Shri Banatwalla referred to

SHRI DINESH GOSWAMI (Guwahati): Have you got any comments to make on the Bofors' refusal to give the details? Why are you not answering that question...*(Interruptions)*.

You are not answering that question. You have no comments to make on that.

SHRI K. C. PANT: I am not answering because I will complete my speech. I still have a lot of material. I do not want to be interrupted. *(Interruptions)*

SHRI INDRAJIT GUPTA (Basirhat): There is not a word to condemn Bofors...*(Interruptions)*

SHRI K. C. PANT: Shri Banatwalla yesterday said: "Why didn't the JPC say that no Indian had been paid anything". He made that point. I looked up the JPC's report to see what have they said. On page

142, the JPC says: "Mr. Hirdman stated..." He is the Inspector-General of Military Equipment, Ministry of Foreign Affairs, Stockholm. You are more inclined to believe in officers abroad than here. So, I mention this. I quote: "Mr. Hirdman stated that he had gone through the Swedish National Audit Bureau's report....I would presume that he had gone through the unexpurgated report, that is containing the names which we did not get, which the House knows that we did not get. But he presumably did get that through the Swedish National Audit Bureau's report. He has further stated and I quote: "There is nothing in that report to indicate that bribes have been paid to Indians, resident or non-resident in India to win the contract". This is what he says.

SHRI INDRAJIT GUPTA: We are very happy. *(Interruptions)*

SHRI K. C. PANT: We are not happy... *(Interruptions)*

We are factual. I have more to quote.

SHRI DINESH GOSWAMI: Please go to the next paragraph. *(Interruptions)*

SHRI K. C. PANT: When you get your next chance to speak, then you quote all you like, all these cases. This is very unfair. I never interrupted him, even once. He is getting up every one minute... *(Interruptions)*

You please turn to page 144. *(Interruptions)*

PROF. K. K. TEWARI (Buxar): Mr. Deputy-Speaker, Sir, when he made his speech, he should have quoted this. He has already made his point... *(Interruptions)*

SHRI K. C. PANT: The findings of the Investigating Agencies are on Page 144 and I quote:

"The information available at this stages does not show the involvement of any Indian, residing in India or outside India or any

Indian associates in the large payments amounting to 319 million Swedish Kroners".

(Interruptions)

SHRI DINESH GOSWAMI: Sir, he has not clarified whether the amount...

(Interruptions)

MR. DEPUTY-SPEAKER: Mr. Goswami, I have not allowed you.

(Interruptions)

SHRI K.C.PANT: Either you allow him to make a second speech or... *(Interruptions)* Mr. Deputy-Speaker, Sir, Why are you allowing him to do this?

MR. DEPUTY-SPEAKER: I have not allowed him.

(Interruptions)

SHRI. K. C. PANT: What is this? I never interrupted him. Just because of inconvenience, he cannot shut me out. This is totally unfair. I am not going to answer his question.

MR. DEPUTY-SPEAKER: Mr. Goswami, why are you compelling him to say?

(Interruptions)

SHRI K. C. PANT: This is not fair. You cannot make me say things that you want me to say. You will have to listen. M/s A.E.Services limited... *(Interruptions)*

I have seen your fairness also.

SHRI DINESH GOSWAMI: You have to quote all the paragraphs. You can't quote one paragraph only. You are afraid of quoting paragraph (iii) of the report. *(Interruptions)*

SHRI K. C. PANT: I will not quote what you want me to quote. Why should I? I will say what I like. I will make my case as I like, not as you like it. I am not your lawyer.

[Shri K. C. Pant]

That is obvious. What is so strange about it? I will make out the case as I want to. Surely, I will not make it out as you want me. Of course, I can and I will. When you make out your case, I will not dictate it to you. There is a dictatorial speech in you, unfortunately. M/s A.E.Services....
(Interruptions)

SHRI VIJAY N. PATIL (Erandol): Mr. Deputy-Speaker, Sir, I am on a point of order. Rule 195 of the Rules of Procedure & Conduct of Business in Lok Sabha says:

"There shall be no formal motion before the House nor voting - It is about 193. -The Member who has given notice may make a short statement and the Minister shall reply shortly."

Now the hon. Minister is making an elaborate reply.

Again and again they are interrupting the Minister. The matter is being raised.

MR. DEPUTY-SPEAKER: There is no point of order. Please take your seat.

