

the year ending on the 31st day of March, 1957, in respect of 'Capital Outlay of the Ministry of Rehabilitation'."

DEMAND NO. 140—CAPITAL OUTLAY ON PORTS

"That a sum not exceeding Rs. 40,00,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1957, in respect of 'Capital Outlay on Ports'."

DEMAND NO. 141—CAPITAL OUTLAY ON ROADS

"That a sum not exceeding Rs. 1,17,92,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1957, in respect of 'Capital Outlay on Roads'."

DEMAND NO. 142—OTHER CAPITAL OUTLAY OF THE MINISTRY OF TRANSPORT

"That a sum not exceeding Rs. 17,79,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1957, in respect of 'Other Capital Outlay of the Ministry of Transport'."

DEMAND NO. 143—NEW DELHI CAPITAL OUTLAY

"That a sum not exceeding Rs. 83,44,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1957, in respect of 'New Delhi Capital Outlay'."

DEMAND NO. 144—CAPITAL OUTLAY ON BUILDINGS

"That a sum not exceeding Rs. 84,45,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1957, in respect of 'Capital Outlay on Buildings'."

DEMAND NO. 145—OTHER CAPITAL OUTLAY OF THE MINISTRY OF WORKS, HOUSING AND SUPPLY

"That a sum not exceeding Rs. 33,75,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of

March, 1957, in respect of 'Other Capital Outlay of the Ministry of Works, Housing and Supply'."

DEMAND NO. 146—CAPITAL OUTLAY OF THE DEPARTMENT OF ATOMIC ENERGY

"That a sum not exceeding Rs. 56,54,000 be granted to the President, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1957, in respect of 'Capital Outlay of the Department of Atomic Energy'."

LEAKAGE OF BUDGET PROPOSALS

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Two or three days ago I informed the House that some progress had been made in regard to the investigations into the budget leakage and I promised to make a further statement today. As a result of the investigations carried out by the Central Intelligence Bureau and the Bombay and Delhi Police, it is now known exactly how the leakage occurred. We also know a great deal about the distribution of this information in Bombay and other places.

It has been established that the leakage occurred from the Government Press situated in Rashtrapati Bhawan where the budget papers had been given for printing. Copies of the draft which has been sent for printing had been passed without authority to certain persons two of whom have already been arrested. The person who passed this information has also been arrested. Investigation is still proceeding to find out if any other persons had been guilty of this leakage or use of secret Government documents and could be proceeded against. As the case against the three arrested persons will soon be put before the court and further investigations are proceeding it would not be advisable for me to give at this stage further detailed information which is in the Government's possession. Meanwhile I can assure the House that everything possible will be done to punish those who have been guilty of this offence. In view of this leakage Government are giving consideration to the improvement of procedure in this regard in order to prevent such occurrences in future.

Dr. Lanka Sundaram (Visakhapatnam): May I know how long the Prime Minister thinks the Government will take to complete the investigation?

Shri Jawaharlal Nehru: So far as proceeding in the court is concerned that will take place very soon. They will not wait for the completion of the investigation. The investigation, in a sense, may go on. Whenever any additional information comes before us it will help. I do not know what the hon. Member means, because we have naturally to proceed in court and we are going to proceed in court.

Dr. Lanka Sundaram: I put the question for the specific reason that the question of privilege of the whole House is involved. I would like to know whether a Committee of the House will be associated with the investigation? Actually, that was my question.

Shri Jawaharlal Nehru: I do not understand, Sir, how a Committee of the House is to be associated with the police investigations. The question of leakage is being enquired into by the police and the Intelligence Department. The question of privilege is perhaps a slightly different type of thing. How the two things can be mixed up I do not know.

Shri Kamath (Hoshangabad): May I remind you, Sir, that you yourself held over this matter for some time and deferred your ruling on the subject. Now that the Prime Minister has made a fairly full report—not, perhaps the final report—on this matter, it may be that later on the plea might be taken that the whole matter is *sub judice* if it goes to court, and Parliament's jurisdiction may be ousted on account of that. Therefore, at this early stage I submit that this matter be taken up by the Privileges Committee at once, and I would earnestly appeal to you to give your ruling on this matter today or, latest, tomorrow.

