

Reserve Bank of India, State Bank of India, State Trading Corporation, Indian Refineries Ltd., and National Productivity Council at Delhi; and

(b) if so, the number of persons likely to be absorbed as such?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) No. Retrenched employees are, however, being continually submitted against vacancies occurring under the Statutory and Quasi-Government Organisations.

(b) Up to the time of reporting about 80 per cent. of those retrenched have been absorbed.

12.02 hrs.

#### PAPERS LAID ON THE TABLE

##### AGREEMENT WITH FOREIGN FIRMS REGARDING JEEP CONTRACT

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** I beg to lay on the Table, a copy of the Agreement made between the Government of India and Messrs. S.C.K. (Agencies) Ltd. and two other firms in respect of certain claims arising out of a contract for supply of jeeps. [Placed in Library. See No. LT-2132/60.]

##### STATEMENT CONTAINING BRIEF REPLIES TO VARIOUS ITEMS RAISED IN AUDIT REPORT, DEFENCE SERVICES.

**Mr. Speaker:** Shri Krishna Menon.

**Shri P. K. Deo (Kalahandi):** I beg to raise a point of order in this regard.

**Mr. Speaker:** Point of order on what? On what the Prime Minister has done?

**Shri P. K. Deo:** No. My point of order is this. Item 1 on the Order Paper is out of order, because it is a novel and unprecedented procedure, and it is a departure from the usual established procedure of this House.

I beg to submit that the usual practice is that the replies are sent to the Public Accounts Committee where they are scrutinised and then they are reported to this House. On no previous occasion did any Minister submit to this House a reply to the audit objections. So, I beg to ask why there should be a departure from the usual procedure in this regard.

**Shri Ranga (Tenali):** May I have an additional piece of information, as to whether this information has been placed before the Public Accounts Committee and they were given an opportunity of expressing their views?

**Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes):** May I submit that the other day I had raised this point, and then you said that you would not give a decision in a vacuum. The vacuum has now disappeared, and according to me...

**Mr. Speaker:** I am not raising any particular point of vacuum. The matter has come up now, and that is why I have allowed the point to be raised.

**Shri Jaipal Singh:** You said that you were not in a position to give a ruling because you did not know whether the hon. Minister would or would not place a statement.

**Mr. Speaker:** What does the hon. Member want now?

**Shri Jaipal Singh:** My humble submission is this that anything relating to Audit, *ipso facto* and automatically, goes to the Committee of this House, which is the Public Accounts Committee.

**Shri Ranga:** That is right.

**Shri Jaipal Singh:** By resorting to this, we are just using this House as a post office for forwarding things. I think it is not quite a correct procedure.

**Mr. Speaker:** The hon. Minister.

**The Minister of Defence (Shri Krishna Menon):** I beg to lay on the Table a Statement containing brief replies to various items raised in the Audit Report, Defence Services, 1960. [Placed in Library. See No. LT-2133/60.]

**Shri Tyagi (Dehra Dun):** Let the point of order be decided first. *Interruptions.*)

**Mr. Speaker:** No, no. Hon. Members have raised a point of order. If the hon. Minister wants to say anything on that, he may say it.

**Shri Krishna Menon:** I represented to you that we are not, I am not, seeking to circumvent any of the practices in regard to the Public Accounts Committee. Since this matter has been debated in the House and in the press, in the world's press, it is necessary that the factual statement—this is only a factual statement—should be available to the Members of the House. This does not in any way displace the Public Accounts Committee's proceedings. I have no direct access, so far as I understand, to the Public Accounts Committee as a Minister. When the facts are placed before them, they may submit them to cross-examination. It is not in any way a displacement of the procedure. I sought your consent, which you were good enough to give me.

**Shri Ranga:** May I submit that this is a procedure which has never been followed ever before? Whatever the Minister has had to say in regard to the observations made by the Auditor-General had to be submitted first of all to the Public Accounts Committee; it is the province of the Public Accounts Committee to give detailed consideration to it, and if necessary, to send for the representatives of the Ministry also and take their assistance and afterwards come to their own conclusions and then approach the House.

Therefore, I request you to rule it out and say that we should not consider that this statement has been submitted to us, but, on the other hand, we would expect the Minister concerned to follow the usual procedure.

**Shri Tyagi:** May I also submit one thing? The procedure actually has been that even the Auditor-General's report generally goes to the Public Accounts Committee, but this time, the Auditor-General's report has been placed on the Table of the House....

**An Hon. Member:** No.

**Shri Tyagi:** The Auditor-General's report has been placed on the Table of the House....

**Shri Ranga:** It has had to be placed on the Table of the House.

**Shri Tyagi:** .... Therefore, all the objections raised in that report have been made public. It is but fair that the Government's position must also be placed on the Table of the House. We are not going to consider it here. I could understand this point of order if those replies or answers were going to be considered here in the House; in that case, the point of order would have been quite relevant. But we are not considering them here. It is only a question of their being placed on the Table of the House.....

**Shri Ranga:** It is not proper.

**Shri Tyagi:** .... because the House will disperse very soon, and thereafter Members may not be able to avail themselves of those answers. Therefore, I do not think there could be any objection. *(Interruptions.)*

**Some Hon. Members rose—**

**Mr. Speaker:** Order, order. Any hon. Member who raises a point of order must only state the point, and if I want further elaboration, I shall ask him. In this case, I have not only allowed the hon. Member who raised the point of order to have his say, but two other Members also have been

[Mr. Speaker]

allowed to speak on this matter. Then, I have ascertained the views of the other side, namely the hon. Minister. Thereafter, I find that hon. Members go on rising to points of order as if there is no end to this matter. There ought to be an end to this matter. Therefore, I am not going to allow any further discussion on this matter.

