

[Shri A. C. Guha]

are taking to trace the five missing officers? Are they alive or not?

Shri Raj Bahadur: Ever since yesterday, effort is continuing and people are at it. It is expected that by this noon or afternoon we might be able to send a diver down to trace the bodies because it is feared that the bodies might have been trapped in the unfortunate vessel

Shri Tangamani: Will a further statement be made?

Mr. Speaker: That will be after the inquiry

12.07 hrs

MOTION RE. VIVIAN BOSE BOARD OF INQUIRY'S REPORT OF LIFE INSURANCE CORPORATION INQUIRY—contd

Mr. Speaker: The House will now proceed with further consideration of the motion moved by Shri Harish Chandra Mathur on the 7th September, 1959 regarding the Vivian Bose Board of Inquiry's Report of the Life Insurance Corporation Inquiry, together with the two amendments moved thereon.

Shri S. M. Banerjee was on his legs yesterday. He has already taken 7 minutes. He may continue and have 8 minutes more.

Shri Khadilkar (Ahmednagar): You promised to extend the time by one hour.

Mr. Speaker: I understand the hon. Deputy-Speaker had said yesterday that after Shri S. M. Banerjee concluded, he would call upon the hon. Minister to reply.

Shri Braj Raj Singh (Ferozabad): So many hon. Members have yet to speak.

Sardar Hukam Singh (Bhatinda): I only looked at the allocation of time that had been given by you. You had

promised that there would be an extension by one hour. So I said that the hon. Minister would reply today. That was all I said, not that immediately after Shri S. M. Banerjee the Home Minister would be called. It is now for you to decide.

Mr. Speaker: Has it already been extended by one hour?

Shri Khadilkar: No, no.

Shri Tangamani (Madurai): Yesterday, we started only at 12.40. So even according to the original allocation, we have 40 minutes left.

Shri Khadilkar: 1 hour and 40 minutes

Mr. Speaker: According to my note here, 4 hours and 23 minutes have already been taken and 37, say, 40 minutes, remain. We shall extend it by one hour, that is, 1 hour and 40 minutes. That is, it will go up to 13.47 hours.

Shri Braj Raj Singh: Some more time should be allowed for spokesmen of parties who are desirous to speak.

Pandit K. C. Sharma (Hapur): It is not a party question.

Mr. Speaker: How long does the hon. Minister propose to take?

The Minister of Home Affairs (Shri G. B. Pant): As much time as you can spare.

Mr. Speaker: Normally, how much does he propose to take?

Shri G. B. Pant: I will try to restrict myself to 30 or 40 minutes. I cannot say I will make it as short as I can.

Mr. Speaker: Then we have 1 hour and 40 minutes of which 40 minutes will be taken by the hon. Minister.

Shri Khadilkar: 1 hour and 40 minutes are left. If it is extended by one hour, we will have 2 hours 40 minutes.

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Mr. Speaker: The hon Member has misunderstood me. Only 37 minutes were left out of the 5 hours allotted. I am extending it by one hour. That comes to 1 hour and 40 minutes. The hon. Minister will take half an hour. That leaves 1 hour and 10 minutes, at the most. If they confine themselves to ten minutes each, I can call six of them, but, if they would like to speak for 15 minutes each, then I will call only 4. Shri Banerjee will end his speech in 8 minutes.

Shri Harish Chandra Mathur (Pali): I will take about 20 minutes.

Mr. Speaker: For the reply? How long did he take at the beginning? I cannot allow 20 minutes, I will allow 10 minutes.

Shri Harish Chandra Mathur: Sir, the whole case has been built up in one hour. If I have to give an appreciable reply, it will take at least 20 minutes.

Mr. Speaker: Shri Banerjee.

Shri S. M. Banerjee (Kanpur): Sir, yesterday I was trying to prove how our Government is indirectly supporting those who are involved in cases of corruption. After reading this report, I have come to the conclusion that any industrialist who can afford to give a handsome donation to the ruling party can get any favour from the Government. Shri Mundhra rather felt apologetic before the Board for not paying a bigger amount. He said that he had paid and that all the other industrialists and everybody else have been paying and that he had paid less compared to what other people had paid. So, he was feeling very apologetic.

An Hon Member: To what other parties was he paying.

Shri S. M. Banerjee: Other parties—he has mentioned one. He has mentioned Rs 5,000 to the Socialist Party. (Interruptions).

An Hon Member: He is mistaken.

Mr. Speaker: Order, order, let him go on.

Shri S. M. Banerjee: So, it is quite clear that Shri Mundhra did pay a nice amount. He paid Rs 2½ lakhs and got only Rs 1 crore and odd. The Tatas paid Rs 10 lakhs and they got an industrial loan of Rs 10 crores. So he was apologetic about it.

This was really a drama in which Shri Patel was the hero or the villain, Shri Kamat an unfortunate co-actor and a friend and Shri Vaidyanathan an old sinner and senile as described by Shri Krishnamachari, who was supposed to act as a faithful servant of this villain, Shri Patel, and Shri Krishnamachari was slowly prompting the whole thing without giving anything in writing.

An Hon Member: Most probably remaining behind the screen.

Shri S. M. Banerjee: Yes, remaining behind the screen. There were others also who were less active, but some of them have been brought out by my hon friend Shri Feroze Gandhi. So, it is not clear to me still as to why Shri T. T. Krishnamachari struck out a portion. Was it not with the motive of concealing certain facts from Parliament?

Sir, I would read that portion of the Bose Board's report. The report says about Shri Krishnamachari.

“because this attempt to disclaim more knowledge about this transaction than can be helped is of a pattern with the other disclaimers and evasions to which we have already drawn attention and falls into line with the general pattern that we have observed all through and adds to our conviction that we have not been told the whole truth by anyone who was concerned with this deal.”

So, it implies that the then Finance Minister, Shri T. T. Krishnamachari

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was also suppressing the truth and whatever he gave out was not the truth. This was a suppression of fact is clear from whatever has come out of this discussion before this House. So, I hope no attempt should be made or will be made to bring back Shri Krishnamachari into the Cabinet. There is a saying that 'the paths of glory lead but to the grave', and Shri Krishnamachari should console himself by remembering that 'the paths of corruption lead but to resignation'. That should be his consolation.

There is another thing—how Shri Krishnamachari or Shri Patel or Shri Vaidyanathan and others were ignoring the procedure laid down by Shri C D Deshmukh. In the name of this autonomous corporation they flouted everything. I have quoted certain passages from the report to show how they grew bolder and bolder until the camel drew the Arab out of the camp.

Another point is this. When Shri Krishnamachari himself visited the Corporation offices he had made certain remarks. Those remarks are worth reading. He said something about the functioning of the offices. Shri T T Krishnamachari visited the LIC offices on 15th April, 1957 and recorded the following note:

"I am sorry to say that my visit to the Corporation and certain sections of the Zonal Office for two days has not left with me a feeling of satisfaction that things are all right. In the first place, the Head Office organisation wants a lot of brushing up. I find from the record which Shri Kamat showed me about my direction to Rajagopalan more than 2 months ago, that apparently Rajagopalan had taken no action. I would consider this to be a grave dereliction of duty. I am not sure whether under the circumstances, Rajagopalan is suitable for continuing as managing direc-

tor of the Corporation. On all accounts Vaidyanathan is no use, he was never very good at the best time. I suppose he is actually senile."

This Shri Vaidyanathan, at the time insurance was being nationalised, came out with an article which was against nationalisation. Unfortunately, the story of this country is that we nationalise an industry without nationalising those who are to run that industry. That is the greatest tragedy here. These people who stood against nationalisation when they join the nationalised industry want to prove that nationalisation is nothing and there should be no nationalisation in future. Now, this is the picture of nationalisation in this country. So, I personally feel that the entire thing has to be reviewed again.

Now, coming to the UPSC report before I say something I must congratulate that particular member, Shri Pilla, who had the courage and boldness to give a note of dissent when he knew very well that Government would not accept it. I congratulate him for such remarks. But I want to put a pointed question to the hon. Minister today whether it is obligatory on the part of Government to accept the advice of the UPSC. If the reply is in the negative I would ask, why then, did they ignore the Vivian Bose report and accept the recommendations of the UPSC? Why did they ignore the report of a Board headed by a learned judge of the Supreme Court?

It may be pleaded, taking advantage of the UPSC report, that Shri Patel was found guilty but later on the UPSC recommended that he was not guilty so that Shri Patel has been left out. Then why was Shri Krishnamachari forced to resign? I may assure the House that two wrongs do not make one right. So, let there be no attempt to bring back Shri T T Krishnamachari again.

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There is another thing

An Hon. Member: You are so much afraid of him?

Shri S. M. Banerjee: No, not at all, not even of the party; not all of you I am not afraid of you all.

Shri Tyagi (Dehra Dun). We are proud of him

Shri C. K. Bhattacharya (West Dinajpur) He is still a member of the House.

Shri Tyagi: We are proud of him, the party is proud of him.

Shri S. M. Banerjee: The party may be proud of him, you may be proud of him, it is very good

My submission is this When the Vivian Bose Commission was sought to be discussed in this House and when certain reports leaked out in the Press and we demanded from the hon Minister that it should be placed on the Table of the House, you were kind enough to suggest that the report should at least be circulated to the Members during the off season Had this report come out at that time, I think, the position would have been different Unfortunately, this House has been reduced to a *post-mortem* House, where all those surgeons belonging to the various places in the country are operating on this Mundhra scandal just to find out what was the disease I do not know what words to use I am really sorry for this affair

The Home Minister has always been trying to hide certain truth A few days back there were reports in the papers that some secret files had been stolen by a clerk in the Ministry of Home Affairs Because there was no time left, I tabled a short notice question It was a very serious matter How could secret files be stolen by a clerk? What were the contents in that file? The reply which I have received says:

"I am directed to state that the Home Minister is not prepared to accept short notice . . ."

Unfortunately, I have no time to give the usual notice

Mr. Speaker: When was that question tabled?

Shri S. M. Banerjee: I got the reply only yesterday

Mr. Speaker: When was it tabled?

Shri S. M. Banerjee: About seven or eight days back, I believe

Mr. Speaker: Even then there were more than ten days

Shri S. M. Banerjee: I had many questions on the 11th and this was very urgent and important

Mr. Speaker: What I say is that if short notice is not accepted, then there is sufficient time for long notice

Shri S. M. Banerjee: But I got that reply only yesterday

Mr. Speaker: Why did he give notice of a short notice question then?

Shri S. M. Banerjee: The matter was urgent and important

Mr. Speaker. Hereafter whenever hon Members are in doubt, they can table both a short notice question and a long notice question

Shri V. P. Nayar (Quilon): But that will be a ground for not accepting the short notice question

Shri S. M. Banerjee: In the end, I would say that in view of the discussion that has taken place in this House, the Government must revise the decision. I feel that the members of the Government are not following a policy which is in the interest of the country. I remember to have seen the picture of the three wise monkeys with Gandhiji That seems to be the policy of the Congressmen and the ruling party Do not speak, do not hear, do not see—what?—cases of corruption The policy of those wise monkeys is being followed by these unwise Congressmen in a different way. They ignore all cases of corruption. So, my submission is this After all

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this discussion, Government must reconsider their decision and punish those who are guilty. It is not an aspersion on the ICS officers if one ICS officer has proved himself to be a black sheep. If he is punished and if people speak ill of him, it will be doing only justice and it will not affect their morale. They will also think that this man was a black sheep among them.