Shrimati Renu Chakravartty (Basirhat): Sir, I would like to point out one other matter. After the leakage had occurred it had been brought to the notice of the Finance Minister round about the 29th February, if I remember the date correctly, and even after the Budget was placed before the House no mention was made. . . .

Mr. Speaker: Order, order. I have understood the hon. Member's point. That is another matter. The only point

is this. From the statement as I understand, so far as the hon. Prime Minister is concerned and the Home Ministry is concerned, there is sufficient material here for a case to be launched. So, unless new materials are available, in which case further steps will be taken, so far as this House is concerned there is sufficient material. I shall consider this matter as to what further steps have to be taken so far as the privilege of the House is concerned. It is with respect to that I have been asked to give a ruling the other day. I have reserved it. I shall look into all these matters and inform the House.

The Minister of Finance (Shri C. D. Deshmukh): I want to contradict the statement that the information reached me on the 29th, if that is what the hon. Member said just now. I would say that that is not correct because I stated the other day that the information reached me the next morning at nine o'clock (*Interruption*).

Mr. Speaker: Order, order. I am not allowing any further discussion. So far as these matters are concerned—as to when the hon. Minister was informed, he made a statement the other day during which he had an opportunity to say that he himself did not get the information on the very day and that it was only later on—all the material is before the House. The hon. Prime Minister and Leader of the House said that he will make a formal report to the House. Now, what further steps have to be taken so far as the House is concerned, I will consider.

Shri Jawaharlal Nehru: So far as this particular matter is concerned the police investigations will continue in the sense that not even those cases may be complete against some people. We may get information about other people. In that sense it will continue. Otherwise, the case is fairly good especially, as far as we can see, against those who have been arrested. That is one thing.

Just for the sake of information—I think I was not here when this matter was raised—the House will perhaps remember that I made a brief mention of the budget leakage, I think it was the 3rd of March. I had heard of that budget leakage on the 3rd of March. For the first time I saw something in the newspapers of the 3rd March and in fact, may be half an hour later,

about Nine o'clock that morning, the Finance Minister telephoned to me and informed me that he had received information about this budget leakage and for the last day or so he had been enquiring in his own Ministry as to what the procedure was. He had sent a report the day before to the Home Ministry. It was on the 2nd—I speak subject to correction and from memory—that he had sent a report to the Home Ministry for immediate enquiry to take place. He informed me on the 3rd March. I was then immediately going to the Governors' Conference at Rashtrapati Bhawan. I told the Finance Minister that I would come to the House just a little before the House met and we should, of course, immediately inform the House of this. The Finance Minister, of course, was also of the same opinion. So, I came to the House, may be 5 minutes before the House met and asked him about it. He told me about this briefly, gave me some facts and I made a statement that we are going to enquire into this immediately. So, as far as I can see the Finance Minister got this information on the morning of 1st of March.

Shri Nambiar (Mayuram): On the 30th.

Shri Jawaharlal Nehru: There is no 30th.

The Minister Shri M. C. Shah who happened to be in Bombay got the information from the Chief Minister of Bombay on the 29th of February at about 4 P.M.

Shri C. D. Deshmukh: 4-30 P.M.

Shri Jawaharlal Nehru: Yes, at about 4-30 P.M. The Budget Statement was presented here to the House at 5-00 P.M. on that day. It was practically impossible for him to get into touch with the Finance Minister before the budget statement was made. He was coming here that night. He came here in the course of that night and in the morning informed the Finance Minister. The Finance Minister, thereafter immediately, had a preliminary enquiry made in his own Ministry as to who dealt with these matters—the persons connected with them.

Shri Kamath: He did not inform you that day?