SHRI K. C. PANT: Then, Sir, Shri Banatwalla made a point and I was extending to him the courtesy of replying to his point. His point was what is there in the JPC? Why did they make this statement? I was reading out certain portions. There are other portions at page 191, page 192 where the basis for making the statement has been given. But since, it disturbs my Hon.friends so much, I will not say anything. But the point is sufficiently made and it is well-founded and I have read out where the foundation is. You may say: "It is wrong". That does not make it wrong.

So, Sir, now JPC held detailed consultations with the Attorney General of India to ascertain the powers available to the Committee under law. After all, they cannot go beyond the powers available to them under law. And the advice tendered by the Attorney General is contained in the Re-

port. I shall not repeat the same except briefly stating that the Committee were advised that no processes could be available to them which would compel Bofors to disclose the required information. This is given on page 186. If my friends had the patience, I can read it. If my friends do not have the patience, they will have to take my words for it. (Interruptions)

You accept then what he has said. Then I don't go further. I don't need to quote. But this is what he has said. (Interruptions)

SHRI S. JAIPAL REDDY: There is no option.

SHRI K. C. PANT: Yes, You have no option. And this is what he has said: "no processes could be available to them which would compel Bofors to disclose the required information." This is very important because you are blaming the JPC for not forcing the Bofors to give the names. The Attorney General...(Interruptions)

SHRI SURESH KURUP (Kottayam): Have you ever thought of the cancellation of the contract? (Interruptions)

SHRI S. JAIPAL REDDY: Bofors and the Government are co-accused. That is the main point. (Interruptions)

MR. DEPUTY-SPEAKER:No.

(Interruptions)

SHRI K. C. PANT: The Attorney General has said in page 186. But I will not read the whole quotation. I will only read out this part:

"Indian courts or Indian authorities will not be able to resort to these provisions to compel either Bofors or any other persons in Sweden to provide any evidence or material which may be required."

This is one aspect of the matter. Now this is not my opinion. This is the opinion of the Attorney General. So, how can you blame the JPC for not being able to compel

Bofors? Your only objection to JPC is that they were courteous. That seems to be the main charge against the JPC - Why didn't you extend the normal human courtesy to people who were coming from outside? If discourteous will serve your purpose, when you set up a Committee, be discourteous to people whom you call. That is your business.

Then Sir, as regards Bofors claiming confidentiality the Attorney General advised that they were within their right to do so. This is Attorney General's opinion. Why are you saying: "Ho, ho." (*Interruptions*)

SHRI K. C. PANT: Are you questioning the Attorney General's legal acumen? Are you challenging his legal acumen? You think your legal acumen is superior. Please allow me to disagree with you. (*Interruptions*)

SHRI S. JAIPAL REDDY: Now, I am on a Point of Order.

MR. DEPUTY-SPEAKER: Under what rule?

(*Interruptions*)

SHRI S. JAIPAL REDDY: My Point of Order is that brilliant Attorney General could be summoned to the House. We would like to hear him in the House and examine him.

MR. DEPUTY-SPEAKER: No Point of order.

(*Interruptions*)

MR. DEPUTY-SPEAKER: What is your Point of Order?

PROF. K.K. TEWARY (Buxar): They have a blind faith in the public prosecutor of Sweden and Mr. Hershman of America but not in the Attorney General of India. (*Interruptions*).

SHRI K. C. PANT: This is the view of Attorney-General. There is no getting away

from it. You may shout and shout. But the Attorney-General has said certain things. I will quote from them. You will squirm in your seats but I will still quote something. On page 182, this is what the Attorney-General has said. I don't think it lies in your mouth to criticise somebody who is not in this House and who is a luminary of this country.

(*Interruptions*)**

MR. DEPUTY SPEAKER: I can't allow. No, no. I am not allowing. Nothing is going on record.

(*Interruptions*)**

SHRI K. C. PANT: I am quoting from page 182 of the report. This is what he has said:

"So, the claim of Bofors of commercial confidentiality with regard to the transactions which they have entered into is right."

(*Interruptions*)

SHRI S. JAIPAL REDDY: This is a shameful opinion.

SHRI K. C. PANT: What is shameful? This is his legal opinion. What is shameful about it? (*Interruptions*)

MR. DEPUTY SPEAKER: I am not allowing. Please take your seats. Don't obstruct the proceedings.

(*Interruptions*)

MR. DEPUTY-SPEAKER: I won't allow.

SHRI K. C. PANT: I shall repeat once again so that there is no doubt. This is what the Attorney-General has said and I repeat:

"So, the claim of Bofors of commercial confidentiality with regard

[Shri K. C. Pant]

to the transactions which they have entered into is right. They can claim commercial confidentiality. So, they will be entitled to a privilege of documents. This will be the position."