With these words, I again demand the hon. Minister to revise the Resolution, which, in my opinion, is absolutely wrong. Otherwise, as Shri Mahanty has suggested it should be consigned to the waste-paper basket as that is the place which this Resolution deserves.

Some Hon. Members rose—

Mr. Speaker: I am not prepared to call Shri Khadilkar. I have looked into the list. I must give opportunity to the other groups also. The U.P. people have spoken. I propose calling from the Socialist Group Shri Braj Singh and then Shri Kamble from the Republican Group. Then I will call upon the hon. Minister.

Shri P. N. Singh: Sir, from the Socialist Group, I will speak. My name is P. N. Singh.

Mr. Speaker: Very good.

Shri Tangamani: Sir, my name has been given.

Mr. Speaker: But the Party has taken 30 minutes or so. Shri Thanu Pillai.

Shri Thanu Pillai (Tirunelveli): Mr. Speaker, while considering this report, the hon. Members applied their minds to loopholes suitable to them. Two Commissions and the UPSC have come to rather different conclusions. While the Chagla Commission made certain observations and we still had doubts as to whether it was the right conclusion, the Bose Commission had come out with a different approach. The Bose Commission

was given more information than was made available to the Chagla Commission and it has come to a certain conclusion. In that conclusion, though it brings in circumstances such as the Minister going to Bombay and Mundhra also going to Bombay, it has not been established that there was any concurrence and understanding between the Minister and Mundhra. The very name Mundhra creates a fear in the minds of some people. There are many Mundhras in this country. He is only a creature of circumstances. When you allow the race course of industrial capital called the share market and the bucket-shop called brokers, certainly, not one Mundhra but many Mundhras could be created. We will have to look into the system of the economy of the country and not simply say that a man has done this. It is true in the world that many a culprit goes scot-free and somebody who is caught, though he had committed a lesser sin, is punished with a capital punishment, sometimes. Not that I hold a brief for Mundhra. When you consider an individual, his other circumstances will have to be taken into consideration. People who talk about Mundhra and make capital out of the name Mundhra have behaved worse than Mundhra in the State sectors. People have made money. There were accusations made here. Circumstances could be utilised for the benefit of certain people, institutions or parties. Much was said about the contribution to the party funds. Government has also explained how this question of party funds has to be dealt with. Which party has not received funds from the public? Every Party, including the Communist Party, has received funds. We receive it openly, of course, from Mundhra and men like him. . . (Interruptions.)

Shri B. K. Gaikwad (Nasik): Not the Republican Party.

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Shri Thanu Pillai: Who knows? Nobody knows about the Republican Party. It has to be looked into with a microscope. That may be the trouble with that party. (Interruptions.)

Shrimati Renu Chakravarty (Basirhat): Can you prove it?

Shri Thanu Pillai: The hon lady Member is angry. Perhaps she wants to force me to say something about Kerala and the past Kerala Government. We have got a principle not to attack those that are dead and gone. So, that Government is not there and we do not want to attack that Party. The point is that all the parties, including the Communist Party do get funds.

Shrimati Renu Chakravarty: Why do you not prove it?

Shri Thanu Pillai: It cannot be refuted. (Interruptions.) They use the trade union front for intimidating many people.

Shri B. K. Gaikwad: On a point of explanation, will the hon Speaker ask the hon Member to correct himself because I have said on behalf of the Republican Party that the Republican Party has not received a single pi from such persons?

Mr. Speaker: He said that all parties got funds. (Interruptions.)

Shrimati Renu Chakravarty: Where is the proof, if he is so sure?

Mr. Speaker: Order, order. He generally says that there is no party which does not receive funds. The hon. Member stood up and interrupted him. Then he said that he could not say definitely and that is all that anybody can say.

Shrimati Renu Chakravarty: What is the meaning of this allegation?

Mr. Speaker: One swallow does not make a summer. If one party does not get, does it mean that all the

other parties do not get? (Interruptions.)

Shrimati Renu Chakravarty: Sir, on other occasions, you have ruled that one cannot make a sweeping allegation without substantiating it.

Mr. Speaker: All parties receive some funds. (Interruptions.)

Shri Thanu Pillai: I am prepared to substantiate it. Let the Communist Party come out for an enquiry to find out whether it has not received any money from any quarter. I challenge them. I am prepared to come before the Commission and say whether, vis-a-vis the Congress Party, the Communist Party has been receiving funds or not.

Shrimati Renu Chakravarty: Is he prepared to move a motion like that?

Shri Thanu Pillai: Not only that. We get money from Indians in our country. But they get money from outside. (Interruptions.) It is very difficult when people are told the truth. Truth is sometimes hard to lease. It was an open fact that money was being collected as a fund for parties during the freedom struggle and even after the freedom fight because we have to fight these people. We are not having a one-party State. We have got a multi-party State. They adopt certain methods, and we adopt certain different methods.

Shri Prabhat Kar (Hooghly): You are to safeguard the interests of

Shri Thanu Pillai: They have got many Mundhras. Not only there are individual Mundhras in this country, but I am constrained to say that the misuse of finance in Kerala now becomes more apparent, more real. I am forced to say that the communists had created a Mundhra State in this country. Why shout about individuals,

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when a State can utilise its machinery to utilise the funds for the sake of the party?

Shrimati Renu Chakravarty: Have you got proofs? Why don't you move for an enquiry? (Interruption)

Shri Thanu Pillai. I am ever ready to accept an enquiry. The people of Kerala have told you what it is. Everybody in this country knows it. What is the use of hiding a fact, a fact which is so apparent, so patent, so real? The people of Kerala did not fight for nothing. They fought because they found that a State of Mundhra was developing and it was very dangerous. (Interruption) That was the only reason why the people of Kerala were forced to agitate. (Interruption) We are going there and there we will meet you, don't worry.

Now, coming to this Report—Sir, you must give me more time to cover these interruptions—Shri Sivashunmugam Pillai has come to a right conclusion. The other commissions have held that the whole truth has not been told. At least the dissenting member of the UPSC has found that the whole truth has been spoken.

The drag in the Calcutta market was a reality and the Minister, on his avowed principles, did not want to use the finance of the LIC for the protection of the drag on the share market. Therefore, the principal Finance Secretary who had his own theory, his own approaches, so much liberty of action, so much discretionary authority, overstepped his authority and took an over-interest in the deal in which he was bringing in the Mundhra affair. Now if the market value of all these shares is taken the LIC is not a loser but a gainer. But that day, when this question was raised, the situation was different.

Shri Morarka (Jhunjhunu): But the method was wrong.

Shri Thanu Pillai: The deal may be wrong. If there had been any attri-

bute of corrupt practices, of *mala fides*, I would have accepted the observation of Shri Morarka. But in the absence of *mala fides* being attributed anywhere, you should give the better interpretation if there are two possible interpretations. Therefore, if somebody has made some money and some of our hon friends know it, it is beyond the purview of this House because that has not been mentioned in any of the reports and no *mala fides* have been attributed to anybody. As such, the best construction that could be placed is that the Principal Finance Secretary took upon himself a strong measure to put up that share market which was dragging. And, it was a deliberate drag on the market, because many banks and many share brokers were unloading the shares of Mundhra concerns particularly because that man was caught in bad debts. If he had been given time, it is possible that he might have consolidated his position and got things settled. God only knows whether even after this he will come again in another name and consolidate his position, because the system, as I observed in the beginning, is such that if a few bankers will under-write, if a few share brokers will assist, a man with scrap or with nothing can become a multi-millionaire in a few months or a year. That being the economic situation and the pattern of society, much could not be made out of this one man's name being shown as a red herring everywhere.

Now, coming to the Minister's part of it, hon Members of the Communist Party, particularly said that he is very much kicking and alive and therefore they were taking this attitude. If the hon Member concerned had an objective thinking and said that there was this reasoning, this principle involved in the face of the facts about the Minister and therefore he was taking a particular approach, I would have welcomed it. But the

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hon. Member who spoke yesterday on behalf of the Communist Party said that Shri T. T. Krishnamachari is quite alive and kicking. Therefore, Sir, there is the fear of the hon. Member and his party. A strong man from the Congress Party to be on the Treasury Benches is not to their liking. That should not be the motive behind in analysing the deeds of persons, whether Members or Ministers, by this House. This House, Sir, when it expects the respect and regard to be given to it, hon. Members, to whichever party they might belong, must bring in an objective thinking and not accuse a particular individual who is not to their liking giving interpretations which are extraneous.

As Shri Feroze Gandhi very ably submitted before the House yesterday, it has not been proved that the Minister told categorically that this money could be invested in any of the shares. But as all of us know, he said: "Look into it". If it means that there was a categorical direction by the Minister to buy these shares and the Principal Finance Secretary took it to be so, it may be that he was aware that he did not give any consent but he thought that the purchase of these shares could not have been very bad and in the ultimate analysis it would all come up, as it has actually come up. But, then, there was another difficulty also. He could not go into the full question and immediately bring in only the good shares and leave out the bad shares. It is the bad shares which would affect those concerned. Therefore, perhaps, he speculated. The Principal Finance Secretary or any officer of the Government has no right to speculate on Government money or Government authority. If the finding is there that he has overstepped his authority and taken over-interest in the matter, to that extent....

Shri Feroze Gandhi (Rai Bareilly): I think I have been a little misunderstood. What I said yesterday was that

Shri T. T. Krishnamachari had not mentioned to anybody that the Life Insurance Corporation should invest in these shares. It is only when Mr. Patel went to him that he said: "Look into it".

Shri Thanu Pillai: That is right. I am only saying that on this "Look into it" Mr. Patel took up the matter. As I said earlier, when there are two possible constructions, we should take the better one. The Government has in its wisdom dropped the charges. In democracy, when you wield power, according to our old saying, you must use it mildly. The benefit of doubt should always be given to the accused even if some doubt is there. The Government was rather generous. It was not afraid of taking disciplinary action against an I.C.S. officer because other officers will all be demoralised. There are cases where I.C.S. officers have been punished. But in this case they perhaps thought it proper to drop the charges without taking any further stringent disciplinary action, not out of fear of demoralisation of other officers but out of generosity and the benefit of doubt being given to the accused.

Then, there is much force in the argument that if the factual wrong or mistake has not been established, the constitutional responsibility also is rather meaningless. To that extent, when one is dropped the other has to be amended.

Shri Krishnamachari, I would submit, resigned even before the Chagla Commission's Report was published. His resignation was tendered much earlier. We have had other instances. Shri Lal Bahadur Shastri resigned because he felt after the Ariyalur accident—it touched him so much—that his department had gone wrong and he thought he must take the responsibility and resign. Because he resigned can you say that there were other attributes to be attached to him? Likewise, Shri Krishnamachari honestly felt—he eloquently speaks about it

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in his letter to the Prime Minister—that it won't be proper or useful for him to continue in that important office and be of assistance to the Prime Minister or the Cabinet with these sorts of reports and rumours and enquiries. The resignation was accepted after the report was submitted. Therefore, during the time between his resignation and its acceptance the report was submitted to Government. Therefore, it is not the outcome of a finding that Shri T. T. Krishnamachari resigned. But he resigned by his free will. As he was a Minister belonging to the Congress party, he thought that he must set a good example to this country. Further, there is the precedent of Shri Lal Bahadur Shastri. Therefore, Shri T. T. Krishnamachari's resignation is not the outcome of the Chagla Commission's report or its findings. But he resigned on a principle which he thought was sacred, and he applied to himself that principle. We must put only that construction and not feel that his resignation is the outcome of this report and that it should be amended and all that.