Shri Jawaharlal Nehru: It was on the next day. He had to find out in his

own Ministry what the position was. He found out from his own Ministry and then reported it on the 2nd March to the Home Ministry and asked them to take this matter in hand immediately; on the 3rd morning, he told me.

Shri Renu Chakravartty: The adjournment motion was there that day.

Shri Jawaharlal Nehru: I know nothing about the adjournment motion. I knew of the adjournment motion after I came to the House. I am now talking of that morning; at about 9 o'clock, he telephoned to me that this has occurred, and that this is a serious matter and he was naturally much concerned about it. I said I would be coming over from the Governors' Conference just before the House met and that we would talk it over. I also informed the House and the Speaker immediately that we were going into this matter. I knew nothing about the adjournment motion. It was when I came here at 11 o'clock that I was given this notice of the adjournment motion and I made the brief statement which I did.

Shri S. S. More (Sholapur) rose—

Mr. Speaker: Order, order. We have already discussed this matter the other day. Another day also—the second day also—the matter was brought up before the House. I then said that in view of the statement made by the hon. Leader of the House that he would make a full report to this House regarding the matter, prosecution, etc., we could wait. He has made a statement today. Apart from the cases that may be launched in the court for prosecuting the persons concerned, the persons who are guilty, etc., the question of privilege of the House also came up before me and before the House. I said that I would look into the matter. Of course, budget leakage is a matter which has to be taken notice of by the House—what are the steps that have to be taken, etc. In accordance with the previous practice and precedents, I shall look into the matter and see what more is necessary. Let there be no more discussion.

Shri Kamath: On a point of enlightenment, Sir, when there are such serious things happening, is it not obligatory for the Finance Minister or any other Minister—when things happen like that in his Ministry—to communicate the same at once to the Prime Minister and the Cabinet?

Shri Jawaharlal Nehru : May I just complete the information? Shri Morarji Desai, the Chief Minister of Bombay, gave that paper which was being circulated in Bombay, at 4-30 P. M. to Shri M. C. Shah, the Minister. Shri Shah knew nothing about the budget. He had not seen the papers.

Shri C. D. Deshmukh : Not the budget speech.

Shri Jawaharlal Nehru : He has not seen it. He said, "I do not know whether it is correct or not". He said, "I shall immediately try to find out". He left Mr. Desai, in the course of his talking, at five minutes to 5 o'clock.

Shri Kamath : He did not phone at all?

Shri Jawaharlal Nehru : He left straight for the airport, and then came here by the evening plane, and he communicated it the next morning. He arrived late at night that day, and informed the Finance Minister about it the next morning. As I have said, the Finance Minister immediately instituted an enquiry. He did not quite know what was for him to say to the Home Minister about the thing that had taken place. It might have been done, but it could not have been helpful till he gave a fuller picture, by taking the steps necessary. He immediately had an enquiry made in the Finance Ministry as to who dealt with all these matters, and then reported it to the Home Ministry.

Shri S. S. More : When did Shri Morarji Desai get that particular document?

Shri Jawaharlal Nehru : He got it just before—well, I do not know.

Shri C. D. Deshmukh : He got it about two or three hours before.

Dr. Lanka Sundaram : The information given by the Prime Minister is almost identical with the information given by the Finance Minister earlier. There is no disposition on the part of any Member in this House to impede Government investigation nor to interfere with the process of law. But the thing which I would like the Chair to clinch is this, and that is the question of privilege of the whole House which arises from these things. It must be brought up now. Otherwise,

it will drag on possibly for months and years.

Shri Jawaharlal Nehru : The Government is entirely in your hands and the hands of the House in this matter. I am not able to understand what the question is—the question put by Dr. Lanka Sundaram. It is not quite clear to me what the issue is,—namely, the issue of privilege which the hon. Member has raised. I would like to know about it, in order to be clear what is the issue that has been placed before you for your decision. I am sorry I was not present here on that occasion.