(Interruptions)

MR. DEPUTY SPEAKER: Why are you shouting?

(Interruptions)

MR. DEPUTY SPEAKER: I cannot understand why you are shouting.

(Interruptions)

MR. DEPUTY SPEAKER: Why you are so agitated? You quoted as you like. He is quoting as he likes.

(Interruptions)

MR. DEPUTY SPEAKER: No, No.

(Interruptions)

MR. DEPUTY SPEAKER: By way of making shouts, you cannot stop the proceedings.

(Interruptions)

PROF. K. K. TEWARY: I would like to know whether the atrocious remarks about the Attorney-General made by the hon.Member...*(Interruptions)* ...That must be expunged.

MR. DEPUTY SPEAKER: I won't allow. I have already told, that observation won't go on record.

(Interruptions)

SHRI. K. C. PANT: In view of the available material and in regard to the circumstances in which the payments have been made, the Attorney-General said something else. *(Interruptions)*

No amount of shouting can change the Attorney-General's opinion. I don't understand this. *(Interruptions)*

Will you give me a minute? How can your shouting change the opinion of the Attorney-General which is in writing? How can I change this? This is there. You may disagree with it. But you can't change it. *(Interruptions)*

PROF. MADHU DANDAVATE: I am on a point of order.

SHRI K. C. PANT: If you want to be heard in this House...*(Interruptions)*..No, no...*(Interruptions)*

MR. DEPUTY SPEAKER: I cannot hear what you are saying. All of you are shouting. How can I hear?

(Interruptions)

SHRI K. C. PANT: Let us come to an agreement. I will listen to Prof.Dandavate, if Prof. Dandavate and also his friends opposite listen to me. There has to be an agreement between us that we must listen to each other and that is what the Parliament for. Prof. Dandavate has also to play the ball. On both sides, we have to hear. Otherwise, what is the use? He must listen to me.

PROF. MADHU DANDAVATE: I did not obstruct you. -

SHRI K. C. PANT: You must tell your friends also as to how in this House both of us must listen to each other.

PROF. MADHU DANDAVATE: I never obstructed you, Mr. Pant.

SHRI K. C. PANT: But you are obstructing now. You must tell all those on your side of the House. I have great respect for you. But the Opposition must play their ball.

PROF. MADHU DANDAVATE: I have not obstructed your speech.

SHRI K. C. PANT: You are not listening to me. Give me a second. Prof. Dandavate, all of you are senior Members.

PROF. MADHU DANDAVATE: I am not obstructing you

SHRI K. C. PANT: I know that. You never do it. I am not charging you on that. I know that you are not doing it. Therefore, my appeal to you is that if we are to conduct an orderly debate, then you must listen. I am quoting no less a person than the Attorney-General from the Report.....(Interruptions)

I will sit down in a minute.
(Interruptions)

MR. DEPUTY SPEAKER: Mr. Ayyappu Reddy, you just listen. This is not the orderly way.

(Interruptions)

SHRI K. C. PANT: Can anything be more germane or pertinent? It is put in the Report and I am quoting it. You may not agree with it but surely I have the right to express this. I have the right to tell you what the Report contains and then if you go on like this, can a debate be conducted? I ask you this and I leave it to you.

PROF. MADHU DANDAVATE: Firstly, he has misunderstood. I am quiet throughout. Now, I am raising a point of order.
(Interruptions)

PROF. P. J. KURIEN (Idukki): Why don't you keep quiet? We want to hear the Minister. (Interruptions)

SHRI A. CHARLES: You won't allow him to speak. Why is he obstructing the Minister? (Interruptions)

MR. DEPUTY SPEAKER: Sit down. Why are you agitated?

(Interruptions)

MR. DEPUTY-SPEAKER: Please listen to

him first. Please take your seats. You are not the presiding officer. Allow me to conduct the proceedings of the House. If all of you shout, how can I conduct the House? This is too much.

(Interruptions)**

MR. DEPUTY SPEAKER: I have not allowed you. why are you shouting? Prof. Kurien.

PROF. P. J. KURIEN: I am on a point of order.

As a Member of this House, I have a right to hear what the Minister is saying. My only complaint is that if they can obstruct the Minister, we can also obstruct them. That is what I am saying...(Interruptions)

MR. DEPUTY-SPEAKER: If anybody wants to speak, he has to raise his hand and get my permission and only then he can speak. But what is happening now is that everybody stands as he likes and goes on shouting. How can I conduct the House?

