

Shri Mohiuddin: The increased losses in the Budget Estimate of 1958-59 were, as explained by the IAC, due to the fact that they could not assess the increased traffic on the introduction of the new Viscounts. They expected that in spite of the fact that the Viscount is faster and more comfortable, the increase in traffic will only be gradual. This theory has proved to be wrong and fortunately the traffic has increased substantially. They were also afraid that on account of the more comfortable Viscounts, the night airmail traffic will be diverted. That has also not proved to be correct. These were the main reasons for the fact that the estimated losses were on the high side—the expectation that cost had to be incurred at a high level and losses were on the high side. As regards the other questions, Government have decided to appoint a cost structure committee to enquire into the expenses in the cost structure of the IAC.

Shri M. R. Krishna: The hon. Minister has said that the IAC could not correctly assess, in December, 1957, the increase in traffic due to the introduction of the Viscounts. In 1955-56, I see that the difference between the Budget estimate and the actual losses was about Rs. 75 lakhs. Similarly, in 1956-57. ...

Mr. Speaker: The hon. Member may put a question and not make a regular short speech.

Shri M. R. Krishna: This has been continuing from 1956 onwards till 1958-59. What steps are now being taken by the Ministry to check the tendency of showing an inflated loss in the Budget?

Shri Mohiuddin: I have already asked the Corporation to budget more realistically. But there are difficulties. For instance, I may point out that in 1958, the IAC thought of introducing new route patterns and the new route patterns will practically be introduced by the end of this year. It will be difficult for them to assess the revenues for the next year. We do not

commenting in an adverse manner, know how the entire new route pattern will react on the public. So, budgeting, especially for revenues, is a very difficult exercise; but I can assure the hon. Members that as far as the expenditure is concerned their budgeting was quite normal.

Shri Heda: May I know whether there is any formula for the fixation of rates and fares, because I find that the journey from Bangalore to Delhi is costlier than the journey from Madras to Delhi even though the route from Bangalore to Hyderabad is covered by Dakota and from Madras to Hyderabad it is covered by Viscount?

Shri Mohiuddin: I might invite the hon. Member's attention to the Air Transport Council's Report on fares wherein they have made certain recommendations. The fares that have now been fixed since June, 1958 are mainly based, with slight alterations, on the recommendations of the Air Transport Council.

Shri Dasappa: The distance between Delhi and Bangalore is not more than the distance between Delhi and Madras, and yet you are charging more than Rs. 20 extra for the journey between Bangalore and Delhi. May I know the reasons for it?

Shri Mohiuddin: I have already referred to the report which is, I think, available in the library. In that report the Air Transport Council has discussed these matters very thoroughly.

Shri Dasappa: What are the reasons?

Mr. Speaker: We will go to the next question.

Report of the Bose Board of Inquiry

S. N. Q. No. 19. {
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 Shri Ram Krishan:
 Shri Feroz Gandhi:
 Shri Hem Barua:
 Shri Sanganna:
 Shri Morarka:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that Shri Justice Vivian Bose, Chairman of the

Board appointed to inquire into the role of certain officials in the investment of the Life Insurance Corporation in the Mundhra concerns, has submitted the report;

(b) if so, the nature of the findings;

(c) the action proposed to be taken thereon; and

(d) whether a copy of the Report will be laid on the Table of the House?

The Minister of Home Affairs (Pandit G. B. Pant): (a) Yes, the report was received on the afternoon of the 21st September, 1958.

(b) and (c). The report is being examined by Government and action will be taken in accordance with the procedure prescribed in the All-India Services (Discipline and Appeal) Rules, 1955. It may be necessary to consult the Union Public Service Commission.

(d) Yes; after action has been taken on the report.

Shri Ram Krishan: May I know whether the findings of the Chagla Commission have been upheld by this Commission; if not, may I know the nature of the difference?

Pandit G. B. Pant: It would not be fair to disclose the findings of this Board, because the officers concerned have yet to offer their explanation, the Government has to consider the case and, if necessary, it may have to be referred even to the Public Service Commission. We have to proceed in accordance with the procedure laid down in the disciplinary rules.

Shri Hem Barua: May I know whether the report of this Commission contains oblique references to our former Finance Minister; if so, are these references incidental or are they compelled by facts emerging out of this enquiry?

Pandit G. B. Pant: I have heard the word 'oblique' and nothing else.

Shri Sanganna: May I know whether the officers concerned in the en-

quiry report will be given an opportunity again to explain their charges to the Government?

Pandit G. B. Pant: I can't say at this stage whether the House will wish to discuss the matter, whether it will be a fit subject for discussion—all these will be considered.

Shri Morarka: May I know whether the attention of the Government has been drawn to the summary of the report that appeared in the Press; if so, whether that summary is substantially correct?

Pandit G. B. Pant: It is neither authentic, nor authorised.

Shri Thanu Pillai: May I know whether the Board of Enquiry has given any finding that the facts of the Mundhra deal were not placed before the Minister by the Secretary concerned, and full responsibility was taken by the Secretary?

Pandit G. B. Pant: I am not going to deal with the fragments of the report; in fact, I have not seen it yet.

Shri Dasappa: When the Government chooses to lay the report on the Table of the House, may I know whether it also lay the evidence that was tendered before the Board of Enquiry?

Pandit G. B. Pant: Well, I do not know under which circumstances the witnesses have given evidence, because the proceedings were held *in camera* and I am absolutely unaware of the circumstances in which the witnesses were persuaded or the witnesses agreed to give evidence. If the occasion for dealing with the evidence arises, I do not think this House would like to deal with the evidence as a revising or an appellate body.