Dr. Lanka Sundaram : I shall just explain the point; I shall not argue the case. The leakage of the budget and avoidance of taxation are matters of privilege of the whole House and the House must go into them. That is the point which was made. The preliminary enquiry into the occurrence and the legal process are all separate from this question. This was the question which we raised on Monday last. I would like to know the reply of the Speaker on this point as to the rights and privileges of the House on this essential matter, namely, the breach of privilege of the whole House in respect of leakage of the budget proposals and avoidance of taxation, separate from the enquiry of the Central Intelligence Bureau and the legal process.

Mr. Speaker : I heard Members one after the other. The House is certainly entitled to take steps to see that leakage of budget papers and important papers like that does not take place, as this House has to be informed of the budget proposals first, before anybody gets to know them. If some other man gets to know them, the House is entitled to look into what steps are to be taken, particularly having regard to the facts, both for the present and for the future. The House ought to know whether any Minister is responsible for it, and if so, what to do further, apart from any other matter which may or may not take place in a court of law, and what are the steps that have to be taken if any irregularity has happened and if any Minister is involved in this. These are some of the privileges of the House. I shall look into what exactly has to be done. I will, if necessary, consult the Leader of the House—and go through all the papers....

Shri Kamath : Other Members also.

Mr. Speaker: and other Members also, and I shall give my ruling on this matter, after taking everything into consideration.

APPROPRIATION (VOTE ON ACCOUNT) BILL*

The Deputy Minister of Finance (Shri B. R. Bhagat): I beg to move for leave to introduce a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of financial year 1956-57.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1956-57."

The motion was adopted.

Shri B. R. Bhagat: I introduce ** the Bill.

DEMANDS FOR GRANTS—RAILWAYS

Mr. Speaker: The House will now resume further discussion of the Demands for Grants in respect of Railways.

Demand Nos. 6, 7, 8, 9 and 10 were under discussion for which three hours have been allotted. Out of this, about 1 hour and 12 minutes have already been availed of and 1 hour and 48 minutes now remain. After the disposal of these Demands, the next group comprising Demands Nos. 11, 12, 13, 16, 17, 18, 19 and 20 will be taken up for which half an hour has been agreed to.

Shri T. B. Vittal Rao will continue his speech.

Shri T. B. Vittal Rao (Khammam): Mr. Speaker, I was very happy to learn from the Railway Minister that manufacturing of electric and mechanical signalling equipment is undertaken in our workshops. I hope that facilities will

be afforded at these workshops for the development of signalling equipment and also for research.

I venture to suggest that with a view to improve the operational efficiency, electric track circuit should be installed at the stations where the density of traffic justifies it. For instance, at Kazipet station the density of traffic justifies the installation of electric track circuit, but it has not been done. There are many advantages in installing this. One important advantage is that it prevents accidents and thereby it relieves us from so many other difficulties. Also, electric track circuit should be installed at stations where the density of traffic is likely to increase in the near future, say, in a year or two. This should not be postponed further, because by the time we undertake the work of installation, the remodelling of the station commences. Therefore, this is a work which will have to be spread over a long period. So, we may not wait for the density of traffic to increase; when there is a likelihood of an increase in the traffic density, the installation of electric track circuit should be done.

I now come to the point as to how opening of new stations will improve the operational efficiency. I will take a small track. For instance, on the Dornakal—Bhadrachalam Road route where the distance is 34 miles, there are only two stations in between. One station is at a distance of 14 miles and the second station is at a distance of 10 miles from the first station. At least now the Railway Board have wisely decided to open one station in between the stations which are 14 miles apart, although two years ago they turned down my proposal for opening a new station there. Opening of a new station will enable us to obviate the detentions of the goods trains at other stations. So, even though the traffic density does not justify at the present moment the opening of new stations, on operational grounds it should be done. Especially on the track which I have mentioned, at least two stations should be opened. Moreover, due to the congestion of traffic at these stations, firewood stocked at these stations is not being transported to cities like Bezwada, Rajahmundry

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