(Interruptions).

PROF. MADHU DANDAVATE: I am raising a point of order very seriously because we cannot take the question of Attorney-General very lightly. In a very serious way quoting the precedent, I am seeking your ruling. There are occasions when the Attorney-General's opinion is quoted and Members have the right to demand that he may be called here. I may tell you that I have with me the proceedings of Parliament. On April 29, 1963 the Attorney-General occupied seat No.4 in this very Lok Sabha from the first row on the Treasury Benches and he expressed the opinion on the issues on which the Members of Parliament wanted him to express his point of view.

SHRI K. C. PANT: Where is the point of order?

PROF. MADHU DANDAVATE: Therefore, since he has quoted the Attorney-General's point of view, quoting the precedent, we are at liberty to demand -- you can reject that -- that the Attorney-General should be invited here to express his opinion regarding the matter.

PROF. K. K. TEWARY: Prof. Madhu Dandavate has just now quoted.....(*Interruptions*).

MR. DEPUTY-SPEAKER: I am not having too many ears to listen to what all of you say. I am only listening to what Mr. Tewary is saying.

PROF. K. K. TEWARY: Prof. Madhu Dandavate has quoted and opined that the Members are entitled to request the Chair to call the Attorney-General to come and give his views on a particular issue. Here the matter is entirely different. Here the opinion of the Attorney-General has already come. Now, the Attorney General cannot be called to give opinion on the opinion that he has already tendered before the Joint Parliamentary Committee. Therefore, the point raised by Prof Dandavate is irrelevant. There is, therefore, no question of any point of order... (*Interruptions*).

PROF. MADHU DANDAVATE: Since he has raised the question, I would clarify it. It is very clearly stated here that the Attorney-General is not a Member of Parliament or the Council of Minister. He has, however, the right to speak in, and otherwise to take part in the proceedings of either House, any joint sitting of the Houses and any Committee of Parliament, of which he may be named a Member, but he cannot vote. He can come here and express his opinion.

MR. DEPUTY-SPEAKER: Why has he to come now? There is no point of order.

PROF. MADHU DANDAVATE: We can seek clarifications from the Attorney-General in the House. There is a convention.

When he came for the last time in this House, he was asked questions and he replied....(*Interruptions*).**

MR. DEPUTY SPEAKER: I am not allowing.

(*Interruptions*)

MR. DEPUTY SPEAKER: There is no point of order in this. It is not necessary for the Attorney General to come over here. This is the Report of the Committee, that is all. We cannot call him now.

(*Interruptions*)

SHRI SAIFUDDIN CHOWDHARY: Why, Sir? He should come here (*Interruptions*).

(*Interruptions*)

SHRI DINESH GOSWAMI: I am on a point of order, Sir (*Interruptions*).

MR. DEPUTY SPEAKER: Please take your seat, I will call you next time. Yes, what is your point of order?

(*Interruptions*)

SHRI DINESH GOSWAMI: Will you kindly permit me to raise my point of order?

(*Interruptions*)

MR. DEPUTY SPEAKER: Please take your seat, I will call you next time.

SHRI DINESH GOSWAMI: Sir, I am raising a point of order.

MR. DEPUTY SPEAKER: What can I do? I cannot shout.

SHRI DINESH GOSWAMI: I am raising a point of order. You have given me permission to raise the point of order and I hope....(*Interruptions*)

SHRI K.C. PANT: May I continue, Sir?

MR. DEPUTY SPEAKER: I have already given my ruling on this point of order. If you want to raise the same point of order, I cannot allow you.

PROF. MADHU DANDAVATE: You have not given the ruling. I have told that the Attorney General has a right according to the rule to participate even in the proceedings of the Parliament. And since he has read the Attorney General's decision, we would like to discuss with the Attorney General...

MR. DEPUTY SPEAKER: You give in writing.

(Interruptions)

SHRI K.C. PANT: Sir, you have given your ruling, may I continue? In view of the available material in regard to the circumstances in which the payments have been made....*(Interruptions)*.

MR. DEPUTY SPEAKER: I have already given my ruling.

SHRI DINESH GOSWAMI: You listen to my point of order and then reject it *(Interruptions)*.

SHRI DINESH GOSWAMI: What is this happening, Sir? Who is obstructing whom? *(Interruptions)*

MR. DEPUTY SPEAKER: I will call you next time.