So, my clarification of the whole position would be that the Minister resigned by his own free will, the report had no impact on the resignation and the further action taken by Government was dependent upon this democratic approach, a sort of softer approach than a stringent approach.

Mr. S. Aney (Nagpur): Was the resignation before or after his examination as a witness by the Chagla Commission?

Shri Thanu Pillai: There was no question of resignation before the Chagla Commission enquiry at all. Before its report or its finding was out, he submitted his resignation. But apart from that, I may say that the report is different and the enquiry is different. The resignation is not the outcome of that finding. Even before

that finding, he gave his resignation. That is my submission.

Therefore I would submit that the Government's resolution is quite in order and most proper and nothing else could have been better.

Shri B. C. Kamble (Kopergaon): Sir, at the outset I would like to raise an important question, namely, what is the constitutional convention that this House proposes to adopt with regard to such reports. The kind of report which is before the House has a special significance because the Board was headed by the best judicial men. They have no partisan mind and therefore they reflect, as a matter of rule, the wishes of all sections of the House.

I was searching whether there is any similar report in any other country which can compare with this report here. I found such a report in England, in the year 1949, there was a report called the report of the tribunal appointed to enquire into the allegations reflecting on the official conduct of the Ministers of the Crown, and other public servants. I have carefully gone through that report with a view to make a comparative study of the report before us as well as the Chagla Commission's report.

In the year 1949, what was the attitude that the Government in Britain took, and what was the attitude that the opposition party took in the British Parliament? I shall be concise and I shall show what was the convention there and what convention this House should follow. At that time, Mr. Attlee was the Prime Minister of Great Britain. What was the motion that he made? The motion read like this:

"I beg to move that the report of the Tribunal appointed under the Tribunals Enquiry Act, 1921, etc., etc., be accepted by the House"

That was the motion that was made by the British Prime Minister. What

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is the speech that he made? Very briefly, the speech was

"Where there are rumours, rumours of corruption in the public service which might shake public confidence, there must be means of rapid investigation"

How did he conclude his speech? He concluded by saying:

"Whatever be our party differences, we are all united in our determination to maintain the highest standards of integrity in the public life of the country. The report of the Tribunal has shown the pitfalls that beset the path of public men in high positions and the terrible consequences that may flow from any laxity"

That is what the Prime Minister of the United Kingdom said

What was the attitude that the Opposition took at that time? At that time, the Conservative Party was in the Opposition and Mr Churchill made a speech. What was his speech? Briefly the substance of the speech was

"I cannot feel that any party issue is involved. The honour of the Labour Party, of the Conservative Party and the Liberal Party is not the interest of those parties alone, but of the British nation"

Therefore, what I would like to say is this: whether we are united or not united, so far as the maintenance of high standards of integrity in public life is concerned, my submission is, we should remain united. That is to say, a certain convention must be followed.

The other question is this: When there are rumours, and, as Prime Minister Attlee said, when there are rumours which shake the public confidence, whether we agree or we do not agree, we must have rapid means of investigation. I suppose the hon

Home Minister would raise himself to the status to which Prime Minister Attlee rose. That is to say, with regard to such reports, the constitutional convention is that the reports must be unanimously accepted. That is why I submit that in the case of this report this convention should be followed.

We have got a Constitution. It is a ten-year old Constitution. It is purely a skeleton. Therefore, flesh and blood must be put into the Constitution and that can be done only by adopting this kind of convention. Therefore, what I would submit is that this kind of reports, and particularly this report before the House should be unanimously accepted by the House.

I would now turn to other things. My hon friend Shri Feroze Gandhi made a very nice speech. I heard him quite attentively. However, I was rather wondering whom he was complaining against. That was my wonder. He was complaining, or he was criticising the Government resolution. That is to say, he was criticising the Government of his own party. Having regard to the procedure and having regard to the methods of the parliamentary system of Government, I do not know whether he was fair to himself or to the Government of his party or even to the hon House, because there are certain things to be considered in this connection. I incidentally refer to this aspect of the matter because if there are views which go to criticise the Government policy, naturally they must come from the Opposition side and they must get more time. But what is happening is that much of the time is taken by the Congress members and I submit that there should be an improvement so far as this aspect is concerned.

What Shri Feroze Gandhi said is very important. He has given us the material and he said that the Bose Board's report leaves us guessing. He tried to point out what was

[Shri B. C. Kamble]

the driving force and he pointed towards Shri Chaturvedi, the Chairman of the Calcutta Stock Exchange. He received cheers in this House, that is to say, the House was almost in agreement with what Shri Feroze Gandhi said. If that is so, the material that he has given leads us to further investigation. In other words, we cannot stop here. Unless we trace it fully and see where the responsibility lies, we cannot stop. Otherwise, the impression in this House and outside the House would be that there are more energetic men, more intelligent men, more 'designful' men who can defy even the best of judicial minds, who can defy the Government and who can defy Parliament. That impression should not be there. Therefore, Shri Feroze Gandhi has supplied further information and there must be further investigation in order that we should have the means of rapid investigation when there are rumburs which shake the public confidence.

I have read the Government resolution very carefully. The hon. Home Minister is here. I am sorry to say that the resolution is without any substance whatever. It does not contain any substance. On the contrary, the resolution is on the defence. It has nothing positive to say. It is apologetic. This matter arose out of a good deal of discussion in this House. The House adopted a certain resolution which was moved by the hon. Prime Minister and that was on the Chagla Commission's report. My precise question is, can Government adopt independently a resolution without taking this House into confidence, when it had been stated in the motion passed by the House that appropriate proceedings shall be initiated against the officers responsible for putting through the transaction? This House was silenced on the basis of that assurance which was given by the Prime Minister. Due to shortage of time, I will read only the relevant portion of the motion adopted by the House:

"Government propose to initiate appropriate proceedings on the basis of the findings of the Commission in respect of the officers responsible for putting through the transaction."

We are bound by this motion, whether the Home Ministry is bound or not; I suppose the Ministry also is bound by that. So, if due respect is to be given to the wishes of the House, prior to coming to the House, the Home Ministry cannot adopt any kind of resolution, as they have done now.

Sir, what is the appropriate proceeding? Is dropping the charges appropriate proceeding? I would like to know from the hon. Home Minister as to whether whatever the Prime Minister said is or is not to be respected. The Prime Minister said that appropriate proceedings shall be initiated. But we find the appropriate proceeding is dropping the charge. It is really very wonderful that they do not have any regard whatsoever for a motion which has been already passed by this House.

I am not particular about Mr. Patel, but I am saying to the Government, you honour your word. What are the grounds given for dropping the charges against Mr. Patel? Four grounds are given: Distinguished record, complicated post-budget situation, absence of *mala fides* and advice given by the UPSC. With regard to his distinguished record, was Government knowing or not knowing about the distinguished record before the Board was appointed? The distinguished record was there already. The complicated post-budget situation also is well-known; there is nothing additional or special about it. Regarding absence of *mala fides*, when Mr. Patel's explanation was received by Government, could Government see any *mala fides* or *bona fides*? If Government could see that there was absence of *mala fides*, Government should not have instituted an inquiry

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with regard to Mr. Patel. But Government was satisfied that there was something to be inquired into and so Government instituted the inquiry and Mr. Patel was accordingly charge-sheeted

There is a curious thing, viz. that Mr. Patel raised a question about the jurisdiction of the Bose Board according to the rules of discipline and he said, the Board has no jurisdiction. He referred to rule 5. Due to shortage of time, I cannot go into it in detail. Incidentally, I would say to the Government, please come forward with a Bill to make a law under article 309 which will govern the service conditions of the employees with regard to the affairs of the Union. The service rules are being framed on the basis of the old Act probably the Government of India Act of 1935. I do not know the exact position. The proper position would be that Government should bring forward a Bill under article 309, which provides

"Subject to the provisions of this Constitution, Acts of the appropriate Legislature may regulate the recruitment, and conditions of service " etc

With regard to the UPSC's advice, the UPSC have entered a field which is not theirs at all. In fact, they had no business to enter into the findings of the Bose Board. The UPSC shall be consulted only with regard to disciplinary action. What they have to say is, either take disciplinary action or do not take; or the action should be more severe or less severe. Beyond that, they cannot go into the findings of the Bose Board. Otherwise, we are creating very bad precedents. Of course, while action against members of the UPSC should not be taken, there is the appropriate article 370, whereby the members of the UPSC can also be removed. Therefore, this matter should be fully enquired into as to why they have such advice. That is very strange. I have gone through the

reports of the UPSC and there are many instances where the Commission gave certain advice, which was not accepted by Government. There is a case of an executive engineer who went to the Deputy Director and saw him without his permission. Immediately he was fined. Even though the UPSC said that action should not be taken in that case, Government took certain action. But in regard to Mr. Patel, two Commissions have held that he is guilty. How can you then say, "We rely partly on the advice given by the UPSC"?

Finally, I would submit to the House that if we do not adopt a convention to adopt such reports, our future is not so good. I am saying this because in future, it is likely to happen that there will be no regard whatever for the findings of any judicial authority. Therefore, due respect should be given to the report and the report should be adopted. Further, if we believe in high standards, there should be a further investigation into the matter. The matter should be fully dealt with in a proper manner, so that the public may know that the Members of this House are so vigilant that the matter cannot be left half-way and it should be dealt with fully and properly. That is my submission.

श्री प्र० ना० सिंह (चन्दीनी) श्रीमान्,
मूदडा कांड के उद्घाटन के अवसर पर हम ने ऐसा महसूस किया था कि भ्रष्टाचार और मनमानेपन का सात्मा अब शायद हमारे देश में हो सके। लेकिन मुझे इस बात का दुःख है कि जिन लोगों ने इस कांड का उद्घाटन किया उन्होंने ही अब जब इस सदन में अपनी तकरीर की उस में उन्होंने सब से ऊंचे बैठे हुए लोगों की बहुत जोरों के साथ बकालत की और इस बात को देख कर और सुन कर बहुत ही आश्चर्य हुआ।

यह सही है कि वह बकालत बहुत ही योग्यता के साथ की गई है। यह भी सही है

[श्री प्र० ना० सिंह]

कि इस बाकालत को करते समय ऐसे एविडेन्स को पढ़ कर सुनाया गया जिस से ऐसा लगता था कि शायद श्री टी० टी० कृष्णमाचारी का इस मूदड़ा डील के मामले में कोई सबब नहीं था। जहाँ तक सीधे रिश्ते का मवाल है वह सही है कि श्री टी० टी० कृष्णमाचारी का जहाँ तक ताल्लुक है, वह सीधे तरीके से बात हमारे सामने नहीं भाई है। लेकिन यह बात भी सही है कि छागला कमिशन और उसी के साथ साथ त्रिनिडन बोम इन्क्वायरी बोर्ड को जिस सीमा के अन्दर रह कर काम करना पड़ा है उस को भी ध्यान में हमें रखना होगा। हम को यह भी देखना है कि जो मर्कमस्टासिस हैं और जिन मर्कमस्टासिस में जा चीज हमारे सामने आई है डायरेक्ट एविडेन्स न होते हुए भी, क्या मर्कमस्टासल एविडेन्स इतना काफी नहीं है यह पता लगाने के लिये कि श्री कृष्णमाचारी का सम्बन्ध है या नहीं? श्री कृष्णमाचारी की वकालत बहुत ही खबर्दस्त तरीके से हमारे सामने की गई है। इस सम्बन्ध में मैं इस रिपोर्ट की तरफ और खास तौर से गवर्नमेंट का जो रेजोल्यूशन है, उस के पेज ४ पर, पैरा १० की तरफ ध्यान का ध्यान बिलाना चाहता हूँ। इस में गवर्नमेंट की तरफ से कहा गया है —

