

The longer you stick to this attitude: "no, we will not accept the suggestion", the more you will lay yourself open to suspicion; and therefore, however efficient, however well-meaning your personnel may be they will be always attacked and they will be under a cloud of suspicion.

I hope Government will accept the constructive suggestions put forward by the Committee and Government will take early practical steps to amend the Act, and Parliament will with alacrity accept the implementation of the constructive recommendations.

Shri V. B. Gandhi (Bombay City—North): I must first blame this Government for giving this occasion to Dr. Lanka Sundaram to bring about this debate in the fashion that it has come before us today.

Shri T. K. Chaudhuri (Berhampore): On a point of order, Sir.....

Mr. Chairman: Let us listen; there is no point of order.

Shri V. B. Gandhi: You will remember last year this House debated an amending Bill for several days. It was out of the several charges made during the course of that debate that an Enquiry Committee was appointed. The Enquiry Committee took five long months to submit its report and Government has done nothing about it and here we are called, all of us, to speak for five minutes. I think it is very unfair to this House.

Several Hon. Members: Hear, hear.

Shri V. B. Gandhi: Government owes it to this House to have given us an opportunity for a full scale debate for several days on the subject. I will now come to the point. (*Interruptions*).

Mr. Chairman: Let us hear the hon. Member.

Shri V. B. Gandhi: It is not of course possible to deal with all of the points and insinuations,—because most of them were insinuations rather than any points—made by the two speakers

who have preceded me. Dr. Lankasundaram's tactics this time, rather unusual with him, were to raise a smokescreen; all the time he did not very much make a direct attack. The only point he made which attempts a direct hit was about loans to Directors. More about that a little later. In the first place, this House in 1948 passed an Act called the Industrial Finance Corporation Act and accepted a certain policy; again in 1952, that Act was amended in certain respects in order that it should be made more efficient for the purposes for which it was intended. Under either the original Act or the amended Act, there is nothing that should prevent this Corporation from advancing loans to Companies in which the Directors of the Corporation are interested. I won't go into the right or wrong of the thing. The Committee has made a number of suggestions on this point. Particularly, the Committee always kept in mind the need that in our country, and with the type of attitude we sometimes have towards such new organisations, it was necessary to keep in mind the old saying that Caesar's wife should be above suspicion. So in this respect that is, in respect of loans to companies in which the Directors of the Corporation were interested, the Committee has made a number of suggestions. The general view, or the general opinion to which, after a prolonged investigation into the facts of the situation, the Enquiry Committee came to, is given on page 12 of the Enquiry Committee's Report and I shall just read the relevant portion. It says:

"It would be difficult to put any blame on the Corporation for having granted loans to concerns in which the Chairman and the other Directors of the Corporation were interested either directly or indirectly, unless it could be established that grant of these loans was influenced in any way because of the interests of the Chairman or the Directors of the Corporation or that the Corporation relaxed the rules and terms and conditions in favour of the concerns and that these were not credit-worthy."