SHRI DINESH GOSWAMI: My Point of order is this - I can finish it within a minute if I am given the time, I do not believe in obstructing the proceedings of the House. The Hon. Minister has referred to an opinion of the Attorney General. I would like to know whether the Attorney General has opined that if a particular document ultimately determines whether an agreement between the Government of India....*(Interruptions)*

MR. DEPUTY SPEAKER: I do not think

there is any point of order. There is no point order.

SHRI DINESH GOSWAMI: Why there is no point of order? Sir, the Attorney General has given an opinion...

MR. DEPUTY SPEAKER: No, I will not allow you.

*(Interruptions)***

SHRI A. CHARLES: Sir, if it is not a point of order, it should not go on record. I want a ruling on this.

MR. DEPUTY SPEAKER: I have not called you. I have called Dr. Bhoi.

DR. KRUPASINDHU BHOI (Sambalpur): When the proceedings of the House is interrupted by any Member and the Hon. Speaker is not able to contain them, to tackle this we had requested the Hon. Speaker and he has very honestly on our request posted a Psychiatrist, Dr. Rajlakshmi. Since our friends are very disturbed mind, so, I would request you to go and see hereso that she can examine them and advise them accordingly.

MR. DEPUTY SPEAKER: There is no point of order.

(Interruptions)

SHRI E. AYYAPU REDDY (Kurnool): The Joint Parliamentary Committee thought it necessary to obtain the opinion of the Attorney General. Now, the Attorney General has got a special status under the Constitution. He can come and address the House and the House also has got a right to hear him. The most important point here is whether Bofors can claim confidentiality and if so under what grounds...*(Interruptions)*. It has not been told whether the Supreme Court has given a decision in this regard or whether it is under international law or whether it is constitutional law.

MR. DEPUTY SPEAKER: There is no point of order.

(Interruptions)

[MR. SPEAKER *in the Chair*]

15.56 hrs

SHRI E. AYAPU REDDY: The Attorney General is not summoned to this House. Let the Attorney General come and explain to us...*(Interruptions)*

MR. SPEAKER: Please listen. Members may give notice of a motion asking the Attorney General to be present in the House in connection with certain Bill or Business before the House. Such motions are admitted. It is for the House to take a decision thereon. So, there is no problem.

PROF. MADHU DANDAVATE: Very good Sir. You have come here at a correct moment.

SHRI K.C. PANT: In view of the available material in regard to the circumstances in which the payments had been made, the Attorney General had this to say:

"There is no proof whether the middlemen were engaged or the payments were made to the middlemen. That is the end of the matter. It may be that they have said a lie. So far as this controversy is concerned, there is no proof."

The Attorney General also advised that it would be difficult to sustain the cancellation of the contract as no inference could be drawn that the recipients were middlemen. The Attorney General also opined that Befors were within their rights not to disclose anything. Under the Indian Evidence Act...*(Interruptions)*

SHRI SATYAGOPAL MISRA: All of them joined hands... *(Interruptions)*

MR. SPEAKER: Order please. What are you doing?

[Translation]

What are you doing? You are disturbing. It is not good.

[English]

SHRI K.C. PANT: I must protest. I have heard all those members very patiently. The Attorney General is a constitutional authority. He has the right to advise the Government and he has the right to advise the President even. *(Interruptions)*

[Translation]

MR. SPEAKER: It does not look nice. It has been fully debated. So, now, why are you doing like this?

[English]

(Interruptions)

SHRI K.C. PANT: What is ho ho about it? This is a constitutional matter. As has been said, the Attorney General has a right to come and advise the Parliament also. He has all these rights and he should be treated on par with a Supreme Court Judge and we cannot just bandy about his name like this. This is not the way to talk about the Attorney General. We have some institutions in this country and we are committed to uphold those institutions and we will not tolerate any insult to those institutions. Let this be clear.

(Interruptions)

[Translation]

SHRI NARAYAN CHOUBEY (Midnapore): It is only because of you that all these institutions have been debased.

MR. SPEAKER: Mr. Choubey, it is not the way. It does not behave you. The entire discussion has gone very smoothly, so now you should not behave like this. It does not look nice. They have expressed their viewpoint and you have also expressed yours. Therefore, do not interrupt now.

[English]

SHRI K.C. PANT: Enough is enough when your party comes to power, they will make you the Attorney General and then you will be answerable.

AN HON. MEMBER: That will never happen.

SHRI K.C. PANT: You think, it will never happen. All right, I withdraw my statement.