"The evidence produced in this case has been examined minutely by the different bodies. It is clear from the evidence that the initiative for the purchase of the Mundhra shares in the June transaction did not emanate from the Minister himself. The selection of all the shares or the determination of the prices or the principles on which they were to be based were not brought to the notice of the Minister before the transaction was concluded"

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जो इस्ताब सबन के सामने है, जिस को कि गवर्नमेंट ने पास किया है, उस में

इन बात को कहा गया कि जिस समय तक ट्रांजेक्शन कनक्लूड हुआ, उस समय तक मिनिस्टर को इस बात की जानकारी नहीं थी, उन को कोई विशेष जानकारी नहीं थी। इस मोदे के सिलसिले में जितने तौर तरीके अपनाये गये, उस के सम्बन्ध में पूरी जानकारी न होते हुए भी यह सही है कि थोड़ी बहुत जानकारी उस समय उन को थी लेकिन मैं तो यह पूछना चाहता हूँ कि सौदे के बाद उस को जानकारी हुई या नहीं, सौदे के बाद उन्हें उस के डिटेल्स मिले या नहीं? और यदि सीधे हॉने के बाद उन्हें पूरे डिटेल्स मिले तो उस के बाद उन्हो ने क्या कार्रवाई की? क्या उन्हो ने उन आफिसर्स को पुल अप किया जिन्होंने इस तरह की कार्रवाई की? क्या उन्हो ने इस सदन को इस बारे में काफिडेंस में लिया? जो प्रिंसिपल प्राइवेट सेक्रेटरी पटेल, कामथ और वैद्यनाथन ने मिल कर कार्रवाई की, उन के सिलसिले में उन्हो ने हाउस के सामने इस चीज को रक्खा कि जा कार्रवाईयाँ उन लोगों ने की वे उचित नहीं थी? इन चीज को देखना भी जरूरी है कि जब २२ जून को श्री टी० टी० कृष्णमाचारी ने पटेल साहब ने इस बात की कहा, मूदड़ा शेअर्स खरीदने के सिलसिले में चर्चा की तो ऐसी बात नहीं कि टी० टी० कृष्णमाचारी को मूदड़ा शेअर्स के सौदे के सिलसिले में जानकारी न रही हो। थोड़ी ही जानकारी सही, मामूली जानकारी सही, कौञ्चल जानकारी सही, मीटिंग से जाते हुए जानकारी सही, लेकिन ये जाबता चाहता हूँ कि किसी स्थिति में उन्हें जानकारी कदाई र्क मूदड़ा शेअर्स, मूदड़ा के ऐंटिसिडेंट्स टी० टी० कृष्णमाचारी को मालूम हो या नहीं? वह यह जानने के या नहीं कि मूदड़ा किस तरह का थावनी है? किस तरह का व्यवहार करने वाले यह मूदड़ा साहब हैं। इस सिलसिले में अधिक न कह कर मैं खुद विविधन कोस एग्जावरी कमेटी की रिपोर्ट के ३७ पन्ने को पढ़ना चाहता हूँ :-

"We will first travel back to the year 1955. Mr. Krishnamachari told us that he knew about certain of Mr. Mundhra's activities, which he specified, as far back as 1955. As he chose his words carefully, it will be fairer to use his own language. He said:

"Mr Mundhra is a person who comes under the purview of the Government. We did not like integration; and we did not like inter-locking of funds. I did not like his getting control of these companies."

In another passage he says:

"The position about Mr Mundhra, as I knew, is that he was buying companies, as most other people are doing. He has used funds of one company for the purchase of another and the inter-locking is the main scheme of building up an empire. In this particular case, he is very young and inexperienced and that is why from the beginning I told my predecessor, who asked me to meet him in 1955, that I did not think him any good."

इस के साथ साथ हम ध्याये बढ़ कर इस बात को भी देखते हैं कि टी० टी० कृष्णमाचारी को केवल इसी बात की जानकारी नहीं थी कि मूद्रा कैसा घादमी है।

Shri Nambhir Bharucha (East Khanda): Read page 91. What does it all amount to?

Shri P. N. Singh: I certainly will do it.

उस के बाद हम इस चीज को भी देखते हैं कि टी० टी० कृष्णमाचारी को बम्बई सेजर स्टॉक एक्सचेंज में भी मूद्रा के कम्पनियों में टी० टी० कृष्णमाचारी ऐंड कम्पनी के नेमर्स को लिस्टर पर न ले जाने की बात की भी जानकारी है। वह सही है कि हो सकता है

कि श्री टी० टी० कृष्णमाचारी के पास सीबी सीबी बाते न घाई हो लेकिन टी० टी० कृष्णमाचारी ने जो बाने थी सी० डी० देशमुख को लिखी २३ अगस्त, १९५५ को उस में उन्हो ने लिखा था

"It seems very strange that, despite so many stringent measures in the Companies Act, right at our very nose Haridas Mundhra can do what he likes. . . I do think we must have some reserve powers for Government at least to secure information and to prevent mischief when a large block of the shares of any company whose capital and assets are more than 20 lakhs are to change hands"

इसी तरीके में इस बात को भी देखिये कि जहाँ तक मूद्रा कम्पनी के शेयर्स का मवाल है, जहाँ तक मूद्रा की रेपुटेसन का मवाल है, जहाँ तक मूद्रा के ऐडिटीवेंट्स का मवाल है, इन सारी बातों के सम्बन्ध में टी० टी० कृष्णमाचारी को जानकारी थी। ऐसी दशा में जब टी० टी० कृष्णमाचारी के मामले पटेल माहब ने कहा, भले ही कैबुचल रिफरेस किया हो, भले ही मीटिंग से जाते हुए कैबुचल रिफरेस किया, क्या टी० टी० कृष्णमाचारी ने इस बात की तकलीफ उठाई कि वे इस बात को देखें कि इस सम्बन्ध में सौदा हुआ या नहीं, और वह सौदा हुआ तो कैसा हुआ? वह सौदा अच्छा है या नहीं, वह व्यापारिक सिद्धान्तों के अनुरूप है या नहीं, और इस सौदे को हम मानें या न मानें? इस सम्बन्ध में यदि उन्होंने जानकारी की होती और उस जानकारी को प्राप्त करने के बाद उन अधिकारियों के खिलाफ कार्रवाई की होती जिन्होंने इस तरह की कार्रवाइयाँ की, तो में इस बात को समझ सकता था कि टी० टी० कृष्णमाचारी का इस में दोष नहीं।

इस के साथ साथ हम देखते हैं कि टी० टी० कृष्णमाचारी ऐसे घादमी थे जो

[भा प्र० ना० सिंह]

एल० आई० सी० के आफिस में पहुंच जाया करते थे, एल० आई० सी० के दफ्तर में जा कर खुद भाउंस लिखा करते थे, खुद हुक्म दिया करते थे। इस से एक बात बिल्कुल स्पष्ट है कि अपनी जगह पर टी० टी० कृष्णमाचारी के इस तरह की कार्रवाई पर गौरव रहने का मतलब क्या होता है? इस के माने क्या होते हैं? जब हम टी० टी० कृष्णमाचारी के सम्बन्ध में अपनी राय को रखते हैं तो हमें इस बात को भ्रष्टाचारी तरह से सामने रखना चाहिये।

यह भी बिल्कुल स्पष्ट है, श्री श्री फीरोज जी ने इस सदन के सामने सदन की सारी बातों का उत्तर देते हुए कहा था कि जिस समय प्रश्न का उत्तर दिया जा रहा था उस समय सारी बातें ठीक तरीके से श्री कृष्णमाचारी द्वारा सदन के सामने नहीं आईं। उस समय फीरोज जी ने कहा कि वे अपने पैरो पर कूद रहे थे और इस समय खुद हम ने देखा कि उन्होंने टी० टी० कृष्णमाचारी की बहुत जबर्दस्त बकालत की। मैं तो कहना चाहता हूँ कि इस पार्लियामेंट के इतिहास में फीरोज जी का नाम भ्रमर रहेगा, इस बात के लिये कि उन्होंने ही मूँदड़ा कांड का उद्घाटन किया और इस बात के लिये भी कि उन्होंने ही इस कांड के सब से ज्यादा जिम्मेदार भ्रष्टाचारी की बकालत की। इस के साथ-साथ मैं इस बात को

श्री फीरोज गांधी : इस में टी० टी० कृष्णमाचारी के खिलाफ जो है वह भी तो कहो। यही क्यों कहते हो, सब कुछ कहो। अगर आप को यह इत्तला है कि टी० टी० कृष्णमाचारी को इत्तला थी, तो उसे भी कहो।

श्री प्र० ना० सिंह : मैं फीरोज जी से कहना चाहता हूँ कि जब हम ला को एनक्वाय्रि कर रहे हैं तो उस एनक्वाय्रि के समय यह भी देखें कि जो सम्प्रीकेंट कांडकट है वह क्या है, वह गलत है या नहीं? अगर डाइरेक्ट

एक्विडेंट नहीं है तो जो सम्प्रीकेंट कांडकट है वह जुर्र साबित करता है या नहीं? मैं कहना चाहता हूँ कि टी० टी० कृष्णमाचारी का जो सम्प्रीकेंट कांडकट है वह साबित करता है कि इस 'दंडा डील' में उन का सीधा सम्बन्ध रहा है। इस के साथ-साथ मैं

श्री फीरोज गांधी : रुपये पैसे पर तो धापो।

श्री प्र० ना० सिंह : मैं इस चीज को कहना चाहता हूँ कि यह धाखिर क्यों हुआ। क्या इंटेशन है टी० टी० कृष्णमाचारी का? स्वयम् विवियन बोस बोर्ड ने लिखा कि चूंकि कांग्रेस पार्टी को डार्ड लाख रुपये एलेक्शन के सिलसिले में दिया गया, य० पी० की कांग्रेस पार्टी को, केन्द्रीय कांग्रेस पार्टी को, ऐसी हालत में इस डील के साथ इस चीज को जोड़ने की बात है।

श्री फीरोज गांधी : ५,००० रु० की बात तो कहो।

श्री प्र० ना० सिंह : हर चीज को कहूँ पबराइये नहीं।

श्रीमन्, मैं इस चीज को कहना चाहता हूँ कि इसी सम्बन्ध में विवियन बोस एन्क्वायरी कमेटी की रिपोर्ट में ५,००० रु० सोशलिस्ट पार्टी द्वारा दिये जाने की बात कही गई है। मैं इस सदन के सामने इस बात को रिफ्यूट करना चाहता हूँ और हिन्दुस्तान की सोशलिस्ट पार्टी अपने आप को किसी भी कमीशन के सामने पेश करने को तैयार है जो कि इस बात की जांच करे कि सोशलिस्ट पार्टी ने मूँदड़ा से रुपया लिया है या नहीं। वह सोशलिस्ट पार्टी कोई दूसरी होगी जिसने मूँदड़ा साहब से पांच हजार रुपये का लेन देन किया होगा। इस सम्बन्ध में मैं कहना चाहता हूँ कि यह बहुत भ्रष्टाचारी है यदि कोई कोड आफ कंडक्ट पोलिटिकल पार्टीज के लिए निश्चित कर दिया जाये कि उनके फाइनेन्सियल कंट्रोल से धार्य।

