

# LOK SABHA DEBATES

(Part II—Proceedings other than Questions and Answers)

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## LOK SABHA

Saturday, 3rd March, 1956

*The Lok Sabha met at Eleven of the Clock*

[MR. DEPUTY-SPEAKER *in the Chair*]

### QUESTIONS AND ANSWERS

(See Part I)

11 A.M.

#### MOTIONS FOR ADJOURNMENT

##### LEAKAGE OF BUDGET PROPOSALS

**Mr. Deputy-Speaker:** I have received notices of two adjournment motions, one from Shri A. K. Gopalan and the other from Dr. Lanka Sundaram. I will now read the first adjournment motion:

"The alleged leakage of budget proposals in Bombay before it was formally presented to the Parliament. It is reported in the Press that cyclostyled copies of the budget proposals were sold in Bombay and these copies tallied word to word with the proposals presented to the Parliament by the Finance Minister. It is also learnt that the Government of Bombay received information of this leakage prior to the presentation."

The other motion reads thus:

"To discuss a specific matter of urgent public importance, namely, serious allegation of leakage of the Finance Bill proposals in Bombay and other places in India."

**Dr. Lanka Sundaram (Visakhapatnam):** This is not the first occasion when a matter of such a very serious nature has been sought to be raised. Last year, I think on the 5th March, a similar point was raised by me here and then the Minister concerned said, "I very much regret the mistake" and then he gave assurances that such mistakes would be avoided. I consider that this is an express breach of privilege of the whole House and it is for you, after

what the Minister has to say on this matter, to consider the next step. If you are satisfied that a *prima facie* case has been made out regarding this allegation, it is for you to refer this matter to the Committee of Privileges which will go into it specifically and comprehensively, because, what you call, the perfunctory approaches of Government to questions of this character as on the previous occasions do not solve the problem.

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** I entirely agree with the hon. Member that any kind of leakage, more especially any leakage of the budget proposals, is a serious matter, and ever since this has come to our notice—this came recently—we have been exercised, —more especially the Finance Minister has been exercised—and concerned about these matters. But I would submit that the first step to be taken is to enquire into it exactly, in so far as we can enquire into it, and report to this House, and then it would be for this House to consider how else to deal with it. In making this statement, I may mention on behalf of the Home Minister, that he has already taken some action to enquire into this matter as fully as can be done.

**Shri A. K. Gopalan (Cannanore):** I am satisfied with what the Prime Minister has said. But what I want to say is, it has been reported in the press and it is a very serious matter, because the report says that cyclostyled copies had been got by some people and they tallied word by word with what the Finance Minister has said. If the paper publishes such a thing, certainly the paper must have had some information about it and it is also a very serious matter, namely, that cyclostyled copies are given. So, I think it should be taken very seriously especially because it came in such a way that before the budget was presented to the House, cyclostyled copies had been taken and sold. So, I request the Prime Minister to note that this is an important matter and if that news is not correct, that also should be taken into consideration.

**Shri Jawaharlal Nehru :** I have already said that we view this matter with very great concern. It is a very important matter quite apart from the fact that in the present instance it did not make much difference; the nature of the proposals is such that they could not make much difference to anybody, neither here nor there. But the important thing is the leakage.

**Dr. Lanka Sundaram :** Yesterday, such a senior Member of the Lok Sabha as Shri Gadgil quoted from the *Bombay Samachar* and specifically made the point that the entire stock of cloth had disappeared underground and that avoidance of taxation has thus taken place. It is not a small matter.

**Shri Jawaharlal Nehru :** What I ventured to say was that the nature of the proposals was such—I am speaking perhaps without any expert knowledge—and what the House has heard was such that it was not easy for any one to take much advantage. Perhaps I might be mistaken. But the point is, the hon. Member opposite said something about the cyclostyled copies. Of course, I could not say much without fuller information; but the fact that cyclostyled copies were sent is not important. The man who got the information, seeing the advantage of it, got it cyclostyled and tried to sell it possibly. But the leakage is very important and so far as we know, some kind of information, some information through some Ministry, leaked out at an earlier stage when the matter was under consideration not on the file. What leaked out is not the final thing, the language, the words, etc. When a man has got it out, he evidently copies it out and it is sold for his own advantage and to persons who might be interested in it probably. But, as I said, I would like the Home Minister to make a fuller statement after enquiry.

**Dr. Lanka Sundaram :** If I may interrupt, there is one point to which I should like to invite the attention of the Chair in particular and the House. The House will require information on that matter. None of us are willing to prejudge the issues. We want an assurance that this matter will not only be speeded up and reported to the House but will go before the Committee of Privileges if there is a *prima facie* case of leakage. Even the Prime Minister said that there must have been a leakage.

**Shri Jawaharlal Nehru :** All I can say is that this matter would be fully enquired into, is being enquired into, and the report will be placed before the House by the Home Minister or a Member of the Government. After that, it is for the Chair, for the House, to determine how to proceed with it.

**Mr. Deputy-Speaker :** In view of the fact that Government—the Home Minister and the Government as a whole—has already taken steps to investigate into this matter and in view of the statement of the hon. Prime Minister that after enquiry the report will be placed before the Lok Sabha and that thereafter it is for the Lok Sabha to consider what further steps have to be taken, I do not propose to give consent to the motions for adjournment.

#### PAPER LAID ON THE TABLE

#### HIGH COURT JUDGES (PART A STATES) RULES

**The Minister in the Ministry of Home Affairs (Shri Datar) :** I beg to lay on the Table, under sub-section (3) of section 24 of the High Court Judges (Conditions of Service) Act, 1954, a copy of the High Court Judges (Part A States) Rules, 1956. [Placed in the Library. See No. S—74/56.]

#### STATEMENT RE. PRINTING ERRORS IN FINANCE BILL

**The Minister of Finance (Shri C. D. Deshmukh) :** With your permission I should like to make a statement. I find that in the Finance Bill, 1956 which I introduced in the Lok Sabha on the 20th February, there is a printer's error of some consequence in the 7th line of clause 30 at page 15 of the Bill. The object of clause 30 is, as explained in the note on this clause at the foot of page 35 of the Bill, to continue for another year, *i.e.*, up to 31st March, 1957, the surcharges which were in force on the 29th February, 1956. The 7th and 8th lines of clause 30, as now printed, read as follows :

“(b) a sum equal to 55 per cent. of such amount, in the case of goods comprised in Item No. 22 (4);”