Under the Indian Evidence Act, no one can be asked to prove the negative.

"Only a positive assertion can be established and the burden of doing so lies on the party which makes such an assertion. In my view the advice of the Attorney General as tended to the JPC strikes at the core of the entire problem. The fact is that Bofors could not be persuaded to voluntarily disclose the required information."

16.00 hrs.

(Interruptions)

SHRI K.C. PANT: It is because our Government does not use the method you will use when you come to power tomorrow.

"Further they were within their legal right to deny it. The cancellation of the contract without penalty on account of breach by Bofors has not been found to be a legally feasible cause."

As I have had an occasion to explain earlier, such a case would also attract time and cost penalties detrimental to our preparedness. This point was explained by some other friends also.

"It has been further established that the laws of the foreign countries involved in the matter prevented our investigating agencies from piercing the veil of secrecy."

I would ask my good friends on the opposite side to tell me what more could have been done by the JPC? This is the legal position and this is what the....(Interruptions)

I wish you had been in the JPC. You did not join the JPC. Otherwise, you would have seen all these from within.

SHRI BASUDEB ACHARIA (Bankura): That is why we did not join.

SHRI K.C. PANT: All right, you be satisfied with that. What can I do? (Interruptions)

[Translation]

MR. SPEAKER: What are you doing? You are a leader.

(Interruptions)

SHRI INDRAJIT GUPTA: It has taken more than two hours (Interruptions).

[English]

SHRI K.C. PANT: The trouble is that Shri Indrajit Gupta had been very unfair to me. You have seen what is happening in the House and you talk about time. My time is being taken up by the people on the other side. (Interruptions)

[Translation]

MR. SPEAKER: Kindly, sit down.

[English]

SHRI SAIFUDDIN CHOWDHARY: Mr. Minister, you said that nobody could be asked to prove the negative. What is negative in it? (Interruptions)

[Translation]

MR. SPEAKER: You are always doing such things. Don't you have any other work?

(Interruptions)

MR. SPEAKER: You are a Parliamentarian does it behave you to do like this.

PROF. MADHU DANDAVATE: Mr. Speaker, as required by you, I have given a Motion requiring that Attorney General... *(Interruptions)*.

SHRI K.C. PANT: I am not yielding. Please don't get up. No, you can't interrupt me like this.

I would like to briefly recall the facts which have been irrefutably established. I shall spell them out one by one.

Firstly, that the Government of India headed by Shri Rajiv Gandhi demanded that there should be no middleman or agent in the commercial negotiations.

Secondly, the Army preferred that the Bofors' system was sound for clearly understood reasons.

Thirdly, the selection of the gun system was arrived at after the prescribed procedure had been duly followed.

Fourthly, that the negotiations were skillfully carried out and intense competition generated on the system purchased at a most competitive price *(Interruptions)*.

[Translation]

MR. SPEAKER: You have said everything you had to say.

[English]

Then I will have to do something about it.

[Translation]

Please sit down.

[English]

SHRI K.C. PANT: Fifthly and finally, that an amount of 319 million Kroners was paid by Bofors in 1986 to three foreign companies, the identity of the actual owners have not been established. *(Interruptions)*.

If only my hon. friends listen, I am stating the facts all the time. On the other hand what has not been established is that

payments were made to middlemen are in violation of the Contract. On this issue, any remaining reservations cannot be described, that is, anything other than a mere suspicion. Suspicions cannot be facts. The root cause of the suspicion is Bofors' refusal to disclose the identities of the recipients of the payments. That is what I am saying. We are agreed. *(Interruptions)*.

SHRI SOMNATH CHATTERJEE: Then how did the Committee come to the conclusion that that no Indian or Non-Resident Indian received the money? *(Interruptions)*.

SHRI K.C. PANT: What is the use? A number of issues were raised, yesterday: *(Interruptions)*.

Many of them had been answered by Shri Shiv Shanker and other speakers. I do not require to make any further comments. Certain things do remain. Then, I would just briefly refer to them. The trouble with my hon. friends is that when they lack arguments, they make personal attacks. They attack the Attorney-General, they attack JPC, they attack the Defence Secretary, they attack the Chief of the Army Staff; and now finally, they are attacking Parliament, because JPC is from Parliament.

PROF. MADHU DANDAVATE: I have already given a Motion for calling the Attorney General to the House *(Interruptions)*.