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अगर ऐसा नियम बना दिया जाये तो हम को इस में कोई ऐतराज नहीं होगा। हम जमीन पर खड़े रहना चाहते हैं। हम इन पूंजीपतियों के पैसे से इस सदन में घाने के लिए तैयार नहीं हैं। हम चाहते हैं कि जमीन पर खड़े होकर हिन्दुस्तान की सियासत की जाये चाहे वह सरकारी पार्टी हो या विरोध में बैठे हुए लोग हों। चाहे शहर की शिकायत हो या उधर की शिकायत हो, लेकिन अगर कोई ऐसा कोड आफ कंडक्ट बना दिया जाये कि पोलिटिकल पार्टीज को जो कुछ दिया जाये वह साफ तौर से खोगों के सामने आ जाये तो मैं यह कहने के लिए तैयार हू कि बहुत कुछ करपशन जो धाब दिखाई देता है वह दूर हो सकता है।

मैं यह कहना चाहता हू कि पोलिटिकल पार्टीज को फण्ड देने के सवाल के बारे में सदन को मामला साफ कर देना चाहिये। साथ ही यदि वर्तमान परम्परा चलती रही और जिन लोगों की बाजार में २०० और ३०० रुपए की भी चलन नहीं है उनको किमी मिनिस्टर का नाते रिश्नेदार होने के कारण उद्योगपतियों के यहा दोन्धे और डार्ड डार्ड हजार रुपया मिलता रहा, तो यह भ्रष्टाचार कभी खत्म नहीं हो सकता। यदि इस भ्रष्टाचार को खत्म करना है तो हमको पब्लिक लाइफ के लिये एक नया कोड आफ कंडक्ट बनाना चाहिये और जब तक ऐसा नहीं किया जाता यह मामला खत्म नहीं हो सकता। * * *

जहा तक पब्लिक सरविस कमीशन की रिपोर्ट का सवाल है, मैं यह कहना चाहता हू कि इस रिपोर्ट में कमीशन ने अपनी सीमा का प्रतिक्रमण किया है। छागला कमाशन के बाद और विवियन बोस इन्व्वायरी कमेटी के बाद जिनमें हिन्दुस्तान के उन बड़े-बड़े लोगों को भ्राम दिया जिनका कि जीवन ही कानून में बीता था, यूनियन पब्लिक सरविस कमीशन

उन पर जब बन कर बैठा और उन चीजों पर भी रिमार्क बात किये जिन पर ऐसे करना आवश्यक नहीं था। मैं ऐसा समझता हू कि ऐसा करके पब्लिक सरविस कर्म खान ने अपनी सीमा का प्रतिक्रमण किया है। ऐसी दशा में हमें इस बात का भी फंमला करना चाहिये और ऐसी लोकतन्त्रात्मक परम्परा का निर्माण करना चाहिये कि जब हम किसी मामले में बोर्ड आफ इन्व्वायरी बिठायें जिसमें इतने ऊंचे किस्म के लोग हों, तो फिर उसल फंसले के बाद इस तरह से पब्लिक सरविस कमीशन के सामने वह मामला भेजे तो उस सम्बन्ध में यूनियन पब्लिक सरविस कमीशन की क्या सीमा हो ?

जहा तक रिपोर्ट का सम्बन्ध है सरकार ने अपने प्रस्ताव में कहा है कि ऐसे मामलों में इस बात की परम्परा चलायी जाए कि कमीशन की बात को माना जाए और इसी बात को लेकर सरकार ने कहा है कि और कारणों के अलावा हम पटेल साहब को कमीशन की सिफारिश पर मुक्त करते हैं। मैं कहना चाहता हू कि जहा तक पटेल साहब का सवाल है शुरू से लेकर आखिर तक उनका इम डील में हाथ रहा है। इसको श्री फ रोज गांधी साहब ने भी स्वीकार किया है जिन्होंने श्री टी० टी० कृष्णमाचारी को इपमें से निकाल देने की कोशिश की है। और यह चीज रिफाई से भी साफ तौर से साबित है कि पटेल साहब का हाथ इस डील में शुरू से आखिर तक रहा। इसलिये मैं इस सम्बन्ध में सदन के सामने पुनः सारी बातें नहीं रखना चाहता।

जहा तक श्री कामथ का और वैखनाथन का सवाल है, मूदड़ा के शेर्यर्सका दाम ८२ रुपए के बजाए ८० रुपए श्री कामथ ने ही कर दिया और फिर इस चीज को कामथ साहब ने नहीं देखा कि किस तरह शेर्यर्स का दाघ तय किया गया है। अगर वह तमाम चीजों को स्वयं देखते तो सरकार को दस लाख रुपए

[श्री अ० ना० सिंह]

का नुकसान न होता और ५० लाख रुपये इस तरह से लाक न होता। जहाँ तक श्री कामध, श्री पटेल और श्री बैद्यनाथन का सम्बन्ध है इतनी बात साफ है कि जो लौदा हुआ उसके तिलसिले में जो ज्यादा रकम की गयी उसमें बड़ी भारी लापरवाही बरती गयी, मैं तो इसको क्रिमिनल नेगलीजेंस कहूँगा। मैं इस सम्बन्ध में ज्यादा न कह कर केवल इतना ही कहना चाहता हूँ कि इन अधिकारियों के सम्बन्ध में सरकार ने जो रुक प्रपनाया है वह अपनी जगह पर उचित नहीं है।

इसी के साथ साथ अन्त में मैं यह कहना चाहता हूँ कि इस मुद्दा काण्ड के तिलसिले में हमारे जो अर्थ के चार स्तम्भ हैं, विल बन्नालय, रिजर्व बैंक, स्टेट बैंक और जीवन बीमा नियम, ये भी हिले बिना नहीं रहे हैं। इन सभी पर थोड़ा बहुत छीटे पड़े हैं। इसलिये मैं कहना चाहता हूँ कि यह एक बहुत गम्भीर बात है हमारे लिये, इस मदन के लिये और इस देश के लिये कि आज इस देश के अन्दर इस तरह की कार्रवाई हो रही है। मैं ऐसा समझता हूँ कि जो लोग इस प्रकार बनता के रूपों के साथ खिलवाड़ करते हैं यदि उनके विरुद्ध ठीक कार्रवाई न हो तो एक अम्झी परम्परा का जन्म नहीं होगा और उसका नतीजा यह होगा कि भ्रष्टाचार बढ़ता चला जाएगा और उसके चलते लोक-उन्मात्सुक न्यायादान सत्रों में पड़ जायेगी।

इन शब्द शब्दों के साथ मैं यह कहना चाहता हूँ कि यह जो प्रस्ताव सदन के सामने है और जो रिपोर्ट सदन के सामने है, उसके सम्बन्ध में जो बहुत हुई है इस पर गृह मंत्रालय और वित्तीय मंत्री जी सोच विचार करें और इस सदन की जो राय है उस पर ध्यान देते हुए कोई पुनः समुचित फैसला करें।

Shri G. B. Pant: Mr. Speaker, Sir, I had the opportunity of listening to the speeches that have been delivered this morning and also to some of the speeches that were made yesterday. I have gone through the record, of the speeches that were made during my absence. I should like to express my appreciation of the elaborate speech delivered by Shri Feroze Gandhi and to congratulate him on the immense pains taken by him in studying this question. He has waded through thousands of pages of evidence and has also examined the other material. It is something which, I think, may well be followed by some of us too. I wonder if we are equally industrious.

This matter was first brought to light by Shri Feroze Gandhi and perhaps Dr Ram Subhag Singh—two of the leading members of our Party. There has been considerable talk in this House about the maintenance of the highest standards of integrity. I wonder if the example set by these friends by themselves does not fully prove and demonstrate the anxiety of the members of the Party to maintain the highest standards of public conduct. The probe into this affair was initiated at their instance. It was in the course of the discussion, I think, that took place on the 12th of December, 1957 that the then Finance Minister himself suggested that a Commission of Enquiry should be set up. He agreed to do so spontaneously and he also had Chief Justice Chagla selected for this purpose. The choice fell on one of the most independent Judges in the country, if I may say so—I do not imply thereby that others are less so.

After that, the Chagla report was discussed here and the Government placed a motion before this House which, if I remember aright, was adopted unanimously by the House.

A number of speeches were made yesterday and a number of quotations

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were also cited from the report of the Vivian Bose Board of Enquiry I do not know if the purpose was to tell us that there were differences between the speakers and ourselves I do not think there are any In fact the scope of agreement and the field over which we all have a common outlook and a common approach is much wider than has been imagined We have been of the view—I have stated it in emphatic and unequivocal terms more than once in this and perhaps in the other House also, and the Prime Minister also did likewise—that this ill fated deal of June, 1957 was of an unbusiness like character and it was improper in many ways So far as the references to the report of any Commission are concerned in order to demonstrate or to establish this fact, I would tell my friends that I agree with them that there is no difference between us In fact, we have been as anxious to look deep into this matter and to make as piercing and penetrating an enquiry into it as might be possible That is the reason why after the report of the Chagla Commission had been received we had another body appointed

There, however seems to be some misconception about the exact character of the enquiry that was to be made by the Vivian Bose Board of Enquiry and the position that that Board had in accordance with the statutory rules and laws The Vivian Bose Board of Enquiry was appointed under the All India Services Rules made under the All India Services Act It was our desire and our wish that we should seek the assistance of eminent and distinguished men for determining the issues that were facing us Accordingly, we had this Board appointed I may state here that I had occasion to thank Chief Justice Chagla previously and I should like to thank Mr Vivian Bose and his colleagues and also the Members of the I.P.S.C

Some Hon. Members: What for?

Shri G. B. Pant: For their report

I am really sorry that some hard words have been said about esteemed and estimable persons who are discharging their duties according to their light and who have been appointed with due regard to their own capacity for undertaking and fulfilling the responsibilities that have been entrusted to them

I was just referring to the Vivian Bose Board of enquiry The Vivian Bose Board of enquiry was appointed under, I think, rule 5 of these rules We could have appointed either an individual or a Board We made the latter choice So, this Board was appointed Charges were framed against the officials concerned, that is, Mr Patel, and Mr Kamat Mr Vaidyanathan was directly in the service of the Corporation But, the Corporation agreed to refer his case too to this Board of Enquiry So, all these three cases were committed to this Board of Enquiry What for? For giving their findings on the charges that have been referred to them by the Government It is not a Commission like the Chagla Commission for holding a general enquiry It was a Board of enquiry appointed under special regulations for a specific purpose

A number of references were made yesterday to the Vivian Bose Board report I do not consider it necessary to make any specific reference to other parts of the report But, I may submit that the main facts which have been emphasised were before us when we discussed the Chagla Commission report There is hardly anything new excepting the fantastic theory which we have to reject as being absurd the moment it is stated about assistance being rendered to Mundhra and that being a *quid pro quo* for this deal To that I may have to refer later I am just making a passing reference But, so far as the other facts go, there is hardly anything that was not before us when we discussed the Chagla Commission report, or which was not mentioned

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[Shri G. B. Pant]

in the course of that discussion. So, we have now the Vivian Bose report.

Under the rules, that report had to be referred to the Union Public Service Commission. The rules themselves provide this. I think rule 6 lays down that any report that may be made or any proposal that may be put forward will be submitted or shall be submitted to the Union Public Service Commission. This is a statutory obligation; and, of course, there cannot be the least doubt that the members of the board knew full well that their report and their proposals would be submitted to the UPSC. So, there was nothing novel about it; there was nothing that they did not know, nor was anybody competent to deal with this matter without referring it to the UPSC.