Shri Hem Barua: Is it a fact that that all the three officers responsible for this deal have been held responsible by this Board of Enquiry, and out of these three officers there is the largest number of charges

against one; and, if so, may I know which.....

Mr. Speaker: Order, order. What is the good of going into details? The Minister has said that he himself has not looked into it.

Shri T. B. Vittal Rao: How can he say, in reply to a question by Shri Morarka, that the summary was not authentic or authorised without looking into it? Sir, it is a very serious thing.

Mr. Speaker: He said that he does not know whether it is oblique or straight.

Shri Hem Barua: But that shows that he has seen the report

Pandit G. B. Pant: Because neither any member of the Board of Enquiry nor any member of Government has issued any statement and the report as it has been received by Government is a confidential document, whatever has appeared is neither authentic nor authorised.

Shri Khadilkar: As a summary of the document has appeared in the Press and it has not been contradicted by Government, I would like to know from the hon Minister whether the findings as given in the Press are correct or incorrect, or in some way correct or incorrect?

Pandit G. B. Pant: I would expect Members not to accept anything until it has been confirmed by Government, instead of waiting for any contradiction from them.

Shri Mahanty: May I know why two officials, namely, the Governor of the Reserve Bank and the Chairman of the State Bank of India, who came up for mention in the report of the Chagla Enquiry Commission, were left out and their cases were not referred to the Vivian Bose Enquiry Committee under its terms of reference?

Pandit G. B. Pant: The Government did not consider it necessary to refer

their cases, and the resolution was issued mentioning the names of officers against whom the enquiry was to be made. Nobody in Parliament ever suggested, that other persons should be proceeded against, after the issue of that resolution.

Mr. Speaker: Shri Tangamani.

Shri Mahanty: Sir,.....

Mr. Speaker: I have called Shri Tangamani: The Minister says that all these suggestions must have been made earlier.

Shri Tangamani: May I know whether the report of the Vivian Bose Committee will be laid on the Table of the House along with the recommendations, or only the recommendations of the Committee and the decisions of Government?

Pandit G. B. Pant: I am not enthusiastic about either (*Interruptions*).

Shri Mahanty: The hon. Minister stated that nobody had ever suggested and, therefore their cases were not referred to the Vivian Bose Committee. If he will kindly go through the debate that took place on the report of the Chagla Commission, he will find any number of mentions to this effect. May we know, in all humility, what circumstances and what objective conditions the Government had before them for not referring these two cases to the Vivian Bose Committee?

Pandit G. B. Pant: What I said was that after the resolution had been published nobody in Parliament made any suggestion like that.

Shri Tyagi: As a result of these investigations, may I know whether Government have taken any steps to check the tendency amongst the officers of the Secretariat to shirk responsibility?

Pandit G. B. Pant: Well, I hope that the officers in the Secretariat are conscious of their responsibilities and will discharge them fearlessly and

independently, keeping before themselves only the best interest of the country and nothing else.

Food Situation in Kerala

S.N.Q. No. 20. **Shri V. P. Nayar:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether an All Parties Conference in Trivandrum on 18th September, 1958 has requested the Government of India to supply at least 10,000 tons of rice to Kerala immediately;

(b) whether it is a fact that due to lack of supplies to fair price shops, rice prices have been going up in Kerala; and

(c) what steps the Government propose to take to meet the situation?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes, a request to that effect has been received from the Food Minister of Kerala.

(b) There is no lack of supplies in the Southern Rice Zone. Although, of late, there has been some rise, the prices of rice in that zone are much lower than those prevailing in many parts of the country. The wholesale price of common rice in the Southern Zone including Kerala ranges between Rs. 19 and Rs. 21.50 per maund as against the prices of:—

	Rs.	Rs.
	per maund	
West Bengal	25.00	to 37.00
Bihar	24.25	to 27.50
Bombay	21.00	to 30.50
U.P.	21.50	to 24.50

2. Since the deficit of Kerala is more than covered by the surplus in the Southern Rice Zone, Kerala Government's requirements could be met by purchases within the Zone. It was decided that the Kerala Government would contribute Rs. 1 crore annually for subsidizing sale of rice. The Kerala Government have spent only a few lac of rupees and if there was any paucity of rice at the fair price shops, the State Government could buy and sell rice at subsidized rates.

3. Large scale movement of rice is taking place to Kerala on trade account. With the arrival of Kani crop in Kerala, Kurvai in Madras and Basangi in Andhra, the rice supply in the Southern Zone will improve further.

(c) The Food Minister of Kerala is today going to meet the Central Food Minister when the situation will be discussed.

Shri V. P. Nayar: May I know whether it is a fact that Kerala's purchase of rice has been confined to Andhra on the Government account and at present in the surplus districts of Andhra rice is available at prices far above the prices fixed by the Government of India so that it is almost impossible for the Government to purchase from those districts where there is surplus, notwithstanding the illegality of paying more price?

Shri A. P. Jain: The whole of the southern zone is open to the Kerala Government for making purchases of rice, and it is for them to have chosen the regions where they have to make purchases.

Shri V. P. Nayar: Are the Government of India aware that despite a recurring deficit to the extent of 50 per cent in Kerala the price of rice in Kerala is the lowest in India all these days and that that was due to the fair and proper distribution of the little quantity made available to that Government?

Shri A. P. Jain: Government have been a little more partial to Kerala in supplying the rice, and even today we are prepared to help to the extent possible.

Shri V. P. Nayar: The hon. Minister says that the Government of India have been a little more partial. May I know from him what is the total monthly average of rice supplied during the last six months as compared to the total monthly average in the six months before the last six months?