SHRI K.C. PANT: JPC is a part of Parliament, and they attack JPC also. Therefore, attack and vilification is no substitute for a debate. And now, when something uncomfortable is said, when Attorney-General's opinion is read out which does not meet their wishes, which does not support their case --which is an objective legal opinion--they may not agree with it. I cannot force them to agree with it. But they will not listen to it. The intolerance is such it is actually dictatorial. *(Interruptions)*.

I can understand. But with a large majority on this side, it is absolutely dictatorial. *(Interruptions)*

MR. SPEAKER: What are you doing?

SHRI K.C. PANT: Therefore, Mr. Somnath Chatterjee is taking a leaf out of Mr. K.K. Tewary's book, if that is what I am to understand, and therefore he is doing it. It is all reight; you are welcome to it. *(Interruptions)*

When a Director General recommends an equipment, yesterday one hon. friend said this is a Lt. General's post. It sounds that he is inclined towards innuendo, and his insinuation was that a Maj. General would be likely to favour him. They say that he will favour this particular deal. The fact is that it is a Major General's post. So, please be careful about facts. When, about individual officers, such statements are made, I would request my hon. friends to be extremely careful. These are Government officers who have given years of their life to this country; and you should express some appreciation for them. This kind of a remark is demoralizing, and my request to you is not to do it. If you do it, then it does harm to the security of the country. You should not make loose remarks and irresponsible remarks. *(Interruptions)*

I hope for the future at least, you will bear it in mind.

Now I would like to conclude. *(Interruptions)*

I had some other points, which my hon. friends had raised and I would have replied to them; but in view of the fact that they are not in a mood to listen....

SHRI INDRAJIT GUPTA: Two hours.

SHRI K.C. PANT: The structure of suspicion that they have sought to build over one year, has been destroyed today. All the smoke is gone. *(Interruptions)*

Therefore, the point to be understood is that criticism of JPC is not going to change the facts; and I would like to place on record my appreciation of the work that the JPC has done. I would like to congratulate the Chairman of the JPC and its members. *(Interruptions)*

MR. SPEAKER: What has happened to you?

[Translation]

It does not behave you to talk like this. It seems that you have decided to behave like this. Both of you have decided that way... *(Interruptions)*

[English]

SHRI K. C. PANT: I would like to repeat what I have said all along, that unnecessarily my friends are trying to divide the House. We are not divided. We have all been trying to get at the truth. I have said what are the limitations; I explained to you what exactly are the efforts made by the JPC. Earlier, I had explained to you what the Government has done. I have explained to you the extent to which we wanted to associate you. At one stage, when we asked the Opposition to be associated with the Committee, they objected to the Speaker getting involved. Now, when Mr. Aladi Aruna has difficulty in getting his comments incorporated in the report, he comes to the Speaker; and you, Sir, have allowed him to incorporate it. Now my friends say that the majority will not allow the minority's opinion to be heard. I made a statement in this House that the best safeguard of the minority is to have the Speaker in this. At that time, they did not listen to me. But today they probably feel that the Speaker being in the Committee would have been a safeguard for then.

Therefore, instead of making so much noise, instead of getting lost in the noise, if you only listen to what I say, then, perhaps many of your doubts would get cleared. Once in a while, they may make a right decision. This government, all along, had nothing to hide at all and we have gone out of the way to establish the truth. The only trouble is that we have not got the cooperation of friends opposite; and they have to search their hearts as to why they made a petty political expediency....*(Interruptions)*

MR.SPEAKER: Mr. Misra, why are you not listening and feeling that you are sitting

[Mr. Speaker]

in this House? Have you thrown all the norms of the House to the wind? What is this? Why are you doing like that? What are you getting out of it? Does it not hurt you so much that you are a member of this House and you are shouting like this?

(Interruptions)

MR.SPEAKER: Whether they remember you or you remember them, it does not matter. Don't shout.

(Interruptions)

SHRI K.C. PANT: Those who speak of the people should know that we are a majority in the House and the people have sent us. Don't talk of the people to me. *(Interruptions)*

SHRI BASUDEB ACHARIA: You got less than 50% votes.

SHRI K.C. PANT: How many did you get? So, let us not go into that. I will not ask you how many you got in Tripura either. I know it is a sensitive point. Therefore, I will not ask you about it.

SHRI BASUDEB ACHARIA: We got 51 per cent.

SHRI K.C. PANT: We are not here on your charity. We are here because we are sent by the people. *(Interruptions)*

MR.SPEAKER: What are you doing?

(Interruptions)

[Translation]

Neither I nor you have a remedy for it. It is the people who have its remedy.