Apart from what is stated in the rules, there is article 320 of the Constitution itself, which lays down that no disciplinary action will be taken against anyone without a reference being made to the UPSC. It says:

"The Union Public Service Commission or the State Public Service Commission, as the case may be, shall be consulted...."

(c) on all disciplinary matters affecting a person serving under the Government of India or the Government of a State in a civil capacity, including memorials or petitions relating to such matters;"

So, the fact that the Constitution imposes this obligation on those who have to deal with these matters would leave no choice to them, and this obligation had to be fulfilled. Then, it has to be remembered that when such an obligation is imposed by the Constitution itself and also by the rules, then the opinion of such a body has to be given some attention. We cannot thus summarily reject it and say, well, another board, however composed it may be, and however constituted it may be, has look-

ed into it, therefore, nothing further remains to be done and we shall put our stamp and seal of approval on it.

The Constitution imposes this responsibility on us and imposes the duty on the UPSC to examine such cases when they are referred to it. Well, some people have not been very kind to it. The UPSC consists of seven members; it has two ex-vice-chancellors, one ex-Chairman of a State Public Service Commission, one ex-Speaker, one ex-senior member of the Board of Revenue, and one, I think, ex-Chief Engineer; and it is presided over by one of the seniormost members of our services.

So, in the circumstances, to speak of them in a manner which, unfortunately, was heard in this House yesterday, does not seem to be quite appropriate. Of course, it is open to anyone to bring a charge against any particular person and to establish it, but to make insinuations and to pass innuendoes against people who have to discharge their duty and who have been selected by us for that purpose, is not likely to hearten them in the performance of their arduous task.

Now, I would submit that the report of the UPSC is a concise, well-written and clear document. One may agree with it; or one may not agree with it.

Shri Tangamani: There is also a dissenting note.

Shri P. N. Singh: Have Government taken note of that note of dissent?

Shri G. B. Pant: I agree that both of them deserve considerable attention, and I have given thought to both. So, this has to be accepted that they have given very earnest thought to the matter, they have appreciated the importance of the issues involved, and they could not have lightly interfered with the report of the Vivian Bose Board. They

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would, if they possibly could, have concurred with what has been stated by the Vivian Bose Board.

There were certain things which I noticed yesterday. Many references were made to what the Vivian Bose Board had said, but the main thing with which we are concerned today is the report of the UPSC. They have given their own reasons, and they have stated their own views. Why should they be rejected simply because the Vivian Bose Board has made in some places references of a different type? Those who did not agree with the report, I think, could appropriately have taken that report as the text and then given the reasons for differing from what the authors of the report had said. That would have been the right procedure. It was the duty of UPSC to review, to take into consideration all that the board had said, and the material that had reached them. So, on the basis of that material, they gave their report and their findings.

In fact, there has been a long-standing convention that the advice of the UPSC should be invariably accepted. So far as I remember, this House as well as the Rajya Sabha have laid great emphasis on this point. Again and again, we have been told that we should not depart from the advice that is given to us by the UPSC: That to do so would be wrong. I would not take much time of the House by giving the figures from year to year, but I can say this that Government have as a rule accepted the advice of the UPSC.

Shri Tyagi: Shall we take it that according to their advice, Government have exonerated Mr. Patel?

Shri G. B. Pant: No.

Shri Tyagi: Then, why did they not agree to the advice given by the UPSC?

Shri G. B. Pant: The advice that was given by the UPSC amounted to

exoneration. We accepted the operative part, but did not agree with the arguments given by them fully.

Shri Tyagi: But have Government exonerated Mr. Patel? That is what want to know.

Shri G. B. Pant: No, we have not.

Shri Tyagi: So the main advice has not been accepted by him.

Shri G. B. Pant: The main advice, so far as the operative part of it goes, has been accepted. Whether he calls it main or subsidiary, I am not concerned with that. But that part has been accepted. But the arguments have not been accepted. (*An Hon. Member:* How?).

During the last 8 years since this Constitution came into operation, more than 53,000 cases were referred to the Public Service Commission and there were only 16 cases in which the Government did not accept the advice of the Public Service Commission. That is an indication of the importance that we attach to the advice of the Commission; and that we are expected to attach under the Constitution which lays down that no disciplinary action should be taken without reference to the Public Service Commission. When the Constitution lays down that provision, it implies that due weight has to be given to the advice received from the Public Service Commission.

So we had to bear that aspect of the matter in mind. But I may say here that the Public Service Commission have given some reasons for the advice given by them. One of the members, Shri Pillai, did not agree with the Commission and has written a note of dissent. If I may say so, perhaps we are more in agreement with the note of dissent than with the main body of the Report. (*Some Hon. Members:* Yes.).

Shri P. N. Singh: Should we take it that Government do not agree with the arguments but agree with the judgment?

Shri G. B. Pant: I will explain that too. He seems to be mystified over it, but that is a fact and we are agreed about it. Why did we agree? Firstly, there were no *mala fides* in the case. No one has to this day stated that any of these two men, with whom we are concerned, Shri Kamat and Shri Patel, has derived any personal advantage from this affair. They may have been guilty of an error of judgment. That is a different matter. In the course of the discharge of our duties, perhaps many of us happen to commit such mistakes and sometimes the consequences of such errors may be very serious too. But there were no *mala fides* in the matter.

Then Shri Patel had rendered valuable services to the State for a period of more than 35 years. That is an aspect we cannot altogether disregard. Then he has been really concerned with the reorganisation of this Insurance Corporation. He was appointed the first Chairman. It was a very difficult task. There were 260 bodies to be integrated and the whole thing was to be placed on a sound workable basis. He did all that for us. (*An Hon. Member:* Second Vallabhbhai!) Nationalisation was carried out through him. He was the first instrument for carrying it out. Then what else could we have done? Suppose we take the note of dissent, with which I think hon. Members opposite seem to agree. I think it is said in that note of dissent that Shri Patel should have been compulsorily retired; that is, the penalty of compulsory retirement should have been imposed on him. Shri Patel had expressed his desire to be relieved of office even before we passed our orders. If he had been compulsorily retired, he would have been exactly in the same position in which he is today.

Some Hon. Members: Not at all.

Shri G. B. Pant: So that nothing has been lost.

There were other points to be borne in mind. He and others had undergone the great ordeal and anguish of their conduct being subjected to public scrutiny for nearly two years. We may not agree with the man's behaviour, we may not agree with what he has done, but we have to take a human view of things. I may tell you that things had so developed that Shri Patel's case had become almost a symbolic case, and we did not want unnecessarily to create that a sort of feeling, which would not be in the interest of the country, when nothing substantial was to be gained by adopting the other course then before any such orders could be passed, the report and the proposal would have to be referred back to the Public Service Commission. It would have taken them two or three months again and then they would have to come back to us and then we would have been in a position to differ from them. It was better to relieve him, by virtue of this order, three months earlier than to keep him on in the service for another three months.

So we have not lost anything. We have allowed him the benefit of doubt, an hon. Member said, but we have in the totality of circumstances considered it in the interest of the country to adopt the course that we had, and I think it rather an act of wisdom, if you may so call it, where a man might even deserve a harsher sentence, but you sometimes bend down and treat him in a kinder way, specially when we do not lose anything, as I said just now. If the sentence of compulsory retirement had been passed, then too the concrete result would have been the same; it might have been a little worse, because he would have continued for another three or four months.

I may also tell the House that there was growing impatience in this House as well as outside in the coun-

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try about the Report of the Public Service Commission and the action that the Government were going to take. The atmosphere was getting vitiated. I had occasion to state at a place somewhat distant from here that I was of the view that Shri T. T. Krishnamachari was not to blame, directly or indirectly, for this deal; and that is the view which I hold even today.

Shri Braj Raj Singh: The consequences will follow.

Shri Naushir Bharucha: Does he not want to recall him? I agree with his views.

Shri G. B. Pant: I said that there were some whispers here and even some questions were asked indicating that we were trying to create prejudice against Shri Patel and others by making statements of this character, and that the Public Service Commission having been appointed by the Government or being directly connected with the Home Ministry, would not look into the matter impartially, in a detached and dispassionate way.

So, looking at all these things, when we are gaining by this method what we would have achieved if we had followed the other course suggested by Shri Pillai, I do not see why there should be any objection in any way.

Shri Pillai gives the reason. He says that so far as this goes, Shri Patel's is of a sort of pushful, restless nature; once he takes up a thing he will plunge into it whole-heartedly and not take any rest till it is finished. That, he gives as the explanation for all that was done and not any *mala fides*.

Shri Tyagi: The Minister was also of the same temperament.

Shri G. B. Pant: Well, if both were of the same temperament, then, so
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far as Patel at least was concerned, he was not moved by any other consideration except his own irresistible and tireless zeal to do and to accomplish whatever was assigned to him. So, he did it. I do not think, in the circumstances, this House should have any objection to the course that we have adopted.

So far as Shri Kamat goes, he was only censured. Shri Kamat, whatever else one may say, was technically and also in the eye of the law guilty. He was the chief executive officer of the Corporation and he had to be careful in that capacity. Shri Patel had been called by some persons an intermeddler, interloper and this and that. But so far as Kamat goes, as the Chairman he had to be there. But you would all agree with me that Shri Kamat has acted with grace throughout, that he has made straightforward statements, that he has accepted his responsibility in an unqualified manner and words. (*Interruptions*) So, the Commission only suggested the penalty of censure and that has been accepted by the Government.

Now, Shri Kamat, by this penalty of censure does not suffer much. But our acceptance or the way in which we have dealt with Shri Patel's case does inflict great loss on him. He will be out of service; and he has yet some years when he could have earned his salary and other privileges associated with service. So, a censure is as much a technical thing as was the technical breach of Shri Kamat; while, in the other case, the sentence, howsoever imposed on Shri Patel, is a more serious one and affects him seriously.

Shri Naushir Bharucha: He can be made a Governor. (*Interruptions*).

Shri G. B. Pant: It is difficult to hear the words.

Shri Braj Raj Singh: He will be rewarded elsewhere by being made a Governor.

Shri G. B. Pant: So far as I am aware, he has no intention of joining any other firm or any other concern, but, perhaps, the hon Member who just spoke knows his mind better than I do (*Interruptions*)

There was a reference in the Bose Board report about the help that had been rendered to the Congress organisation by Mundhra being responsible for the help that was given to him I never heard anything more fantastic But, it is not only that it goes on to say also that when a mill, which employed, I think, about 2,000 or 3,000 labourers in Kanpur, was going to be closed, the Government intervened in the matter and asked Mundhra not to close it but to make the full use of the installed capacity That was another reason which weighed with Government in taking this step

Well, Sir, the Government has to deal with the industrialists all over The new Swatantra party has been cursing the Government for its treatment of industrialists in general? (*Interruptions*) It is saying that Government has in a way interfered with everything concerning industry Then, we must also remember that just a few months before this deal, the socialistic Budget of 1957 was adopted and new taxes like the Wealth Tax Expenditure Tax etc were imposed Then, hon Members know that at least one of the industrialists who had made a great fortune recently sentenced to 7 years or more in the proceedings by Government taken against him If Government were to be carried away from the performance of their legitimate duties by any such considerations, then I think, this could have also some influence on other parties who have been receiving similar donations and, perhaps, much larger ones not only here from people within the country but also from fellow-patriots in other countries

Shri C. D. Pandey (Naini Tal):
Fellow travellers?