Normally, this is not a matter of privilege of this House, but it is a matter of convenience. The reports of the Auditor-General are placed on the Table of the House. They are not sent to the Public Accounts Committee. The agency which places them on the Table of the House is the Finance Minister. The report is sent to the President who sends it on to the Finance Minister who places it on the Table of the House.

Hitherto, since we started in 1947 and even earlier, the practice has been that as soon as a report is placed on the Table of the House, it is sent automatically to the Public Accounts Committee who look into this matter; if further elucidation is necessary, they ask the Ministry to explain; the Auditor-General also is there, and both of them explain their viewpoints, and then it is the Public Accounts Committee that comes to a conclusion. As a committee of this House, they enable us to go into this matter in detail and come to a conclusion regarding this matter. Thereafter, with the report of the Public Accounts Committee and the Auditor-General's report and the accounts also which are there for purposes of reference, the House is enabled to have a full discussion.

But, what happened this year was this. The Auditor-General's report was placed on the Table of the House just a short time before the Demands for Grants relating to the Defence Ministry came up for discussion. Some hon. Members wanted to refer

to the Auditor-General's report because the Demands for Grants relating to the Defence Ministry were under consideration. The hon. Defence Minister then said that it was usual to send all this to the Public Accounts Committee where the Ministry will have an opportunity to explain whatever matter is there, if it requires further elucidation. But, hon. Members wanted to refer to the report of the Auditor-General, because, unusually, this year, a short time before the Demands for Grants were taken up, we had the report of the Auditor-General.

Of course, I expect in future that sufficiently in advance, before the Demands for Grants come up before the House, both the Auditor-General's report and the Public Accounts Committee's report will be available here, so that they may be utilised for the purpose of enabling this House to have a full-dress debate on each of the Demands.

For various reasons, the Accounts have not been brought out; of course, the Auditor-General has been taking pains to bring out the Audit Report as early as possible; I am glad to see that they are coming out quickly. But an unusual situation arose this year where just a short time before the Demands were taken up, the Audit Report was there.

The hon. Minister, of course, did not want any reference to be made to it in the House, so that he may have an opportunity to place his facts and whatever doubts there were before the Public Accounts Committee. He even then suggested to me that this might not be allowed, so that he may have an opportunity to place this matter before the Public Accounts Committee. But hon. Members wanted to refer to the Audit Report here and I allowed them to do so.

**Shri Ranga:** That was a pity.

**Mr. Speaker:** That was what happened, whether it was a pity or otherwise. If they are consistent, I will also be consistent. It is only a matter of convenience. There is nothing lost. After all, the Government have to explain whether before the Auditor-General or before the Public Accounts Committee or even later, after the Public Accounts Committee's report comes up here. Therefore, nothing is lost. I have looked into it. It is a factual statement of their viewpoint, so far as the Government are concerned—whatever they can place before the Public Accounts Committee. According to them, only one side of the case has been presented. Therefore, I will allow the papers which have been laid on the Table. These papers will go to the Public Accounts Committee. That Committee will consider both the reports and the representations made.

In future, I expect that sufficiently in advance of the discussion here of the Demands for Grants, the Auditor-General will make a report which would automatically go to the Public Accounts Committee. We will have the reports of both the Public Accounts Committee and the Auditor-General, which will enable hon. Members to look into them and make their submissions regarding the Demands for Grants.

This is a matter which arose under peculiar circumstances this year. Therefore, I allow both these papers. I do not think there is any irregularity involved in it. It is a matter of convenience.

**Shri P. K. Deo:** The same thing happened last year also.

**Mr. Speaker:** If it happened last year, it was not brought to my notice.

**Shri Hem Barua (Gauhati):** As a matter of convenience, can we write off the Rules of Procedure?

**Mr. Speaker:** There is no rule of procedure involved in this matter.

The rule is that it goes before the Public Accounts Committee which will examine the papers. The Government must also have their say. As the matter was referred to in advance on the floor of the House, it is just and proper that the Government, with respect to whom observations have been made in the Audit Report, must have as early an opportunity to explain it as possible, lest there should be only one version, according to Government. So there is nothing objectionable in this.

But hereafter I feel that sufficiently in advance of the discussion here both the Audit Report and the Public Accounts Committee's Report should be available to enable hon. Members to discuss in detail the Demands for Grants.

**Shri Hem Barua:** Are we not setting a precedent for the future?

**Mr. Speaker:** This may or may not be a precedent. In exceptional cases, we can always do it. The rules are made for us and not we for the rules.

**Shri Sinhasan Singh (Gorakhpur):** You have just ruled that the statement will be sent only to the Public Accounts Committee, so that it will not come to us now. We have got the Audit Report and we should have a copy of the Government's statement also so that we may also examine it.

**Mr. Speaker:** All hon. Members who are interested will get copies.

**Shri P. K. Deo:** I beg to submit that similar facilities should be given to the Railway Minister also because the Audit Report regarding the Railways which has been submitted the other day contains references to irregularities in the Railways also.

**Mr. Speaker:** I do not know how the hon. Member can speak on behalf of the Railway Minister. The hon. Minister can look after it himself.