[English]

I cannot help it; we cannot help it; they cannot help it.

SHRI K.C. PANT: If we have a brute majority as they say, it is because the peo-

ple wanted us to have a brute majority; and the people have rejected you. We cannot help it. We have to run the government and we are responsible for the security of this country. Therefore, whether it is the Ministry of Defence, whether it is the Army, we have more serious things to look at. For all these years, dust and din have been raised. People's attention has been sought to be focussed on issues, as I said, for a petty political expediency. *(Interruptions)*

I heard you. People who are intolerant in listening to the opinions of a dignitary like the Attorney-General, what do I say of them? I would only request that it is time this House and the country turned its attention to far more serious matters in the defence sector, in the security sector. We have to see to our defence preparedness. This kind of demoralisation, this kind of raising of suspicion, this accentuation of murky atmosphere, in which every day, day in and day out, you raised issues, only because you do not want these things to be cleared up. Whatever we may do, however sincere our efforts may be, you always seem to be interested in creating a lot of smoke and dust. The people of this country will see through this and I am sure that they will reject you next time also. When you go to them. You will be rejected next time also. But, in the meantime, my request to you is to see that out attention is focussed on more serious matters. Thank you.

PROF. MADHU DANDAVATE: Mr. Speaker, Sir, as required by you, I have given a motion requesting that the Attorney-General should be invited to this House to clarify his opinion. I hope my motion is perfectly in order and it may be taken up whenever you feel.

SHRI SOMNATH CHATTERJEE: I have also given a motion.

MR. SPEAKER: You always have the right to give my motion.

PROF. MADHU DANDAVATE: I have full confidence in you. That is why I have given.

SHRI SOMNATH CHATTERJEE: I have also given.

16.15 hrs.

MOTION UNDER RULE 184 FOR REFERENCE TO COMMITTEE OF PRIVILEGES FOR MAKING DETAILED INVESTIGATIONS INTO ALLEGATIONS BY SHRI K.P. UNNIKISHNAN, M.P.

[English]

MR. SPEAKER: Now we go to the next item. Motion by Shri Shantaram Naik.

PROF. MADHU DANDAVATE (Rajapur): I am on a point of order.

SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram): I have given a written notice.

MR. SPEAKER: One by one.

PROF. MADHU DANDAVATE: I had already written to you that I want to raise certain procedural objections. I may tell you, at the very outset, that in this House on a number of occasions very important procedural debates had taken place which are as important as the merits of the resolution and therefore, permit us to point out to you some of the objections which were raised here in the context of the ruling that you had given.

At the outset, let me tell you that the resolution which Shri Shantaram Naik is seeking to move, the subject matter of that particular motion is exactly the same as the subject matter of the privilege notice that was given on the 15th December, 1987 and you have already given, your ruling. On 15th December, 1987, already a notice was given by Shri P.R. Kumaramangalam. The subject matter of his privilege notice was that Shri Unnikrishnan has made certain allegations, regarding the licences cornered by Bachchan brothers and then he had refuted those allegations. Then some clash took place in which the Prime Minister had taken a leading part. Some sort of condition was sought to be imposed that either 'X' resigns or 'Y' resigns. The whole matter

came in the form of a privilege notice and, Sir, when you gave your ruling, you mentioned, I will read the last paragraph of your ruling.

MR. SPEAKER: I know the ruling I have given.

PROF. MADHU DANDAVATE: The last paragraph of your ruling was:

"After careful consideration of the facts in the present case, rules, precedents and well-established Parliamentary conventions, I am satisfied that no *prima facie* case of breach of privilege has been made out. I, therefore, withhold my consent to the raising of the matter in the House as a question of privilege."

And, Sir, you have rejected that privilege motion.

MR. SPEAKER: I still do stand by it.

PROF. MADHU DANDAVATE: Very nice. I know very well that you stand where you are, or sit where you are. I am only strengthening your hands because the future generations will quote your ruling. You and I might not be in the House. But generations to come will say that Dr. Jakhar had given a very valuable ruling and it would become a precedent for all times to come.

MR. SPEAKER: It is the rules which give it.

PROF. MADHU DANDAVATE: Now, in the context of your ruling, (*Interruptions*)

SHRI SHANTARAM NAIK (Panaji): Is it your motion or my motion?

PROF. MADHU DANDAVATE: I am on a point of order. He has allowed me.

Now, as far as procedural objections are concerned, in your ruling a number of issues come. Allegation by a member on the floor does not, according to you, become a privilege.