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Shri G. B. Pant: So, it seems to me so absurd that one cannot imagine how much a suggestion could have been made But, I do not want to pursue it further Let everyone search his heart and that would give him the right answer

So far as this matter is concerned, I had taken more time than I intended and I wonder if there is any other point to which a reference is necessary So far as Shri T. T. Krishnamachari is concerned, I have expressed my views and I do not think we need have brought in his name today because really we were dealing with the cases of the officers against whom these proceedings had been initiated I hope that we all stand benefited by the experience that we have gained during the last two years I think it is one of the features of our democracy that we are able to discuss matters of such type, not once, but again and again, and while in other places no one is allowed to open his mouth against the Government, we again and again invite people to shoot and shoot hard as much as they can and still we remain unscathed and unhurt and so we shall continue

Shri Harish Chandra Mathur: As the hon Home Minister has said, even in my opening address I did say that so far as the attitude of the Government was concerned, it had been one of absolute democratic dignity, first in the appointment of the Chagla Commission and then in the appointment of this Board of Enquiry By putting persons of unexceptionable character and persons about whose ability, integrity and independence the whole country is proud, they have done this It clearly indicates the intention of the Government. They wanted the whole truth to be investigated, and to act upon it

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After the observations which the hon Home Minister has made, it becomes really difficult for me to discharge my responsibility which I owe to this House. Many Members have participated in this debate and have given expression to certain views to which I do not subscribe. As such, it becomes incumbent upon me to take note of the criticism that has been made in this House on the basis of this motion moved by me. All those who participated in this discussion are in complete agreement that this deal which was put through by the LIC was a stinking one, that it could not be suppressed, that it could not be defended today, that it was a scandalous deal. Even the Government is agreed that there was a wrongful loss of Rs 10 lakhs to the LIC and that Rs 50 lakhs had been lost. There is complete agreement. There was also complete agreement among all, including Shri Feroze Gandhi, that Shri Vaidyanathan and Shri Patel were primarily responsible for this deal. The hon Home Minister expressed that the *mala fides* of Shri Patel have not been alleged anywhere. But let us look at the circumstances of the case that have been brought out. It is clear from the record that the assurances given by the Government on the floor of this House have been brushed aside by Shri Patel and it is his hand which brushed aside all the assurances given by Shri C D Deshmukh on the floor of this House regarding the investment. It is his hand which made the investment committee and the executive committees defunct and functionless. It is Shri Vaidyanathan who submitted a note to Shri Patel, as the managing director from that place saying, "Let you and myself arrogate all the powers which belong to the investment committee and the executive Committee." Shri Patel put his seal on to it. It is only because of these circumstances that they could put through certain deals. Shri Patel further completely ignored the written

action given by the former Finance Minister, Shri Deshmukh. There was a written directive that Mundhra's shares should not be touched. Can one say that there were no *mala fides* when they push and brush aside the written directive given by the Minister-in-charge. Then, when T T K comes, he puts his seal on this maladministration of the LIC. It is only that seal put by the former Finance Minister that is responsible for all this maladministration in the LIC. Otherwise, these deals would not have been possible. Here the direct responsibility of the former Finance Minister is attracted.

Mr. Speaker: I have been noticing that in the course of the discussion we refer to the conduct of the Government. The Resolution of the Government is exonerating some and is asking that the conduct of Shri Vaidyanathan must be scrutinised. The hon Member seems to be arguing on the side of the Government when he on one breath says that Shri Patel has not been exonerated. Now, if he says that TTK was responsible, Shri Patel goes out of it.

Some Hon Members: Both are responsible.

Shri Harish Chandra Mathur: Their responsibility is so inter-twined and the responsibility of one cannot be fixed unless and until one talks about the part played by the other. That is what the Commission has said and the Board of Enquiry has said. They say that they do not want to make any observation which is not absolutely necessary to deal with the limited purpose of the enquiry before them and with that limited purpose in view they have made these observations. My main point is that when the former Finance Minister said "I will have nothing to do with the views given to me by Hiranandani or by anybody and I will let the funds be gambled away by Mr Vaidyanathan", he puts his seal on to it. This is the foundation stone of all the mal-

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administration in the LIC. No maladministration would have been possible in the LIC if this had not been done. This is not only the constitutional responsibility but the direct responsibility of the former Finance Minister.

Shri Khadilkar: From what he said in the opening remarks it seems that he supports the Government Resolution or the official Resolution. If he supports it, logically, T'T K does not attract constitutional responsibility. I would like that explanation from him.

Shri C. D. Pande: It is the personal opinion.

Shri Harish Chandra Mathur: There is no other consequence which would follow from the facts which have been stated here. Shri Kamat about whose integrity so much has been said has stated that if the ordinary course would have been followed, it would have been impossible to make this investment. Why was not the ordinary course, ordinary procedure, followed? The whole clique is there all the time. I do not say for one moment that T T K had any *mala fides* but I definitely say that his direct responsibility is involved and attracted here. At least I stand here today convinced that only Shri Vaidyanathan and Shri Patel had *mala fides* and they are responsible for the whole bungle that has happened. From the beginning, step by step, they go on taking all the power in their hands so that this deal is only a culmination of a series of steps taken by this clique of collusion and conspiracy. Because of these two men, Shri Vaidyanathan and Shri Patel, let it not be said by anybody here that it happens like this in the public sector. It is only because this thing is in the public sector that it has been exposed to public gaze. So many things happen in the private sector. Shri Vaidyana-

than is the contribution of the private sector—let us not forget it—and he has played the most dominant role in this matter.

When my hon. friend Shri Feroze Gandhi was making a speech, he devoted all the fifty minutes given to him to defend the then Finance Minister. You just ask him, Sir, how he comes in and why any reference should be made. All the 50 minutes were devoted for that purpose. The position has to be clarified. This is one point which I have just placed before the House. In the face of it, Sir, the House or anybody else can draw any other conclusion.

Then, very cleverly this point was not referred to by my hon. friend who in all the 50 minutes dealt with the responsibility of the former Minister. Now there is the other point which has been referred to. But the full implication of it has not been understood. This has reference to the draft put up by Mr. Patel to Mr. T. T. Krishnamachari on 2nd September. Mr. Krishnamachari's whole case, let us remember, is that he did not know about the details of this deal till the matter was enquired by the Chagla Commission. This is the theory on which my friend here built up the whole defence. Let us see how this is explained here. He himself saw the force of it. I will read out the relevant portion because I will have to draw certain conclusions from it. When this reply was drafted Mr. Patel put up a note to say that it was only a negative answer, that no such deal took place. Mr. Patel said

"We could satisfy ourselves with a reply in the negative; and that would be strictly correct also on a literal interpretation of the question. It would, however, to my mind, be an advantage to give a fuller reply. If this is accepted, then the portion within

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the brackets may be included in the reply"

The portion referred to was drafted by Mr Patel himself on 2-9-1957 and ran

"The report presumably had reference"—he wanted to give fuller information—" to the purchase by the Corporation of preference and ordinary shares in a number of industrial concerns which were the property of one individual, Shri Haridas Mundhra. The total amount thus invested was of the order of rupees one crore and 25 lakhs. The purchase was effected because the shares in question appeared to be a worthwhile investment. Incidentally, the purchase assisted in averting a possible difficult situation on the Calcutta Stock Exchange."

This was put up to Mr Krishnamachari, along with Mr Kamat's letter attached to the pad on 3-9-1957. I am not concerned with Mr Kamat's letter because there is some controversy. I do not want to enter into any matter where there is some controversy. Then it is said in the Report of the Board "Mr Krishnamachari struck out the portion reproduced above with his own hand and directed that the question be answered as amended." "Those facts are beyond dispute"—these are the observations of the Board. It further says "Mr. Krishnamachari said that he did not look into these details when he struck out the part drafted by Mr Patel but we are unable to believe him." When this was put up to him, do you believe, can anybody in this House believe, that he struck out certain portions and said that the question may be answered as amended without reading the whole thing? The Commission has not been able to believe it. I at least can't believe it. I do not think anybody else will believe it.

An Hon Member: Nobody.

Shri Harish Chandra Mathur: Therefore, at least we will have to come to the conclusion that on 2nd September Shri Krishnamachari was in full possession of at least these facts that certain shares in a number of industrial concerns which were the property of one individual, Shri Mundhra, have been purchased and the value of such shares was to the extent of Rs. 1,25,00,000. I do not want to go into the question of his having withheld that information. It is a very serious thing that he withheld that information from the House.

But what are the conclusions? Either Shri Krishnamachari approved of this or he did not approve of this. If he approved of this, then the whole thing changes. But Shri Krishnamachari has maintained throughout that he never approved of it, that he did not believe in this theory of Stock Exchange crisis, that he did not believe in any of these things. He said that in just a casual talk this was mentioned to him on 24th June and then he found for certain that the big deal had been done without his knowledge, he did not know that the whole lot had been invested in Mundhra shares. Does it not become the responsibility of the Minister to look into the whole thing, examine and see whether the money has been properly invested in shares? Nothing was done. Then he tells this House and wants us to believe that he did not know anything till the Chagla Commission enquired into the matter.

Let us again remember that in November a statement was placed before him about the blue chips and only two concerns were mentioned, which meant that the rest of the money was invested in certain rotten firms. That was clear because they are not included in that statement which was presented in November. At least in November he should have been amazed. He is a clever man. He had been the Minister for Commerce and Industry. He knows what business is,

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what an industry is, what the Mundhra shares are. It is impossible to believe that he did not know about the nature of this deal on 2nd September. It is impossible to believe that he did not know about the nature of this deal at least in November. It is impossible to believe that he came to know about it only in the month of December.

Sir, this is only in answer to various criticisms by two persons. But, as I stated earlier, I submit that so far as Mr. Patel is concerned there is the least doubt that he and Mr. Vaidyanathan were in collusion and conspiracy and they worked it up for about a year. For us, the deal was only a culmination of that collusion and conspiracy. I do not agree with either the views of the UPSC or the views of this Board. A very serious action is called for. What for have we passed all these enactments? We have passed the Anti-Corruption Act. There should definitely be a prosecution both of Mr. Vaidyanathan and Mr. Patel under section 5 of the Act. They have abused their power. It is not necessary that they should have gained something. That has not been proved. Always it is very difficult to prove that. But it has definitely been proved that they abused their power. Had they not abused their power this whole deal would never have come about, and this deal has resulted in a loss of Rs. 50 lakhs. This is *prima facie* a strong case. There are other things which could be proved. I definitely think that there should be prosecution under section 5 of the Anti-Corruption Act. The Anti-Corruption Act has not been enacted by Parliament for petty clerks and other small officials. If it is to have any meaning, I think it should be invoked here and we should go into it.

As for Mr. Kamat, I am in perfect agreement with all other friends. Though I said a few harsh words the

other day, I have not the least doubt that he was not in the conspiracy. I have not the least doubt that his *bona fides* cannot be suspected. But I do maintain that his negligence was there. Even on 24th April when the deal was struck he knew by the statement which was placed before him that at least in one deal instead of Rs. 80 which was asked for by Mr. Mundhra himself—that was fresh in his mind—Mr. Vaidyanathan was wanting to put Rs. 82. He corrected it. At least that should have warned him that there was necessity to check up. He should have asked Mr. Vaidyanathan why he was putting Rs. 82. That was a clear indication that more was being paid. If this common intelligence is not exercised and if public money is squandered like this, then I must say we are only encouraging people to be negligent and to get away with it. I do not doubt the *bona fides* of this man. I believe that he acted courageously in certain matters. But it must not be forgotten that the power of executive was delegated to this one man. He goes so casually about it. Are our public funds to be administered like this? Is this how we are going to build up the morale of our public services. If the morale of our services is going to be disturbed by actions against such persons, I think our services have to be reconditioned. We cannot carry on like this. This is not the way to build up the morale of our services. Certain other steps will have to be taken to build up the morale of the services and the services must be reconditioned.

Now, Sir, about the U.P.S.C. I very much agree with the hon. Home Minister. It would have been impossible for him to do anything but to refer this case to the UPSC. It was a statutory obligation and it was his duty to refer this case to the UPSC.

Mr. Speaker: The hon. Member has in his motion referred to the report of

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the Vivian Bose Board and the advice given by the UPSC, and the resolution thereon. So far as the Union Public Service Commission is concerned, it relates only to Shri Patel and Shri Kamat. I find from the terms of reference to the Vivian Bose Board that three persons have been mentioned, namely, Shri Patel, Shri Kamat and Shri Vadiyanathan. There is nothing relating to Shri T. T. Krishnamachari. How does he come in here? I was not here when the debate was opened yesterday. I was attending to some other work at home. I am really surprised how Shri T. T. Krishnamachari comes into the bargain.

Shri Naushir Bharucha: Page 91 of the report of the Bose Board refers to that aspect, exonerating him.

Mr. Speaker: I consider all that irrelevant—whatever Shri Vivian Bose might have said.

Shri Parulekar (Thana): There is a reference to Shri T. T. Krishnamachari in the resolution adopted by the Home Ministry. It says that the constitutional responsibility is attracted in the case of Shri T. T. Krishnamachari.

Shri Harish Chandra Mathur: This report makes mention of it at three or four places. The constitutional responsibility has been mentioned in the Government resolution itself.

Mr. Speaker: Let us dispose of it one by one. The Vivian Bose Board consisting of three gentlemen was asked to look into the case of Shri Patel, Shri Kamat and Shri Vaidyanathan. The Union Public Service Commission was asked to look into the case of Shri Patel and Shri Kamat. The Government resolution is not with respect to the Chagla Commission's report—the Chagla Commission's report had already been examined by this House—but only with respect to Vivian Bose report. Then comes the advice of the Union Public Service

Commission. The Government resolution is not a general resolution relating to everything. The resolution must be read in the context of the Bose Report and the advice of the Union Public Service Commission. We will assume that Government also had made a mistake. There is no meaning in my allowing all sorts of references to be made. The Government resolution itself is irrelevant in that a reference to Shri T. T. Krishnamachari does not arise.

Shri Harish Chandra Mathur: Then I apologise. Of course, when we are discussing the whole thing. . . .

Mr. Speaker: Government themselves committed a wrong thing. They need not have brought in Shri T. T. Krishnamachari—who left the Ministry—over again. Somehow it has been allowed. The hon. Member will now conclude.

Shri Harish Chandra Mathur: I will conclude in two minutes. I will not take more time of the House. I have mentioned about Shri Vaidyanathan, Shri Kamat, Shri Patel and Shri T. T. Krishnamachari. There remains only the Union Public Service Commission. There is nobody more anxious than myself—I can assure the Home Minister—who want that there should very great respect for the Union Public Service Commission. I have been raising this issue for the last four years. I have written to the Home Minister. It is not our fault. I wish the hon. Home Minister takes note of this fact. What is it that prompts all the Members, without exception—not even Shri Feroze Gandhi and not even one Member has been able to be charitable to the UPSC—to say what they have said about the UPSC? It is really unfortunate. I do not know who is responsible for it. Why is it that this sort of feeling is there? I wish only to ask the hon. Home Minister to give serious thought to this matter and to take such steps as will restore the res-

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pect and confidence due to the Union Public Service Commission.

Shri G. B. Pant: I am prepared to meet confidentially and privately any Member who might have any complaint. But just to set afloat a rumour and then to make it a ground for condemnation would not be appropriate.

Shri Harish Chandra Mathur: I entirely agree with him. As a matter of fact, it is our deep anxiety that at least the high judiciary and particularly the Union Public Service Commission should be above suspicion, above reproach. I only wish that it should be our greatest pleasure to be able to contribute something towards restoring this respect and confidence in the Union Public Service Commission. I hope the hon. Home Minister himself will give some sort of thought to it, namely, why this feeling should be there and why it is so. Let him look into it and let him do the needful. I will not take up any more time of the House. I close.

Mr. Speaker: Shall I now put the amendments to the House?

Shri Bhanja Deo (Keonjhar): I want to withdraw my amendment.

Mr. Speaker: Has the hon. Member the leave of the House to withdraw his amendment?

Some Hon. Members: Yes.

*The Amendment was, by leave,
 withdrawn*

Mr. Speaker: I now put the substitute motion of Shri Jaganatha Rao to vote.

The question is:

That for the original motion, the following be substituted, namely:—

Division No.]

Abdul Latief, Shri
 Achar, Shri
 Agadi Shri
 Ambalam, Shri Subbiah
 Arunachalam, Shri S. R.
 Banerji, Shri P. B.
 Barman, Shri
 Basupal, Shri P. L.
 Bhagat, Shri B. R.

AYES

Bhattacharya, Shri C. K.
 Biswas, Shri Bholanath
 Borooah, Shri P. C.
 Brajeshwar Prasad, Shri
 Chandak, Shri
 Chandra Shankar, Shri
 Choudhury, Shri C. L.
 Das, Shri K. K.
 Das, Shri N. T.

Datta, Shri
 Desai, Shri Mansaji
 Dwivedi, Shri M. L.
 Eshwaran, Shri V.
 Elayaperumal, Shri
 Ganapathy, Shri
 Ganpati Ram, Shri
 Ghosh, Shri M. K.
 Gokhale, Dr.

[14.40 hrs.]

"That this House takes note of and approves the action taken by the Government of India as contained in the Ministry of Home Affairs Resolution No. F. 15/58HS dated the 27th May, 1959, in the cases of Shri H. M. Patel, Shri G. R. Kamat and Shri L. S. Vaidyanathan on the advice given by the U.P.S.C. on the Report of Vivian Bose Board of Enquiry."

The Lok Sabha divided.

Mr. Speaker: Last time when the House divided, we found a number of hon. Members saying, "My vote was not recorded" and so on. I am afraid hon. Members are not pressing the buttons carefully. (*Interruptions*).

An Hon. Member: Both hands are not used by some Members.

Mr. Speaker: I am extremely happy that I do not have any difficulty in the matter of voting, whatever it may be with respect to other matters. Both the hands must be used and they must continue to keep those things pressed until the gong or the bell rings for the second time.

There is one other thing also. I had complaints that some hon. Members come to the front bench from the back bench when they want to speak and during the division, they press the button in that seat. The other hon. Member whose seat it is, complains. "I was not present; some other Member has voted". So, hon. Members will kindly go back to their seats. Even now it is not too late; they might go back to their proper seats, to avoid misrecording of the vote.

The result of the division is as follows:

Ayes: 121; Noes 47.

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Gounder, Shri K. Periaswami
Harvani, Shri Anwar
Jangde, Shri
Jena, Shri K. C.
Jinabandran, Shri
Jogendra Sen, Shri
Joshi, Shri A. C.
Jyotshi, Pandit J. P.
Kesar Kumar, Shrimati
Keshkar, Dr.
Khadwala, Shri
Khimji, Shri
Krishna Chandra, Shri
Kureel, Shri B. N.
Lahiri, Shri
Masida Ahmed, Shrimati
Mahanty, Shri
Malu, Shri N. B.
Mansan, Shri
Mandal, Dr. Pashupati
Mandiyogadan, Shri
Manjula Devi, Shrimati
Minumata, Shrimati
Misra, Shri B. D.
Misra, Shri R. D.
Misra, Shri R. R.
Morarka, Shri
Murmu, Shri Palka
Nar, Shri Kuttikrishnan
Nehru, Shrimati Uma
Neswi, Shri
Padam Dev, Shri

Pande, Shri C. D.
Pandey, Shri K. N.
Panna Lal, Shri
Parmar, Shri Deen Bandhu
Patel, Shri N. N.
Patel, Shri Rajeshwar
Pattabhi Raman, Shri C. R.
Pillai, Shri Thanu
Prabhakar, Shri Naval
Prag: Lal, Shri
Radha Raman, Shri
Raghubir Sahu, Shri
Rai, Shrimati Sahodrabai
Raj Bahadur, Shri
Rajiah, Shri
Ram Saran, Shri
Ram Shankar Lal, Shri
Rampure, Shri M.
Rane, Shri
Rao, Shri Thurumala
Rant, Shri Bholu
Roy, Shri Bishwanath
Rungsung Suisa, Shri
Sahu, Shri Bhagabai
Sahu, Shri Rameshwar
Samanta, Shri S. C.
Samantlalhar, Dr.
Sardar Shri Bholu
Sarhad, Shri Ajit Singh
Satyabhama Devi, Shrimati
Seiku, Shri
Sen, Shri A. K.

Sen, Shri P. G.
Shakuntala Devi, Shrimati
Sharma, Pandit K. C.
Sharma, Shri D. C.
Sharma, Shri R. C.
Shukla, Shri Vidya Charan
Siddananyappa, Shri
Singh, Ch. Ranbir
Sing, Sardar Hukam
Singh, Shri Babunath
Singh, Shri Bahadur
Singh, Shri Birbal
Singh, Shri D. N.
Singh, Shri Dinesh
Singh, Shri H. P.
Singh, Shri Umreo
Sinha, Shri Satyendra Narayan
Sinha, Shri
Soni, Shri
Subramanyam, Shri T.
Sumat Prasad, Shri
Tewari, Shri Dwarkanath
Thomas, Shri A. M.
Tiwary, Pandit D. N.
Uike, Shri
Upadhyaya, Shri Shiva Datt
Verma, Shri M. L.
Vyas, Shri Radhelal
Wasnik, Shri Balkrishna
Wodeyar, Shri

NOES

Aasar, Shri
Awasthi, Shri Jagdish
Banerjee, Shri Pramathanath
Banerjee, Shri S. M.
Beck, Shri Ignace
Bhanja Deo, Shri
Bharucha, Shri Neuhar
Chakravarty, Shrimati Renu
Chandramani Kalo, Shri
Das Gupta, Shri B
Dharmalingam, Shri
Dige, Shri
Elias, Shri Muhammed
Geikwad, Shri B. K.
Goray, Shri
Kamble, Dr.

Kar, Shri Prabhat
Katu, Shri D. A.
Khadlikar, Shri
Kunhan, Shri
Matu, Shri
Menon, Shri Narayankutty
Mohammed Imam, Shri
Mohan Swarup, Shri
Mullick, Shri B. C.
Nayar, Shri V. P.
Pandey, Shri Satya
Panigrahi, Shri
Parulekar, Shri
Patil, Shri Balasaheb
Patil, Shri Nana
Patil, Shri U. L.

Proddhan, Shri B. C.
Rai, Shri Khushwaqt
Ramam, Shri
Rao, Shri T. B. Vittal
Reddy, Shri Nagi
Sakarna, Shri S. L.
Shastri, Shri Prakesh Vir
Singh, Shri Braj Raj
Singh, Shri P. N.
Sugandhi, Shri
Tangamani, Shri
Valvi, Shri
Verma, Shri Ramji
Warior, Shri
Yadav, Shri

The motion was adopted.

Shri Nagi Reddy (Anantapur): The left had no trouble all these days; but today I pressed Shri Hem Barua's button by mistake.

Mr. Speaker: Shri Hem Barua is not present here. It does not make any change in the count. This fact that the hon. Member pressed Shri Hem Barua's button by mistake will be recorded in the proceedings.